

110TH CONGRESS
1ST SESSION

H. R. 2419

AN ACT

To provide for the continuation of agricultural programs
through fiscal year 2012, and for other purposes.

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



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

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Farm, Nutrition, and Bioenergy Act of 2007”.

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

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1 **SEC. 1001. DEFINITIONS.**

2 In this title:

3 (1) AGRICULTURAL ACT OF 1949.—The term
4 “Agricultural Act of 1949” means the Agricultural
5 Act of 1949 (7 U.S.C. 1421 et seq.), as in effect
6 prior to the suspensions under section 171 of the
7 Federal Agriculture Improvement and Reform Act of
8 1996 (7 U.S.C. 7301), section 1602(b) of the Farm
9 Security and Rural Investment Act of 2002 (7
10 U.S.C. 7992(b)), and section 1502(b) of this Act.

11 (2) BASE ACRES.—The term “base acres”, with
12 respect to a covered commodity on a farm, means
13 the number of acres established under sections 1101
14 and 1302 of the Farm Security and Rural Invest-
15 ment Act of 2002 (7 U.S.C. 7911, 7952), as in ef-
16 fect on the day before the date of the enactment of
17 this Act, subject to any adjustment under section
18 1101 of this Act.

19 (3) COMPARABLE UNITED STATES QUALITY.—
20 The term “Comparable United States Quality”, with

1 respect to upland cotton, means upland cotton clas-
2 sified as Middling (M) 1³/₃₂-inch cotton with a
3 micronaire of 3.7 to 4.2, strength 30 grams per tex,
4 and uniformity of 83.

5 (4) COUNTER-CYCLICAL PAYMENT.—The term
6 “counter-cyclical payment” means a payment made
7 to producers on a farm under section 1103 or 1104.

8 (5) COVERED COMMODITY.—The term “covered
9 commodity” means wheat, corn, grain sorghum, bar-
10 ley, oats, upland cotton, rice, soybeans, peanuts, and
11 other oilseeds.

12 (6) DIRECT PAYMENT.—The term “direct pay-
13 ment” means a payment made to producers on a
14 farm under section 1102.

15 (7) EFFECTIVE PRICE.—The term “effective
16 price”, with respect to a covered commodity for a
17 crop year, means the price calculated by the Sec-
18 retary under section 1103 to determine whether
19 counter-cyclical payments are required to be made
20 for that crop year under that section.

21 (8) EXTRA LONG STAPLE COTTON.—The term
22 “extra long staple cotton” means cotton that—

23 (A) is produced from pure strain varieties
24 of the Barbadosense species or any hybrid of the
25 species, or other similar types of extra long sta-

1 ple cotton, designated by the Secretary, having
2 characteristics needed for various end uses for
3 which United States upland cotton is not suit-
4 able and grown in irrigated cotton-growing re-
5 gions of the United States designated by the
6 Secretary or other areas designated by the Sec-
7 retary as suitable for the production of the vari-
8 eties or types; and

9 (B) is ginned on a roller-type gin or, if au-
10 thorized by the Secretary, ginned on another
11 type gin for experimental purposes.

12 (9) FAR EAST PRICE.—The term “Far East
13 price” means the Friday through Thursday average
14 price quotation for the three lowest-priced growths
15 of upland cotton, as quoted for Middling (M) 1³/₃₂-
16 inch cotton, delivered C/F Far East.

17 (10) LOAN COMMODITY.—The term “loan com-
18 modity” means wheat, corn, grain sorghum, feed
19 barley, malt barley, oats, upland cotton, extra long
20 staple cotton, long grain rice, medium grain rice,
21 short grain rice, soybeans, peanuts, other oilseeds,
22 wool, mohair, honey, dry peas, lentils, and small
23 chickpeas.

24 (11) OTHER OILSEED.—The term “other oil-
25 seed” means a crop of sunflower seed, rapeseed,

1 canola, safflower, flaxseed, mustard seed, crambe,
2 sesame seed, or, if designated by the Secretary, an-
3 other oilseed.

4 (12) PAYMENT ACRES.—The term “payment
5 acres”, with respect to a covered commodity on a
6 farm, means 85 percent of the base acres for the
7 covered commodity, on which direct payments and
8 counter-cyclical payments are made.

9 (13) PAYMENT YIELD.—The term “payment
10 yield” means the yield established for direct pay-
11 ments and counter-cyclical payments under section
12 1102 or 1302 of the Farm Security and Rural In-
13 vestment Act of 2002 (7 U.S.C. 7912; 7952), as in
14 effect on the day before the date of the enactment
15 of this Act, for a farm for a covered commodity.

16 (14) PRODUCER.—

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

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

1 (i) not take into consideration the ex-
2 istence of a hybrid seed contract; and

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

7 (15) SECRETARY.—The term “Secretary”
8 means the Secretary of Agriculture.

9 (16) STATE.—The term “State” means each of
10 the several States of the United States, the District
11 of Columbia, the Commonwealth of Puerto Rico, and
12 any other territory or possession of the United
13 States.

14 (17) TARGET PRICE.—The term “target price”
15 means the price per bushel (or other appropriate
16 unit in the case of upland cotton, rice, peanuts, and
17 other oilseeds) of a covered commodity used to de-
18 termine the payment rate for counter-cyclical pay-
19 ments under section 1103.

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

23 (19) UNITED STATES PREMIUM FACTOR.—The
24 term “United States Premium Factor” means the
25 percentage by which the difference in the United

1 States loan schedule premiums for Strict Middling
2 (SM) 1¹/₈-inch cotton and for M 1³/₃₂-inch exceeds
3 the difference in the applicable premiums for com-
4 parable international qualities delivered C/F Far
5 East.

6 **Subtitle A—Direct Payments and**
7 **Counter-Cyclical Payments**

8 **SEC. 1101. ADJUSTMENTS TO BASE ACRES.**

9 (a) TREATMENT OF CONSERVATION RESERVE CON-
10 TRACT ACREAGE.—

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

15 (A) A conservation reserve contract en-
16 tered into under section 1231 of the Food Secu-
17 rity Act of 1985 (16 U.S.C. 3831) with respect
18 to the farm expires or is voluntarily terminated.

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

22 (2) SPECIAL PAYMENT RULES.—For the crop
23 year in which a base acres adjustment under para-
24 graph (1) is first made, the owner of the farm shall
25 elect to receive either direct payments and counter-

1 cyclical payments with respect to the acreage added
2 to the farm under this subsection or a prorated pay-
3 ment under the conservation reserve contract, but
4 not both.

5 (b) PREVENTION OF EXCESS BASE ACRES.—

6 (1) REQUIRED REDUCTION.—If the sum of the
7 base acres for a farm, together with the acreage de-
8 scribed in paragraph (2), exceeds the actual crop-
9 land acreage of the farm, the Secretary shall reduce
10 the base acres for 1 or more covered commodities for
11 the farm so that the sum of the base acres and acre-
12 age described in paragraph (2) does not exceed the
13 actual cropland acreage of the farm.

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

16 (A) Any acreage on the farm enrolled in
17 the conservation reserve program or wetlands
18 reserve program under chapter 1 of subtitle D
19 of title XII of the Food Security Act of 1985
20 (16 U.S.C. 3830 et seq.).

21 (B) Any other acreage on the farm en-
22 rolled in a conservation program for which pay-
23 ments are made in exchange for not producing
24 an agricultural commodity on the acreage.

1 (3) SELECTION OF ACRES.—The Secretary shall
2 give the owner of the farm the opportunity to select
3 the base acres against which the reduction required
4 by paragraph (1) will be made.

5 (4) EXCEPTION FOR DOUBLE-CROPPED ACRE-
6 AGE.—In applying paragraph (1), the Secretary
7 shall make an exception in the case of double crop-
8 ping, as determined by the Secretary.

9 (c) PERMANENT REDUCTION IN BASE ACRES.—

10 (1) IN GENERAL.—The owner of a farm may
11 reduce, at any time, the base acres for any covered
12 commodity for the farm.

13 (2) ADMINISTRATION.—The reduction shall be
14 permanent and made in the manner prescribed by
15 the Secretary.

16 **SEC. 1102. AVAILABILITY OF DIRECT PAYMENTS.**

17 (a) PAYMENT REQUIRED.—For each of the 2008
18 through 2012 crop years of each covered commodity, the
19 Secretary shall make direct payments to producers on
20 farms for which payment yields and base acres are estab-
21 lished.

22 (b) PAYMENT RATE.—The payment rates used to
23 make direct payments with respect to covered commodities
24 for a crop year are as follows:

25 (1) Wheat, \$0.52 per bushel.

- 1 (2) Corn, \$0.28 per bushel.
- 2 (3) Grain sorghum, \$0.35 per bushel.
- 3 (4) Barley, \$0.24 per bushel.
- 4 (5) Oats, \$0.024 per bushel.
- 5 (6) Upland cotton, \$0.0667 per pound.
- 6 (7) Rice, \$2.35 per hundredweight.
- 7 (8) Soybeans, \$0.44 per bushel.
- 8 (9) Other oilseeds, \$0.0080 per pound.
- 9 (10) Peanuts, \$36.00 per ton.

10 (c) PAYMENT AMOUNT.—The amount of the direct
11 payment to be paid to the producers on a farm for a cov-
12 ered commodity for a crop year shall be equal to the prod-
13 uct of the following:

14 (1) The payment rate specified in subsection
15 (b).

16 (2) The payment acres of the covered com-
17 modity on the farm.

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

20 (d) TIME FOR PAYMENT.—

21 (1) IN GENERAL.—In the case of each of the
22 2008 through 2012 crop years, the Secretary may
23 not make direct payments before October 1 of the
24 calendar year in which the crop of the covered com-
25 modity is harvested.

1 (2) ADVANCE PAYMENTS.—

2 (A) OPTION.—At the option of the pro-
3 ducers on a farm, up to 22 percent of the direct
4 payment for a covered commodity for any of the
5 2008 through 2011 crop years shall be paid to
6 the producers in advance.

7 (B) MONTH.—

8 (i) SELECTION.—The producers shall
9 select the month within which the advance
10 payment for a crop year will be made.

11 (ii) OPTIONS.—The month selected
12 may be any month during the period be-
13 ginning on December 1 of the calendar
14 year before the calendar year in which the
15 crop of the covered commodity is harvested
16 through the month within which the direct
17 payment would otherwise be made.

18 (iii) CHANGE.—The producers may
19 change the selected month for a subse-
20 quent advance payment by providing ad-
21 vance notice to the Secretary.

22 (3) REPAYMENT OF ADVANCE PAYMENTS.—If a
23 producer on a farm that receives an advance direct
24 payment for a crop year ceases to be a producer on
25 that farm, or the extent to which the producer

1 shares in the risk of producing a crop changes, be-
2 fore the date the remainder of the direct payment is
3 made, the producer shall be responsible for repaying
4 the Secretary the applicable amount of the advance
5 payment, as determined by the Secretary.

6 (e) PROHIBITION ON DE MINIMIS PAYMENTS.—If
7 the total direct payment to be paid to a producer on a
8 farm for all covered commodities is less than \$25.00, the
9 Secretary shall not tender the direct payment to the pro-
10 ducer.

11 **SEC. 1103. AVAILABILITY OF COUNTER-CYCLICAL PAY-**
12 **MENTS.**

13 (a) PAYMENT REQUIRED.—For each of the 2008
14 through 2012 crop years for each covered commodity, the
15 Secretary shall make counter-cyclical payments to pro-
16 ducers on farms for which payment yields and base acres
17 are established with respect to the covered commodity if
18 the Secretary determines that the effective price for the
19 covered commodity is less than the target price for the
20 covered commodity.

21 (b) EFFECTIVE PRICE.—For purposes of subsection
22 (a), the effective price for a covered commodity is equal
23 to the sum of the following:

24 (1) The higher of the following:

1 (A) The national average market price re-
2 ceived by producers during the 12-month mar-
3 keting year for the covered commodity, as de-
4 termined by the Secretary.

5 (B) The national average loan rate for a
6 marketing assistance loan for the covered com-
7 modity in effect for the applicable period under
8 subtitle B, except that, for the purpose of calcu-
9 lating counter-cyclical payments under this sec-
10 tion for rice and barley, the Secretary shall es-
11 tablish national average all rice and all barley
12 loan rates.

13 (2) The payment rate in effect for the covered
14 commodity under section 1102 for the purpose of
15 making direct payments with respect to the covered
16 commodity.

17 (c) TARGET PRICE.—For purposes of subsection (a),
18 the target prices for covered commodities shall be as fol-
19 lows:

- 20 (1) Wheat, \$4.15 per bushel.
- 21 (2) Corn, \$2.63 per bushel.
- 22 (3) Grain sorghum, \$2.57 per bushel.
- 23 (4) Barley, \$2.73 per bushel.
- 24 (5) Oats, \$1.50 per bushel.
- 25 (6) Upland cotton, \$0.70 per pound.

1 (7) Rice, \$10.50 per hundredweight.

2 (8) Soybeans, \$6.10 per bushel.

3 (9) Other oilseeds, \$0.1150 per pound.

4 (10) Peanuts, \$495.00 per ton.

5 (d) PAYMENT RATE.—The payment rate used to
6 make counter-cyclical payments with respect to a covered
7 commodity for a crop year shall be equal to the difference
8 between—

9 (1) the target price for the covered commodity;

10 and

11 (2) the effective price determined under sub-
12 section (b) for the covered commodity.

13 (e) PAYMENT AMOUNT.—If counter-cyclical pay-
14 ments are required to be paid under this section for any
15 of the 2008 through 2012 crop years of a covered com-
16 modity, the amount of the counter-cyclical payment to be
17 paid to the producers on a farm for that crop year shall
18 be equal to the product of the following:

19 (1) The payment rate specified in subsection
20 (d).

21 (2) The payment acres of the covered com-
22 modity on the farm.

23 (3) The payment yield for the covered com-
24 modity for the farm.

25 (f) TIME FOR PAYMENTS.—

1 (1) GENERAL RULE.—If the Secretary deter-
2 mines under subsection (a) that counter-cyclical pay-
3 ments are required to be made under this section for
4 the crop of a covered commodity, the Secretary shall
5 make the counter-cyclical payments for the crop as
6 soon as practicable after the end of the 12-month
7 marketing year for the covered commodity.

8 (2) AVAILABILITY OF PARTIAL PAYMENTS.—If,
9 before the end of the 12-month marketing year for
10 a covered commodity, the Secretary estimates that
11 counter-cyclical payments will be required for the
12 crop of the covered commodity, the Secretary shall
13 give producers on a farm the option to receive par-
14 tial payments of the counter-cyclical payment pro-
15 jected to be made for that crop of the covered com-
16 modity.

17 (3) TIME FOR PARTIAL PAYMENTS FOR 2008
18 THROUGH 2010 CROP YEARS.—If the Secretary is re-
19 quired to make partial payments available under
20 paragraph (2) for a covered commodity for any of
21 the 2008 through 2010 crop years—

22 (A) the first partial payment shall be made
23 after completion of the first 6 months of the
24 marketing year for the covered commodity; and

1 (B) the final partial payment shall be
2 made the later of the following:

3 (i) As soon as practicable after the
4 end of the 12-month marketing year for
5 the covered commodity.

6 (ii) October 1 of the fiscal year start-
7 ing in the same calendar year as the end
8 of the marketing year.

9 (4) AMOUNT OF PARTIAL PAYMENTS.—

10 (A) FIRST PARTIAL PAYMENT.—For each
11 of the 2008 through 2010 crop years, the first
12 partial payment under paragraph (3) to the
13 producers on a farm may not exceed 40 percent
14 of the projected counter-cyclical payment for
15 the covered commodity for the crop year, as de-
16 termined by the Secretary.

17 (B) FINAL PAYMENT.—The final payment
18 for each of the 2008 through 2010 crop years
19 shall be equal to the difference between—

20 (i) the actual counter-cyclical payment
21 to be made to the producers for the cov-
22 ered commodity for that crop year; and

23 (ii) the amount of the partial payment
24 made to the producers under subparagraph
25 (A).

1 (5) REPAYMENT.—The producers on a farm
2 that receive a partial payment under this subsection
3 for a crop year shall repay to the Secretary the
4 amount, if any, by which the total of the partial pay-
5 ments exceed the actual counter-cyclical payment to
6 be made for the covered commodity for that crop
7 year.

8 (g) PROHIBITION ON DE MINIMIS PAYMENTS.—If
9 the total counter-cyclical payment to be paid to a producer
10 on a farm for all covered commodities is less than \$25.00,
11 the Secretary shall not tender the counter-cyclical pay-
12 ment to the producer.

13 **SEC. 1104. AVAILABILITY OF REVENUE-BASED COUNTER-**
14 **CYCLICAL PAYMENTS.**

15 (a) AVAILABILITY AND ELECTION OF ALTERNATIVE
16 APPROACH.—

17 (1) AVAILABILITY OF REVENUE-BASED
18 COUNTER-CYCLICAL PAYMENTS.—As an alternative
19 to receiving counter-cyclical payments under section
20 1103 with respect to each covered commodity on a
21 farm, the Secretary shall give the producers on the
22 farm an opportunity to elect to instead receive rev-
23 enue-based counter-cyclical payments under this sec-
24 tion for the 2008 through 2012 crop years.

1 (2) SINGLE ELECTION; TIME FOR ELECTION.—

2 As soon as practicable after the date of enactment
3 of this Act, the Secretary shall provide notice to pro-
4 ducers regarding their opportunity to make the elec-
5 tion described in paragraph (1). The notice shall in-
6 clude the following:

7 (A) Notice that the opportunity of the pro-
8 ducers on a farm to make the election is being
9 provided only once.

10 (B) Information regarding the manner in
11 which the election must be made and the time
12 periods and manner in which notice of the elec-
13 tion must be submitted to the Secretary.

14 (3) ELECTION DEADLINE.—Within the time pe-
15 riod and in the manner prescribed pursuant to para-
16 graph (2), the producers on a farm shall submit to
17 the Secretary notice of the election made under
18 paragraph (1).

19 (4) EFFECT OF FAILURE TO MAKE ELEC-
20 TION.—If the producers on a farm fail to make the
21 election under paragraph (1) or fail to timely notify
22 the Secretary of the election made, as required by
23 paragraph (3), the producers shall be deemed to
24 have made the election to receive counter-cyclical

1 payments under section 1103 for all covered com-
2 modities on the farm.

3 (b) PAYMENT REQUIRED.—In the case of producers
4 on a farm who make the election under subsection (a) to
5 receive revenue-based counter-cyclical payments, the Sec-
6 retary shall make revenue-based counter-cyclical payments
7 to such producers with respect to a covered commodity
8 on the farm, if the Secretary determines that the national
9 actual revenue per acre for the covered commodity is less
10 than the national target revenue per acre for the covered
11 commodity, as determined pursuant to this section.

12 (c) NATIONAL ACTUAL REVENUE PER ACRE.—For
13 each covered commodity for each of the 2008 through
14 2012 crop years, the Secretary shall establish a national
15 actual revenue per acre by multiplying the national aver-
16 age yield for the given year by the higher of—

17 (1) the national average market price received
18 by producers of the covered commodity during the
19 12-month marketing year established by the Sec-
20 retary; or

21 (2) the loan rate for the covered commodity
22 under section 1202, except that, for the purpose of
23 calculating national actual revenue per acre for rice
24 and barley, the Secretary shall establish national av-
25 erage all rice and all barley loan rates.

1 (d) NATIONAL TARGET REVENUE PER ACRE.—The
2 national target revenue per acre shall be, on a per acre
3 basis, as follows:

- 4 (1) Wheat, \$149.92.
- 5 (2) Corn, \$344.12.
- 6 (3) Grain Sorghum, \$131.28.
- 7 (4) Barley, \$153.30.
- 8 (5) Oats, \$92.10
- 9 (6) Upland cotton, \$496.93.
- 10 (7) Rice, \$548.06.
- 11 (8) Soybeans, \$231.87.
- 12 (9) Other oilseeds, \$129.18.
- 13 (10) Peanuts, \$683.83.

14 (e) NATIONAL PAYMENT YIELD.—The national pay-
15 ment yield shall be as follows:

- 16 (1) Wheat, 36.1 bushels per acre.
- 17 (2) Corn, 114.4 bushels per acre.
- 18 (3) Grain Sorghum, 58.2 bushels per acre.
- 19 (4) Barley, 48.6 bushels per acre.
- 20 (5) Oats, 49.8 bushels per acre.
- 21 (6) Upland cotton, 634 pounds per acre.
- 22 (7) Rice, 51.28 hundredweight per acre.
- 23 (8) Soybeans, 34.1 bushels per acre.
- 24 (9) Other oilseeds, 1167.6 pounds per acre.
- 25 (10) Peanuts, 1.496 tons per acre.

1 (f) NATIONAL PAYMENT RATE.—The national pay-
2 ment rate used to make revenue-based counter-cyclical
3 payments for a crop year shall be the result of—

4 (1) the difference between the national target
5 revenue per acre for the covered commodity and the
6 national actual revenue per acre for the covered
7 commodity; divided by

8 (2) the national payment yield for the covered
9 commodity.

10 (g) PAYMENT AMOUNT.—If revenue-based counter-
11 cyclical payments are required to be paid for any of the
12 2008 through 2012 crop years of a covered commodity,
13 the amount of the counter-cyclical payment to be paid to
14 the producers on a farm for that crop year for the covered
15 commodity shall be equal to the product of—

16 (1) the national payment rate for the covered
17 commodity;

18 (2) the payment acres of the covered commodity
19 on the farm; and

20 (3) the payment yield for counter-cyclical pay-
21 ments for the covered commodity.

22 (h) TIME FOR PAYMENTS.—

23 (1) GENERAL RULE.—If the Secretary deter-
24 mines that revenue-based counter-cyclical payments
25 are required to be made under this section for the

1 crop of a covered commodity, the Secretary shall
2 make the counter-cyclical payments for the crop as
3 soon as practicable after the end of the 12-month
4 marketing year for the covered commodity.

5 (2) AVAILABILITY OF PARTIAL PAYMENTS.—If,
6 before the end of the 12-month marketing year for
7 a covered commodity, the Secretary estimates that
8 revenue-based counter-cyclical payments will be re-
9 quired for the crop of the covered commodity, the
10 Secretary shall give producers on a farm the option
11 to receive partial payments of the revenue-based
12 counter-cyclical payments projected to be made for
13 that crop of the covered commodity.

14 (3) TIME FOR PARTIAL PAYMENTS FOR 2008
15 THROUGH 2010 CROP YEARS.—If the Secretary is re-
16 quired to make partial payments available under
17 paragraph (2) for a covered commodity for any of
18 the 2008 through 2010 crop years—

19 (A) the first partial payment shall be made
20 after completion of the first 6 months of the
21 marketing year for the covered commodity; and

22 (B) the final partial payment shall be
23 made the later of the following:

1 (i) As soon as practicable after the
2 end of the 12-month marketing year for
3 the covered commodity.

4 (ii) October 1 of the fiscal year start-
5 ing in the same calendar year as the end
6 of the marketing year.

7 (4) AMOUNT OF PARTIAL PAYMENTS.—

8 (A) FIRST PARTIAL PAYMENT.—For each
9 of the 2008 through 2010 crop years, the first
10 partial payment under paragraph (3) to the
11 producers on a farm may not exceed 40 percent
12 of the projected revenue-based counter-cyclical
13 payment for the covered commodity for the crop
14 year, as determined by the Secretary.

15 (B) FINAL PAYMENT.—The final payment
16 for each of the 2008 through 2010 crop years
17 shall be equal to the difference between—

18 (i) the actual revenue-based counter-
19 cyclical payments to be made to the pro-
20 ducers for the covered commodity for that
21 crop year; and

22 (ii) the amount of the partial payment
23 made to the producers on a farm under
24 subparagraph (A) for that crop year.

1 (5) REPAYMENT.—Producers on a farm that
2 receive a partial payment under this subsection for
3 a crop year shall repay to the Secretary the amount,
4 if any, by which the total of the partial payments ex-
5 ceed the actual revenue-based counter-cyclical pay-
6 ments to be made for the covered commodity for
7 that crop year.

8 (i) PROHIBITION ON DE MINIMIS PAYMENTS.—If the
9 total revenue-based counter-cyclical payment to be paid to
10 a producer on a farm for all covered commodities is less
11 than \$25.00, the Secretary shall not tender the revenue-
12 based counter-cyclical payment to the producer.

13 **SEC. 1105. PRODUCER AGREEMENT REQUIRED AS CONDI-**
14 **TION OF PROVISION OF DIRECT PAYMENTS**
15 **AND COUNTER-CYCLICAL PAYMENTS.**

16 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

17 (1) REQUIREMENTS.—Before the producers on
18 a farm may receive direct payments or counter-cycli-
19 cal payments with respect to the farm, the producers
20 shall agree, during the crop year for which the pay-
21 ments are made and in exchange for the payments—

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

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

4 (C) to comply with the planting flexibility
5 requirements of section 1106;

6 (D) to use the land on the farm, in a
7 quantity equal to the attributable base acres for
8 the farm for an agricultural or conserving use,
9 and not for a nonagricultural commercial or in-
10 dustrial use, as determined by the Secretary;
11 and

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

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

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

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

3 (1) TERMINATION.—

4 (A) IN GENERAL.—Except as provided in
5 paragraph (2), a transfer of (or change in) the
6 interest of the producers on a farm in base
7 acres for which direct payments or counter-cy-
8 clical payments are made shall result in the ter-
9 mination of the payments with respect to the
10 base acres, unless the transferee or owner of
11 the acreage agrees to assume all obligations
12 under subsection (a).

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

16 (2) EXCEPTION.—If a producer entitled to a di-
17 rect payment or counter-cyclical payment dies, be-
18 comes incompetent, or is otherwise unable to receive
19 the payment, the Secretary shall make the payment,
20 in accordance with rules issued by the Secretary.

21 (c) ACREAGE REPORTS.—As a condition on the re-
22 ceipt of any benefits under this subtitle or subtitle B, the
23 Secretary shall require producers on a farm to submit to
24 the Secretary annual acreage reports with respect to all
25 cropland on the farm.

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

5 (e) SHARING OF PAYMENTS.—The Secretary shall
6 provide for the sharing of direct payments and counter-
7 cyclical payments among the producers on a farm on a
8 fair and equitable basis.

9 **SEC. 1106. PLANTING FLEXIBILITY.**

10 (a) PERMITTED CROPS.—Subject to subsection (b),
11 any commodity or crop may be planted on base acres on
12 a farm.

13 (b) LIMITATIONS REGARDING CERTAIN COMMOD-
14 ITIES.—

15 (1) GENERAL LIMITATION.—The planting of an
16 agricultural commodity specified in paragraph (3)
17 shall be prohibited on base acres unless the com-
18 modity, if planted, is destroyed before harvest.

19 (2) TREATMENT OF TREES AND OTHER
20 PERENNIALS.—The planting of an agricultural com-
21 modity specified in paragraph (3) that is produced
22 on a tree or other perennial plant shall be prohibited
23 on base acres.

1 (3) COVERED AGRICULTURAL COMMODITIES.—
2 Paragraphs (1) and (2) apply to the following agri-
3 cultural commodities:

4 (A) Fruits.

5 (B) Vegetables (other than lentils, mung
6 beans, and dry peas).

7 (C) Wild rice.

8 (e) EXCEPTIONS.—Paragraphs (1) and (2) of sub-
9 section (b) shall not limit the planting of an agricultural
10 commodity specified in paragraph (3) of that subsection—

11 (1) in any region in which there is a history of
12 double-cropping of covered commodities with agricul-
13 tural commodities specified in subsection (b)(3), as
14 determined by the Secretary, in which case the dou-
15 ble-cropping shall be permitted;

16 (2) on a farm that the Secretary determines
17 has a history of planting agricultural commodities
18 specified in subsection (b)(3) on base acres, except
19 that direct payments and counter-cyclical payments
20 shall be reduced by an acre for each acre planted to
21 such an agricultural commodity; or

22 (3) by the producers on a farm that the Sec-
23 retary determines has an established planting his-
24 tory of a specific agricultural commodity specified in
25 subsection (b)(3), except that—

1 (A) the quantity planted may not exceed
2 the average annual planting history of such ag-
3 ricultural commodity by the producers on the
4 farm in the 1991 through 1995 or 1998
5 through 2001 crop years (excluding any crop
6 year in which no plantings were made), as de-
7 termined by the Secretary; and

8 (B) direct payments and counter-cyclical
9 payments shall be reduced by an acre for each
10 acre planted to such agricultural commodity.

11 (d) PLANTING TRANSFERABILITY PILOT PROJECT.—

12 (1) PILOT PROJECT AUTHORIZED.—In addition
13 to the exceptions provided in subsection (c), the Sec-
14 retary shall carry out a pilot project in the State of
15 Indiana under which paragraphs (1) and (2) of sub-
16 section (b) shall not limit the planting of tomatoes
17 grown for processing on up to 10,000 base acres
18 during each of the 2008 through 2012 crop years.

19 (2) CONTRACT AND MANAGEMENT REQUIRE-
20 MENTS.— To be eligible for selection to participate
21 in the pilot project, a producer must—

22 (A) have a contract to grow tomatoes for
23 processing; and

24 (B) agree to produce the tomatoes as part
25 of a program of crop rotation on the farm to

1 achieve agronomic and pest and disease man-
2 agement benefits.

3 (3) TEMPORARY REDUCTION IN BASE ACRES.—

4 The base acres on a farm for a crop year shall be
5 reduced by an acre for each acre planted to tomatoes
6 under the pilot program.

7 (4) DURATION OF REDUCTIONS.—The reduc-
8 tion in the base acres of a farm for a crop year
9 under paragraph (3) shall expire at the end of the
10 crop year, unless the producers on the farm elect to
11 continue to participate in the pilot project for the
12 subsequent crop year.

13 (5) RECALCULATION OF BASE ACRES.—If the
14 Secretary recalculates base acres for a farm while
15 the farm is included in the pilot project, the planting
16 and production of tomatoes under the pilot project
17 shall be considered to be the same as the planting,
18 prevented planting, or production of a covered com-
19 modity. Nothing in this paragraph provides author-
20 ity for the Secretary to recalculate base acres for a
21 farm.

22 **SEC. 1107. PERIOD OF EFFECTIVENESS.**

23 This subtitle shall be effective beginning with the
24 2008 crop year of each covered commodity through the
25 2012 crop year.

1 **Subtitle B—Marketing Assistance**
2 **Loans and Loan Deficiency Pay-**
3 **ments**

4 **SEC. 1201. AVAILABILITY OF NONRECOURSE MARKETING**
5 **ASSISTANCE LOANS FOR LOAN COMMOD-**
6 **ITIES.**

7 (a) NONRECOURSE LOANS AVAILABLE.—

8 (1) AVAILABILITY.—For each of the 2008
9 through 2012 crops of each loan commodity, the
10 Secretary shall make available to producers on a
11 farm nonrecourse marketing assistance loans for
12 loan commodities produced on the farm.

13 (2) TERMS AND CONDITIONS.—The marketing
14 assistance loans shall be made under terms and con-
15 ditions that are prescribed by the Secretary and at
16 the loan rate established under section 1202 for the
17 loan commodity.

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

22 (c) TREATMENT OF CERTAIN COMMINGLED COM-
23 MODITIES.—In carrying out this subtitle, the Secretary
24 shall make loans to producers on a farm that would be
25 eligible to obtain a marketing assistance loan, but for the

1 fact the loan commodity owned by the producers on the
2 farm commingled with loan commodities of other pro-
3 ducers in facilities unlicensed for the storage of agricul-
4 tural commodities by the Secretary or a State licensing
5 authority, if the producers obtaining the loan agree to im-
6 mediately redeem the loan collateral in accordance with
7 section 166 of the Federal Agriculture Improvement and
8 Reform Act of 1996 (7 U.S.C. 7286).

9 (d) COMPLIANCE WITH CONSERVATION AND WET-
10 LANDS REQUIREMENTS.—As a condition of the receipt of
11 a marketing assistance loan under subsection (a), the pro-
12 ducer shall comply with applicable conservation require-
13 ments under subtitle B of title XII of the Food Security
14 Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-
15 land protection requirements under subtitle C of title XII
16 of the Act (16 U.S.C. 3821 et seq.) during the term of
17 the loan.

18 (e) PEANUT-RELATED LOAN PROVISIONS.—

19 (1) OPTIONS FOR OBTAINING LOANS.—A mar-
20 keting assistance loan for peanuts under this section
21 and loan deficiency payments for peanuts under sec-
22 tion 1205 may be obtained at option of the pro-
23 ducers on a farm through—

1 (A) a designated marketing association or
2 marketing cooperative of producers that is ap-
3 proved by the Secretary; or

4 (B) the Farm Service Agency.

5 (2) STORAGE OF LOAN PEANUTS.—As a condi-
6 tion on the Secretary’s approval of an individual or
7 entity to provide storage for peanuts for which a
8 marketing assistance loan is made under this sec-
9 tion, the individual or entity shall agree—

10 (A) to provide such storage on a non-
11 discriminatory basis; and

12 (B) to comply with such additional require-
13 ments as the Secretary considers appropriate to
14 accomplish the purposes of this section and pro-
15 mote fairness in the administration of the bene-
16 fits of this section.

17 (3) MARKETING.—A marketing association or
18 cooperative may market peanuts for which a loan is
19 made under this section in any manner that con-
20 forms to consumer needs, including the separation of
21 peanuts by type and quality.

1 **SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING**
2 **ASSISTANCE LOANS.**

3 (a) LOAN RATES.—The loan rate for a marketing as-
4 sistance loan under section 1201 for a loan commodity
5 shall be equal to the following:

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

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

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

10 (4) In the case of malt barley, \$2.50 per bushel.

11 (5) In the case of feed barley, \$1.90 per bushel.

12 (6) In the case of oats, \$1.46 per bushel.

13 (7) In the case of the base quality of upland
14 cotton, \$0.52 per pound.

15 (8) In the case of extra long staple cotton,
16 \$0.7977 per pound.

17 (9) In the case of long grain rice, \$6.50 per
18 hundredweight.

19 (10) In the case of medium grain rice and short
20 grain rice, \$6.50 per hundredweight.

21 (11) In the case of soybeans, \$5.00 per bushel.

22 (12) In the case of other oilseeds, \$0.1070 per
23 pound for each of the following kinds of oilseeds:

24 (A) Sunflower seed.

25 (B) Rapeseed.

26 (C) Canola.

1 (D) Safflower.

2 (E) Flaxseed.

3 (F) Mustard seed.

4 (G) Crambe.

5 (H) Sesame seed.

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

8 (13) In the case of dry peas, \$5.40 per hun-
9 dredweight.

10 (14) In the case of lentils, \$11.28 per hundred-
11 weight.

12 (15) In the case of small chickpeas, \$8.54 per
13 hundredweight.

14 (16) In the case of peanuts, \$355.00 per ton.

15 (17) In the case of graded wool, \$1.10 per
16 pound.

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

19 (19) In the case of honey, \$0.60 per pound.

20 (20) In the case of mohair, \$4.20 per pound.

21 (b) SINGLE COUNTY LOAN RATE FOR OTHER OIL-
22 SEEDS.—The Secretary shall establish a single loan rate
23 in each county for each kind of other oilseeds described
24 in subsection (a)(12).

1 (c) SPECIAL RULES FOR CORN AND GRAIN SOR-
2 GHUM.—

3 (1) SINGLE COUNTY AND NATIONAL AVERAGE
4 LOAN RATE.—The Secretary shall—

5 (A) establish a single county loan rate for
6 corn and grain sorghum in each county;

7 (B) establish a single national average loan
8 rate for corn and grain sorghum; and

9 (C) determine each county loan rate and
10 the national average loan rate for corn and
11 grain sorghum and any and all other program
12 loan rates applicable to corn and grain sorghum
13 from a data set that includes prices for both
14 commodities.

15 (2) ADMINISTRATION.—With respect to corn
16 and grain sorghum, the Secretary—

17 (A) shall administer the applicable loan,
18 marketing loan, counter-cyclical payment, and
19 related programs from a single loan rate for
20 corn and grain sorghum that is identical in
21 each individual county;

22 (B) shall provide that any adjustment in
23 the loan rate for location shall be determined
24 and applied on the basis of the combined data
25 set such that any transportation adjustment

1 shall be the same for corn and grain sorghum
2 in each individual county; and

3 (C) may provide for adjustments for grade,
4 type, and quality as appropriate for the corn or
5 grain sorghum involved in each specific trans-
6 action.

7 **SEC. 1203. TERM OF LOANS.**

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

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

16 **SEC. 1204. REPAYMENT OF LOANS.**

17 (a) **GENERAL RULE.**—The Secretary shall permit the
18 producers on a farm to repay a marketing assistance loan
19 under section 1201 for a loan commodity (other than up-
20 land cotton, long grain rice, medium grain rice, short
21 grain rice, extra long staple cotton, and confectionery and
22 each other kind of sunflower seed (other than oil sunflower
23 seed)) at the lesser of the following:

24 (1) The loan rate established for the commodity
25 under section 1202, plus interest (determined in ac-

1 cordance with section 163 of the Federal Agriculture
2 Improvement and Reform Act of 1996 (7 U.S.C.
3 7283)).

4 (2) A rate that the Secretary determines will—

5 (A) minimize potential loan forfeitures;

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

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

10 (D) allow the commodity produced in the
11 United States to be marketed freely and com-
12 petitively, both domestically and internationally;
13 and

14 (E) minimize discrepancies in marketing
15 loan benefits across State boundaries and
16 across county boundaries, if applicable.

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

22 (1) the loan rate established for the commodity
23 under section 1202, plus interest (determined in ac-
24 cordance with section 163 of the Federal Agriculture

1 Improvement and Reform Act of 1996 (7 U.S.C.
2 7283)); or

3 (2) the prevailing world market price for the
4 commodity (adjusted to United States quality and
5 location), as determined by the Secretary.

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

13 (d) PREVAILING WORLD MARKET PRICE.—For pur-
14 poses of this section and section 1207, the Secretary shall
15 prescribe by regulation—

16 (1) a formula to determine the prevailing world
17 market price for upland cotton, which shall be based
18 on the Far East price of upland cotton;

19 (2) a formula to determine the prevailing world
20 market price for—

21 (A) long grain rice; and

22 (B) medium and short grain rice;

23 (3) a mechanism by which the Secretary will
24 announce periodically the prevailing world market

1 price for upland cotton, long grain rice, and medium
2 and short grain rice; and

3 (4) a mechanism by which the Secretary will
4 make the adjustments, required by subsection (e), to
5 the prevailing world market price for upland cotton,
6 long grain rice, and medium and short grain rice.

7 (e) ADJUSTMENT OF PREVAILING WORLD MARKET
8 PRICE FOR UPLAND COTTON AND RICE.—

9 (1) RICE.—The prevailing world market price
10 for long grain, medium grain, and short grain rice
11 determined in subsection (d) shall be adjusted to
12 United States quality and location.

13 (2) COTTON.—The prevailing world market
14 price for upland cotton, determined in subsection (d)
15 shall be—

16 (A) adjusted to United States quality and
17 location, with such quality adjustment to in-
18 clude—

19 (i) any existing United States loan
20 schedule premiums for Comparable United
21 States Quality; and

22 (ii) a reduction equal to any United
23 States Premium Factor to upland cotton of
24 a quality higher than Middling (M) $1\frac{3}{32}$ -
25 inch; and

1 (B) adjusted to take into account average
2 costs to market the commodity, including aver-
3 age transportation costs, as determined by the
4 Secretary.

5 (f) ADDITIONAL ADJUSTMENT AUTHORITY REGARD-
6 ING PREVAILING WORLD MARKET PRICE FOR UPLAND
7 COTTON.—

8 (1) IN GENERAL.—During the period beginning
9 on the date of the enactment of this Act through
10 July 31, 2013, the Secretary may further adjust the
11 prevailing world market price for upland cotton (ad-
12 justed under subsection (d)) if the Secretary deter-
13 mines such adjustment necessary—

14 (A) to minimize potential loan forfeitures;

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

17 (C) to allow the commodity produced in
18 the United States to be marketed freely and
19 competitively, both domestically and inter-
20 nationally;

21 (D) to ensure that United States cotton is
22 competitive in world markets; and

23 (E) to ensure an appropriate transition be-
24 tween current-crop and forward-crop price
25 quotations, except that the Secretary may use

1 forward-crop price quotations prior to July 31
2 of the current marketing year only if there are
3 less than three current-crop price quotations
4 and only if such forward-crop price quotation is
5 the lowest such quotation available.

6 (2) GUIDELINES FOR ADDITIONAL ADJUST-
7 MENT.—In further adjusting the prevailing world
8 market price for upland cotton under this sub-
9 section, the Secretary shall establish a mechanism
10 for determining and announcing such adjustments in
11 order to avoid undue disruption in the United States
12 market.

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

19 (1) the loan rate established for the commodity
20 under section 1202, plus interest (determined in ac-
21 cordance with section 163 of the Federal Agriculture
22 Improvement and Reform Act of 1996 (7 U.S.C.
23 7283)); or

24 (2) the repayment rate established for oil sun-
25 flower seed.

1 (h) QUALITY GRADES FOR DRY PEAS, LENTILS, AND
2 SMALL CHICKPEAS.—The loan repayment rate for dry
3 peas, lentils, and small chickpeas shall be based on the
4 quality grades for the applicable commodity.

5 **SEC. 1205. LOAN DEFICIENCY PAYMENTS.**

6 (a) AVAILABILITY OF LOAN DEFICIENCY PAY-
7 MENTS.—

8 (1) IN GENERAL.—Except as provided in sub-
9 section (d), the Secretary may make loan deficiency
10 payments available to producers on a farm that, al-
11 though eligible to obtain a marketing assistance loan
12 under section 1201 with respect to a loan com-
13 modity, agree to forgo obtaining the loan for the
14 commodity in return for loan deficiency payments
15 under this section.

16 (2) UNSHORN PELTS, HAY, AND SILAGE.—

17 (A) MARKETING ASSISTANCE LOANS.—

18 Subject to subparagraph (B), nongraded wool
19 in the form of unshorn pelts and hay and silage
20 derived from a loan commodity are not eligible
21 for a marketing assistance loan under section
22 1201.

23 (B) LOAN DEFICIENCY PAYMENT.—Effec-
24 tive for the 2008 through 2012 crop years, the
25 Secretary may make loan deficiency payments

1 available under this section to producers on a
2 farm that produce unshorn pelts or hay and si-
3 lage derived from a loan commodity.

4 (b) COMPUTATION.—A loan deficiency payment for a
5 loan commodity or commodity referred to in subsection
6 (a)(2) shall be computed by multiplying—

7 (1) the payment rate determined under sub-
8 section (c) for the commodity; by

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

13 (c) PAYMENT RATE.—

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

17 (A) the loan rate established under section
18 1202 for the loan commodity; exceeds

19 (B) the rate at which a marketing assist-
20 ance loan for the loan commodity may be repaid
21 under section 1204.

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

1 (A) the loan rate established under section
2 1202 for ungraded wool; exceeds

3 (B) the rate at which a marketing assist-
4 ance loan for ungraded wool may be repaid
5 under section 1204.

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

9 (A) the loan rate established under section
10 1202 for the loan commodity from which the
11 hay or silage is derived; exceeds

12 (B) the rate at which a marketing assist-
13 ance loan for the loan commodity may be repaid
14 under section 1204.

15 (d) EXCEPTION FOR EXTRA LONG STAPLE COT-
16 TON.—This section shall not apply with respect to extra
17 long staple cotton.

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

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

3 (a) **ELIGIBLE PRODUCERS.—**

4 (1) **IN GENERAL.—**Effective for the 2008
5 through 2012 crop years, in the case of a producer
6 that would be eligible for a loan deficiency payment
7 under section 1205 for wheat, barley, or oats, but
8 that elects to use acreage planted to the wheat, bar-
9 ley, or oats for the grazing of livestock, the Sec-
10 retary shall make a payment to the producer under
11 this section if the producer enters into an agreement
12 with the Secretary to forgo any other harvesting of
13 the wheat, barley, or oats on that acreage.

14 (2) **GRAZING OF TRITICALE ACREAGE.—**Effec-
15 tive for the 2008 through 2012 crop years, with re-
16 spect to a producer on a farm that uses acreage
17 planted to triticale for the grazing of livestock, the
18 Secretary shall make a payment to the producer
19 under this section if the producer enters into an
20 agreement with the Secretary to forgo any other
21 harvesting of triticale on that acreage.

22 (b) **PAYMENT AMOUNT.—**

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

1 (A) the loan deficiency payment rate deter-
2 mined under section 1205(c) in effect, as of the
3 date of the agreement, for the county in which
4 the farm is located; by

5 (B) the payment quantity determined by
6 multiplying—

7 (i) the quantity of the grazed acreage
8 on the farm with respect to which the pro-
9 ducer elects to forgo harvesting of wheat,
10 barley, or oats; and

11 (ii) the payment yield in effect for the
12 calculation of direct payments under sub-
13 title A with respect to that loan commodity
14 on the farm or, in the case of a farm with-
15 out a payment yield for that loan com-
16 modity, an appropriate yield established by
17 the Secretary in a manner consistent with
18 section 1102 of the Farm Security and
19 Rural Investment Act of 2002 (7 U.S.C.
20 7912).

21 (2) GRAZING OF TRITICALE ACREAGE.—The
22 amount of a payment made under this section to a
23 producer on a farm described in subsection (a)(2)
24 shall be equal to the amount determined by multi-
25 plying—

1 (A) the loan deficiency payment rate deter-
2 mined under section 1205(c) in effect for
3 wheat, as of the date of the agreement, for the
4 county in which the farm is located; by

5 (B) the payment quantity determined by
6 multiplying—

7 (i) the quantity of the grazed acreage
8 on the farm with respect to which the pro-
9 ducer elects to forgo harvesting of triticale;
10 and

11 (ii) the payment yield in effect for the
12 calculation of direct payments under sub-
13 title A with respect to wheat on the farm
14 or, in the case of a farm without a pay-
15 ment yield for wheat, an appropriate yield
16 established by the Secretary in a manner
17 consistent with section 1102 of the Farm
18 Security and Rural Investment Act of
19 2002 (7 U.S.C. 7912).

20 (c) TIME, MANNER, AND AVAILABILITY OF PAY-
21 MENT.—

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

1 (2) AVAILABILITY.—

2 (A) IN GENERAL.—The Secretary shall es-
3 tablish an availability period for the payments
4 authorized by this section.

5 (B) CERTAIN COMMODITIES.—In the case
6 of wheat, barley, and oats, the availability pe-
7 riod shall be consistent with the availability pe-
8 riod for the commodity established by the Sec-
9 retary for marketing assistance loans author-
10 ized by this subtitle.

11 (d) PROHIBITION ON CROP INSURANCE INDEMNITY
12 OR NONINSURED CROP ASSISTANCE.—A 2008 through
13 2012 crop of wheat, barley, oats, or triticale planted on
14 acreage that a producer elects, in the agreement required
15 by subsection (a), to use for the grazing of livestock in
16 lieu of any other harvesting of the crop shall not be eligible
17 for an indemnity under the Federal Crop Insurance Act
18 (7 U.S.C. 1501 et seq.) or noninsured crop assistance
19 under section 196 of the Federal Agriculture Improvement
20 and Reform Act of 1996 (7 U.S.C. 7333).

21 **SEC. 1207. SPECIAL MARKETING LOAN PROVISIONS FOR**
22 **UPLAND COTTON.**

23 (a) SPECIAL IMPORT QUOTA.—

24 (1) DEFINITION OF SPECIAL IMPORT QUOTA.—

25 In this subsection, the term “special import quota”

1 means a quantity of imports that is not subject to
2 the over-quota tariff rate of a tariff-rate quota.

3 (2) ESTABLISHMENT.—

4 (A) IN GENERAL.—The President shall
5 carry out an import quota program during the
6 period beginning on the date of the enactment
7 of this Act through July 31, 2013, as provided
8 in this subsection.

9 (B) PROGRAM REQUIREMENTS.—Whenever
10 the Secretary determines and announces that
11 for any consecutive 4-week period, the Friday
12 through Thursday average price quotation for
13 the lowest-priced United States growth, as
14 quoted for Middling (M) 1³/₃₂-inch cotton, deliv-
15 ered C/F Far East, exceeds the Far East price
16 there shall immediately be in effect a special
17 import quota.

18 (3) QUANTITY.—The quota shall be equal to 1
19 week's consumption of upland cotton by domestic
20 mills at the seasonally adjusted average rate of the
21 most recent 3 months for which data are available.

22 (4) APPLICATION.—The quota shall apply to
23 upland cotton purchased not later than 90 days
24 after the date of the Secretary's announcement

1 under paragraph (1) and entered into the United
2 States not later than 180 days after that date.

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

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

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

14 (B) section 204 of the Andean Trade Pref-
15 erence Act (19 U.S.C. 3203);

16 (C) section 503(d) of the Trade Act of
17 1974 (19 U.S.C. 2463(d)); and

18 (D) General Note 3(a)(iv) to the Har-
19 monized Tariff Schedule.

20 (7) LIMITATION.—The quantity of cotton en-
21 tered into the United States during any marketing
22 year under the special import quota established
23 under this subsection may not exceed the equivalent
24 of 10 week's consumption of upland cotton by do-
25 mestic mills at the seasonally adjusted average rate

1 of the 3 months immediately preceding the first spe-
2 cial import quota established in any marketing year.

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

5 (1) DEFINITIONS.—In this subsection:

6 (A) SUPPLY.—The term “supply” means,
7 using the latest official data of the Bureau of
8 the Census, the Department of Agriculture, and
9 the Department of the Treasury—

10 (i) the carry-over of upland cotton at
11 the beginning of the marketing year (ad-
12 justed to 480-pound bales) in which the
13 quota is established;

14 (ii) production of the current crop;
15 and

16 (iii) imports to the latest date avail-
17 able during the marketing year.

18 (B) DEMAND.—The term “demand”
19 means—

20 (i) the average seasonally adjusted an-
21 nual rate of domestic mill consumption
22 during the most recent 3 months for which
23 data are available; and

24 (ii) the larger of—

1 (I) average exports of upland cot-
2 ton during the preceding 6 marketing
3 years; or

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

8 (C) LIMITED GLOBAL IMPORT QUOTA.—
9 The term “limited global import quota” means
10 a quantity of imports that is not subject to the
11 over-quota tariff rate of a tariff-rate quota.

12 (2) PROGRAM.—The President shall carry out
13 an import quota program that provides that when-
14 ever the Secretary determines and announces that
15 the average price of the base quality of upland cot-
16 ton, as determined by the Secretary, in the des-
17 ignated spot markets for a month exceeded 130 per-
18 cent of the average price of the quality of cotton in
19 the markets for the preceding 36 months, notwith-
20 standing any other provision of law, there shall im-
21 mediately be in effect a limited global import quota
22 subject to the following conditions:

23 (A) QUANTITY.—The quantity of the quota
24 shall be equal to 21 days of domestic mill con-
25 sumption of upland cotton at the seasonally ad-

1 justed average rate of the most recent 3 months
2 for which data are available.

3 (B) QUANTITY IF PRIOR QUOTA.—If a
4 quota has been established under this sub-
5 section during the preceding 12 months, the
6 quantity of the quota next established under
7 this subsection shall be the smaller of 21 days
8 of domestic mill consumption calculated under
9 subparagraph (A) or the quantity required to
10 increase the supply to 130 percent of the de-
11 mand.

12 (C) PREFERENTIAL TARIFF TREAT-
13 MENT.—The quantity under a limited global
14 import quota shall be considered to be an in-
15 quota quantity for purposes of—

16 (i) section 213(d) of the Caribbean
17 Basin Economic Recovery Act (19 U.S.C.
18 2703(d));

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

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

23 (iv) General Note 3(a)(iv) to the Har-
24 monized Tariff Schedule.

1 (D) QUOTA ENTRY PERIOD.—When a
2 quota is established under this subsection, cot-
3 ton may be entered under the quota during the
4 90-day period beginning on the date the quota
5 is established by the Secretary.

6 (3) NO OVERLAP.—Notwithstanding paragraph
7 (2), a quota period may not be established that over-
8 laps an existing quota period or a special quota pe-
9 riod established under subsection (a).

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

12 (1) ISSUANCE OF MARKETING CERTIFICATES OR
13 CASH PAYMENTS.—During the period beginning on
14 the date of the enactment of this Act through July
15 31, 2013, the Secretary shall issue, on a monthly
16 basis, marketing certificates or cash payments, at
17 the option of the recipient, to domestic users of up-
18 land cotton for all documented use of upland cotton
19 during the previous monthly period regardless of the
20 origin of the upland cotton.

21 (2) VALUE OF CERTIFICATES OR PAYMENTS.—
22 The value of the marketing certificates or cash pay-
23 ments shall be 4 cents per pound.

24 (3) ALLOWABLE PURPOSES.—Economic adjust-
25 ment assistance under this subsection shall be made

1 available only to domestic users of upland cotton
2 that certify that such funds shall be used only for
3 acquisition, construction, installation, modernization,
4 development, conversion, or expansion of land, plant,
5 buildings, equipment, facilities, or machinery.

6 (4) REVIEW OR AUDIT.—The Secretary may
7 conduct such review or audit of the records of a do-
8 mestic user under this subsection as determined nec-
9 essary to carry out the provisions of this subsection.

10 (5) IMPROPER USE OF ASSISTANCE.—If the
11 Secretary determines, after a review or audit of the
12 records of the domestic user, that economic adjust-
13 ment assistance under this subsection was not used
14 for the purposes specified in paragraph (3), the do-
15 mestic user shall be liable to repay such assistance
16 to the Secretary, plus interest, as determined by the
17 Secretary, and shall be ineligible to participate in
18 the program established by this subsection for a pe-
19 riod of 12 months following the determination of the
20 Secretary.

21 **SEC. 1208. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA**
22 **LONG STAPLE COTTON.**

23 (a) COMPETITIVENESS PROGRAM.—Notwithstanding
24 any other provision of law, during the period beginning

1 on the date of the enactment of this Act through July 31,
2 2013, the Secretary shall carry out a program—

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

6 (2) to increase exports of extra long staple cot-
7 ton produced in the United States; and

8 (3) to ensure that extra long staple cotton pro-
9 duced in the United States remains competitive in
10 world markets.

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

14 (1) for a consecutive 4-week period, the world
15 market price for the lowest priced competing growth
16 of extra long staple cotton (adjusted to United
17 States quality and location and for other factors af-
18 fecting the competitiveness of such cotton), as deter-
19 mined by the Secretary, is below the prevailing
20 United States price for a competing growth of extra
21 long staple cotton; and

22 (2) the lowest priced competing growth of extra
23 long staple cotton (adjusted to United States quality
24 and location and for other factors affecting the com-
25 petitiveness of such cotton), as determined by the

1 Secretary, is less than 134 percent of the loan rate
2 for extra long staple cotton.

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

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

17 (e) FORM OF PAYMENT.—Payments under this sec-
18 tion shall be made through the issuance of cash or mar-
19 keting certificates, at the option of eligible recipients of
20 the payments.

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

23 (a) HIGH MOISTURE FEED GRAINS.—

24 (1) DEFINITION OF HIGH MOISTURE STATE.—

25 In this subsection, the term “high moisture state”

1 means corn or grain sorghum having a moisture con-
2 tent in excess of Commodity Credit Corporation
3 standards for marketing assistance loans made by
4 the Secretary under section 1201.

5 (2) RECOURSE LOANS AVAILABLE.—For each of
6 the 2008 through 2012 crops of corn and grain sor-
7 ghum, the Secretary shall make available recourse
8 loans, as determined by the Secretary, to producers
9 on a farm that—

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

13 (B) present—

14 (i) certified scale tickets from an in-
15 spected, certified commercial scale, includ-
16 ing a licensed warehouse, feedlot, feed mill,
17 distillery, or other similar entity approved
18 by the Secretary, pursuant to regulations
19 issued by the Secretary; or

20 (ii) field or other physical measure-
21 ments of the standing or stored crop in re-
22 gions of the United States, as determined
23 by the Secretary, that do not have certified
24 commercial scales from which certified

1 scale tickets may be obtained within rea-
2 sonable proximity of harvest operation;

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

12 (D) comply with deadlines established by
13 the Secretary for harvesting the corn or grain
14 sorghum and submit applications for loans
15 under this subsection within deadlines estab-
16 lished by the Secretary.

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

22 (A) the acreage of the corn or grain sor-
23 ghum in a high moisture state harvested on the
24 producer's farm; by

1 (B) the lower of the farm program pay-
2 ment yield used to make counter-cyclical pay-
3 ments under subtitle A or the actual yield on a
4 field, as determined by the Secretary, that is
5 similar to the field from which the corn or grain
6 sorghum was obtained.

7 (b) RECOURSE LOANS AVAILABLE FOR SEED COT-
8 TON.—For each of the 2008 through 2012 crops of upland
9 cotton and extra long staple cotton, the Secretary shall
10 make available recourse seed cotton loans, as determined
11 by the Secretary, on any production.

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

18 **SEC. 1210. DEADLINE FOR REPAYMENT OF MARKETING AS-**
19 **SISTANCE LOAN FOR PEANUTS.**

20 (a) JUNE 30 REDEMPTION DEADLINE.—Notwith-
21 standing any other provision of law, a marketing assist-
22 ance loan for peanuts may not be redeemed after June
23 30 of the year subsequent to the year in which the peanuts
24 were harvested.

1 (b) EFFECT OF FAILURE TO REDEEM.—A marketing
2 assistance loan for peanuts that is not redeemed before
3 the deadline imposed by subsection (a) shall be deemed
4 to be forfeited to the Commodity Credit Corporation.

5 **SEC. 1211. COMMODITY QUALITY INCENTIVE PAYMENTS**
6 **FOR HEALTHY OILSEEDS.**

7 (a) INCENTIVE PAYMENTS REQUIRED.—Subject to
8 the availability of funds for this purpose, the Secretary
9 shall provide commodity quality incentive payments during
10 the 2009 through 2013 crop years for the production of
11 oilseeds with specialized traits that enhance human health,
12 as determined by the Secretary.

13 (b) COVERED OILSEEDS.—The Secretary shall make
14 payments under this section only for the production of an
15 oilseed that has, as determined by the Secretary—

16 (1) been demonstrated to reduce or eliminate
17 the need to partially hydrogenate the oil derived
18 from the oilseed for use in human consumption; and

19 (2) 1 or more traits for which compelling im-
20 pediments to commercialization have been identified.

21 (c) REQUEST FOR PROPOSALS.—

22 (1) ISSUANCE.—If funds are available to carry
23 out this section for a crop year, the Secretary shall
24 issue a request for proposals for payments under
25 this section.

1 (2) MULTIYEAR PROPOSALS.—An entity may
2 submit a multiyear proposal for payments under this
3 section.

4 (3) CONTENT OF PROPOSALS.—A proposal for
5 payments under this section shall include a descrip-
6 tion of—

7 (A) each trait of the oilseed described in
8 subsection (b)(2) and the value of the trait as
9 a matter of public policy;

10 (B) the projected market size and value of
11 the trait;

12 (C) the projected impact of the proposal
13 on—

14 (i) the future price of loan commod-
15 ities; and

16 (ii) if appropriate, on Federal Govern-
17 ment farm program outlays to support
18 loan commodities;

19 (D) a range for the amount of total per
20 bushel premiums to be paid to producers;

21 (E) a per bushel amount of incentive pay-
22 ments requested for each year under this sec-
23 tion that—

24 (i) does not exceed $\frac{1}{3}$ of the total pre-
25 mium offered for any year; and

1 (ii) declines over time;

2 (F) the period of time, of not to exceed 4
3 years, during which incentive payments are to
4 be provided to producers; and

5 (G) the targeted total quantity of produc-
6 tion and estimated acres needed to produce the
7 targeted quantity for each year under this sec-
8 tion.

9 (d) CONTRACTS FOR PRODUCTION.—

10 (1) IN GENERAL.—The Secretary shall approve
11 successful proposals submitted under subsection (c)
12 on a timely basis so as to allow successful applicants
13 to offer production contracts to producers beginning
14 in advance of the spring planting season for the
15 2009 crop year.

16 (2) MULTIYEAR CONTRACTS.—A successful ap-
17 plicant may enter into a multiyear contract with—

18 (A) a specific group of producers; or

19 (B) various groups of producers.

20 (3) TIMING OF PAYMENTS.—The Secretary
21 shall make payments under this section after the
22 Secretary receives documentation that the total pre-
23 mium offered for crops produced under a contract
24 (including the amount of incentive payments) has
25 been made to covered producers.

1 (e) ADMINISTRATION.—If funding provided for a crop
2 year is not fully allocated under the initial request for pro-
3 posals under subsection (c), the Secretary shall issue addi-
4 tional requests for proposals for subsequent years under
5 this section.

6 (f) AUTHORIZATION OF APPROPRIATIONS.—There
7 are authorized to be appropriated such sums as are nec-
8 essary to carry out this section for each of fiscal years
9 2009 through 2013.

10 **Subtitle C—Sugar**

11 **SEC. 1301. SUGAR PROGRAM.**

12 (a) IN GENERAL.—Section 156 of the Federal Agri-
13 culture Improvement and Reform Act of 1996 (7 U.S.C.
14 7272) is amended to read as follows:

15 **“SEC. 156. SUGAR PROGRAM.**

16 “(a) SUGARCANE.—The Secretary shall make loans
17 for raw cane sugar available to processors of domestically
18 grown sugarcane at a rate equal to 18.5 cents per pound
19 for each of the 2008 through 2012 crop years.

20 “(b) SUGAR BEETS.—The Secretary shall make loans
21 for refined beet sugar available to processors of domesti-
22 cally grown sugar beets at a rate equal to 23.5 cents per
23 pound for each of the 2008 through 2012 crop years.

24 “(c) TERM OF LOANS.—

1 “(1) IN GENERAL.—A loan under this section
2 during any fiscal year shall be made available not
3 earlier than the beginning of the fiscal year and
4 shall mature at the earlier of—

5 “(A) the end of the 9-month period begin-
6 ning on the first day of the first month after
7 the month in which the loan is made; or

8 “(B) the end of the fiscal year in which the
9 loan is made.

10 “(2) SUPPLEMENTAL LOANS.—In the case of a
11 loan made under this section in the last 3 months
12 of a fiscal year, the processor may repledge the
13 sugar as collateral for a second loan in the subse-
14 quent fiscal year, except that the second loan shall—

15 “(A) be made at the loan rate in effect at
16 the time the first loan was made; and

17 “(B) mature in 9 months less the quantity
18 of time that the first loan was in effect.

19 “(d) LOAN TYPE; PROCESSOR ASSURANCES.—

20 “(1) NONRECOURSE LOANS.—The Secretary
21 shall carry out this section through the use of non-
22 recourse loans.

23 “(2) PROCESSOR ASSURANCES.—

24 “(A) IN GENERAL.—The Secretary shall
25 obtain from each processor that receives a loan

1 under this section such assurances as the Sec-
2 retary considers adequate to ensure that the
3 processor will provide payments to producers
4 that are proportional to the value of the loan
5 received by the processor for the sugar beets
6 and sugarcane delivered by producers to the
7 processor.

8 “(B) MINIMUM PAYMENTS.—

9 “(i) IN GENERAL.—Subject to clause
10 (ii), the Secretary may establish appro-
11 priate minimum payments for purposes of
12 this paragraph.

13 “(ii) LIMITATION.—In the case of
14 sugar beets, the minimum payment estab-
15 lished under clause (i) shall not exceed the
16 rate of payment provided for under the ap-
17 plicable contract between a sugar beet pro-
18 ducer and a sugar beet processor.

19 “(3) ADMINISTRATION.—The Secretary may
20 not impose or enforce any prenotification require-
21 ment, or similar administrative requirement not oth-
22 erwise in effect on May 13, 2002, that has the effect
23 of preventing a processor from electing to forfeit the
24 loan collateral (of an acceptable grade and quality)
25 on the maturity of the loan.

1 “(e) LOANS FOR IN-PROCESS SUGAR.—

2 “(1) DEFINITION OF IN-PROCESS SUGARS AND
3 SYRUPS.—In this subsection, the term ‘in-process
4 sugars and syrups’ does not include raw sugar, liq-
5 uid sugar, invert sugar, invert syrup, or other fin-
6 ished product that is otherwise eligible for a loan
7 under subsection (a) or (b).

8 “(2) AVAILABILITY.—The Secretary shall make
9 nonrecourse loans available to processors of a crop
10 of domestically grown sugarcane and sugar beets for
11 in-process sugars and syrups derived from the crop.

12 “(3) LOAN RATE.—The loan rate shall be equal
13 to 80 percent of the loan rate applicable to raw cane
14 sugar or refined beet sugar, as determined by the
15 Secretary on the basis of the source material for the
16 in-process sugars and syrups.

17 “(4) FURTHER PROCESSING ON FORFEITURE.—

18 “(A) IN GENERAL.—As a condition of the
19 forfeiture of in-process sugars and syrups serv-
20 ing as collateral for a loan under paragraph (2),
21 the processor shall, within such reasonable time
22 period as the Secretary may prescribe and at no
23 cost to the Commodity Credit Corporation, con-
24 vert the in-process sugars and syrups into raw
25 cane sugar or refined beet sugar of acceptable

1 grade and quality for sugars eligible for loans
2 under subsection (a) or (b).

3 “(B) TRANSFER TO CORPORATION.—Once
4 the in-process sugars and syrups are fully proc-
5 essed into raw cane sugar or refined beet sugar,
6 the processor shall transfer the sugar to the
7 Commodity Credit Corporation.

8 “(C) PAYMENT TO PROCESSOR.—On trans-
9 fer of the sugar, the Secretary shall make a
10 payment to the processor in an amount equal to
11 the amount obtained by multiplying—

12 “(i) the difference between—

13 “(I) the loan rate for raw cane
14 sugar or refined beet sugar, as appro-
15 priate; and

16 “(II) the loan rate the processor
17 received under paragraph (3); by

18 “(ii) the quantity of sugar transferred
19 to the Secretary.

20 “(5) LOAN CONVERSION.—If the processor does
21 not forfeit the collateral as described in paragraph
22 (4), but instead further processes the in-process sug-
23 ars and syrups into raw cane sugar or refined beet
24 sugar and repays the loan on the in-process sugars
25 and syrups, the processor may obtain a loan under

1 subsection (a) or (b) for the raw cane sugar or re-
2 fined beet sugar, as appropriate.

3 “(6) TERM OF LOAN.—The term of a loan
4 made under this subsection for a quantity of in-proc-
5 ess sugars and syrups, when combined with the term
6 of a loan made with respect to the raw cane sugar
7 or refined beet sugar derived from the in-process
8 sugars and syrups, may not exceed 9 months, con-
9 sistent with subsection (c).

10 “(f) AVOIDING FORFEITURES; CORPORATION INVEN-
11 TORY DISPOSITION.—

12 “(1) IN GENERAL.—Subject to subsection
13 (d)(3), to the maximum extent practicable, the Sec-
14 retary shall operate the program established under
15 this section at no cost to the Federal Government by
16 avoiding the forfeiture of sugar to the Commodity
17 Credit Corporation.

18 “(2) INVENTORY DISPOSITION.—

19 “(A) IN GENERAL.—To carry out para-
20 graph (1), the Commodity Credit Corporation
21 may accept bids to obtain raw cane sugar or re-
22 fined beet sugar in the inventory of the Com-
23 modity Credit Corporation from (or otherwise
24 make available such commodities, on appro-
25 priate terms and conditions, to) processors of

1 sugarcane and processors of sugar beets (acting
2 in conjunction with the producers of the sugar-
3 cane or sugar beets processed by the proc-
4 essors) in return for the reduction of production
5 of raw cane sugar or refined beet sugar, as ap-
6 propriate.

7 “(B) BIOENERGY FEEDSTOCK.—If a re-
8 duction in the quantity of production accepted
9 under subparagraph (A) involves sugar beets or
10 sugarcane that has already been planted, the
11 sugar beets or sugarcane so planted may not be
12 used for any commercial purpose other than as
13 a bioenergy feedstock.

14 “(C) ADDITIONAL AUTHORITY.—The au-
15 thority provided under this paragraph is in ad-
16 dition to any authority of the Commodity Credit
17 Corporation under any other law.

18 “(g) INFORMATION REPORTING.—

19 “(1) DUTY OF PROCESSORS AND REFINERS TO
20 REPORT.—A sugarcane processor, cane sugar re-
21 finer, and sugar beet processor shall furnish the Sec-
22 retary, on a monthly basis, such information as the
23 Secretary may require to administer sugar pro-
24 grams, including the quantity of purchases of sugar-

1 cane, sugar beets, and sugar, and production, impor-
2 tation, distribution, and stock levels of sugar.

3 “(2) DUTY OF PRODUCERS TO REPORT.—

4 “(A) PROPORTIONATE SHARE STATES.—As
5 a condition of a loan made to a processor for
6 the benefit of a producer, the Secretary shall
7 require each producer of sugarcane located in a
8 State (other than the Commonwealth of Puerto
9 Rico) in which there are in excess of 250 pro-
10 ducers of sugarcane to report, in the manner
11 prescribed by the Secretary, the sugarcane
12 yields and acres planted to sugarcane of the
13 producer.

14 “(B) OTHER STATES.—The Secretary may
15 require each producer of sugarcane or sugar
16 beets not covered by subparagraph (A) to re-
17 port, in a manner prescribed by the Secretary,
18 the yields of, and acres planted to, sugarcane or
19 sugar beets, respectively, of the producer.

20 “(3) DUTY OF IMPORTERS TO REPORT.—

21 “(A) IN GENERAL.—Except as provided in
22 subparagraph (B), the Secretary shall require
23 an importer of sugars, syrups, or molasses to be
24 used for human consumption or to be used for
25 the extraction of sugar for human consumption

1 to report, in the manner prescribed by the Sec-
2 retary, the quantities of the products imported
3 by the importer and the sugar content or equiv-
4 alent of the products.

5 “(B) TARIFF-RATE QUOTAS.—Subpara-
6 graph (A) shall not apply to sugars, syrups, or
7 molasses that are within the quantities of tariff-
8 rate quotas that are subject to the lower rate
9 of duties.

10 “(4) COLLECTION OF INFORMATION ON MEX-
11 ICO.—

12 “(A) COLLECTION.—The Secretary shall
13 collect—

14 “(i) information on the production,
15 consumption, stocks and trade of sugar in
16 Mexico, including United States exports of
17 sugar to Mexico; and

18 “(ii) publicly available information on
19 Mexican production, consumption, and
20 trade of high fructose corn syrups, includ-
21 ing United States exports of high fructose
22 corn syrups to Mexico.

23 “(B) PUBLICATION.—The data collected
24 under subparagraph (A) shall be published in

1 each edition of the World Agricultural Supply
2 and Demand Estimates.

3 “(5) PENALTY.—Any person willfully failing or
4 refusing to furnish the information required to be
5 reported by paragraph (1), (2), or (3), or furnishing
6 willfully false information, shall be subject to a civil
7 penalty of not more than \$10,000 for each such vio-
8 lation.

9 “(6) MONTHLY REPORTS.—Taking into consid-
10 eration the information received under this sub-
11 section, the Secretary shall publish on a monthly
12 basis composite data on production, imports, dis-
13 tribution, and stock levels of sugar.

14 “(h) SUBSTITUTION OF REFINED SUGAR.—For pur-
15 poses of Additional U.S. Note 6 to chapter 17 of the Har-
16 monized Tariff Schedule of the United States and the re-
17 export programs and polyhydric alcohol program adminis-
18 tered by the Secretary, all refined sugars (whether derived
19 from sugar beets or sugarcane) produced by cane sugar
20 refineries and beet sugar processors shall be fully substi-
21 tutable for the export of sugar and sugar-containing prod-
22 ucts under those programs.

23 “(i) EFFECTIVE PERIOD.—This section shall be ef-
24 fective only for the 2008 through 2012 crops of sugar
25 beets and sugarcane.”.

1 (b) TRANSITION.—The Secretary of Agriculture shall
2 make loans for raw cane sugar and refined beet sugar
3 available for the 2007 crop year on the terms and condi-
4 tions provided in section 156 of the Federal Agriculture
5 Improvement and Reform Act of 1996 (7 U.S.C. 7272),
6 as in effect on the day before the date of the enactment
7 of this Act.

8 **SEC. 1302. UNITED STATES MEMBERSHIP IN THE INTER-**
9 **NATIONAL SUGAR ORGANIZATION.**

10 The Secretary of Agriculture shall work with the Sec-
11 retary of State to restore United States membership in
12 the International Sugar Organization within one year
13 after the date of enactment of this Act.

14 **SEC. 1303. FLEXIBLE MARKETING ALLOTMENTS FOR**
15 **SUGAR.**

16 (a) DEFINITION OF HUMAN CONSUMPTION.—Section
17 359a of the Agricultural Adjustment Act of 1938 (7
18 U.S.C. 1359aa) is amended—

19 (1) by redesignating paragraphs (1) through
20 (4) as paragraphs (2) through (5), respectively; and

21 (2) by inserting before paragraph (2), as so re-
22 designated, the following new paragraph (1):

23 “(1) HUMAN CONSUMPTION.—The term
24 ‘human consumption’, when used in the context of a
25 reference to sugar (whether in the form of sugar, in-

1 process sugar, syrup, molasses, or in some other
2 form) for human consumption, includes sugar for
3 use in human food, beverages, or similar products.”.

4 (b) SUGAR ALLOTMENTS.—Section 359b of the Agri-
5 cultural Adjustment Act of 1938 (7 U.S.C. 1359bb) is
6 amended to read as follows:

7 **“SEC. 359b. FLEXIBLE MARKETING ALLOTMENTS FOR**
8 **SUGAR.**

9 “(a) SUGAR ESTIMATES.—

10 “(1) IN GENERAL.—Not later than August 1
11 before the beginning of each of the 2008 through
12 2012 crop years for sugarcane and sugar beets, the
13 Secretary shall estimate—

14 “(A) the quantity of sugar that will be
15 subject to human consumption in the United
16 States during the crop year;

17 “(B) the quantity of sugar that would pro-
18 vide for reasonable carryover stocks;

19 “(C) the quantity of sugar that will be
20 available from carry-in stocks for human con-
21 sumption in the United States during the crop
22 year;

23 “(D) the quantity of sugar that will be
24 available from the domestic processing of sugar-

1 cane, sugar beets, and in-process beet sugar;
2 and

3 “(E) the quantity of sugars, syrups, and
4 molasses that will be imported for human con-
5 sumption or to be used for the extraction of
6 sugar for human consumption in the United
7 States during the crop year, whether such arti-
8 cles are under a tariff-rate quota or are in ex-
9 cess or outside of a tariff-rate quota.

10 “(2) EXCLUSION.—The estimates under this
11 subsection shall not apply to sugar imported for the
12 production of polyhydric alcohol or to any sugar re-
13 fined and reexported in refined form or in products
14 containing sugar.

15 “(3) REESTIMATES.—The Secretary shall make
16 reestimates of sugar consumption, stocks, produc-
17 tion, and imports for a crop year as necessary, but
18 no later than the beginning of each of the second
19 through fourth quarters of the crop year.

20 “(b) SUGAR ALLOTMENTS.—

21 “(1) ESTABLISHMENT.—By the beginning of
22 each crop year, the Secretary shall establish for that
23 crop year appropriate allotments under section 359c
24 for the marketing by processors of sugar processed
25 from sugar cane or sugar beets or in-process beet

1 sugar (whether such sugar beets or in-process beet
2 sugar was produced domestically or imported) at a
3 level sufficient to maintain raw and refined sugar
4 prices above forfeiture levels so that there will be no
5 forfeitures of sugar to the Commodity Credit Cor-
6 poration under the loan program for sugar estab-
7 lished under section 156 of the Federal Agriculture
8 Improvement and Reform Act of 1996 (7 U.S.C.
9 7272).

10 “(2) MINIMUM.—The level of allotments estab-
11 lished under paragraph (1) may not be less than 85
12 percent of the estimated quantity of sugar for do-
13 mestic human consumption for the crop year.

14 “(3) PRODUCTS.—The Secretary may include
15 sugar products, whose majority content is sucrose, in
16 the allotments established under paragraph (1) if
17 the Secretary determines that the inclusion of such
18 sugar products is appropriate for controlling the
19 supply of sugar for human consumption.

20 “(c) COVERAGE OF ALLOTMENTS.—

21 “(1) IN GENERAL.—The marketing allotments
22 provided for in this part shall apply to the mar-
23 keting by processors of sugar intended for domestic
24 human consumption that has been processed from
25 sugar cane or sugar beets or in-process beet sugar

1 (whether such sugar beets or in-process beet sugar
2 was produced domestically or imported).

3 “(2) EXCEPTIONS.—Consistent with the admin-
4 istration of marketing allotments during crop years
5 2002 through 2007, the marketing allotments shall
6 not apply to sugar sold—

7 “(A) to facilitate the exportation of such
8 sugar to a foreign country, except that such ex-
9 ports of sugar shall not be eligible to receive
10 credits under re-export programs for refined
11 sugar or sugar containing products adminis-
12 tered by the Secretary;

13 “(B) to enable another processor to fulfill
14 an allocation established for such other proc-
15 essor, except that such sales must be made be-
16 fore May 1 and must be reported to the Sec-
17 retary; or

18 “(C) for uses other than domestic human
19 consumption.

20 “(d) PROHIBITIONS.—

21 “(1) IN GENERAL.—During any crop year or
22 portion thereof for which marketing allotments have
23 been established, no processor of sugar beets or sug-
24 arcane shall market for domestic human consump-
25 tion a quantity of sugar in excess of the allocation

1 established for such processor, except to enable an-
2 other processor to fulfill an allocation established for
3 such other processor or to facilitate the exportation
4 of such sugar.

5 “(2) CIVIL PENALTY.—Any processor who
6 knowingly violates paragraph (1) shall be liable to
7 the Commodity Credit Corporation for a civil penalty
8 in an amount equal to 3 times the United States
9 market value, at the time of the commission of the
10 violation, of that quantity of sugar involved in the
11 violation.

12 “(3) DEFINITION OF MARKET.—For purposes
13 of this part, the term ‘market’ shall mean to sell or
14 otherwise dispose of in commerce in the United
15 States, including—

16 “(A) the forfeiture of sugar under the loan
17 program for sugar under section 156 of the
18 Federal Agriculture Improvement and Reform
19 Act of 1996 (7 U.S.C. 7272) and such forfeited
20 sugar shall be deemed to have been marketed
21 during the crop year in which the loan was
22 made;

23 “(B) with respect to any integrated proc-
24 essor and refiner, the movement of raw cane
25 sugar into the refining process; and

1 “(C) the sale of sugar for the production
2 of ethanol or other bioenergy product, if such
3 ethanol or bioenergy product is the subject of a
4 payment under the feedstock flexibility program
5 for bioenergy producers.”.

6 (c) ESTABLISHMENT.—Section 359e of the Agricul-
7 tural Adjustment Act of 1938 (7 U.S.C. 1359cc) is
8 amended—

9 (1) by striking subsection (b) and inserting the
10 following new subsection:

11 “(b) OVERALL ALLOTMENT QUANTITY.—

12 “(1) IN GENERAL.—The Secretary shall estab-
13 lish the overall quantity of sugar to be allotted for
14 the crop year (in this part referred to as the ‘overall
15 allotment quantity’) at a level sufficient to maintain
16 raw and refined sugar prices above forfeiture levels
17 to avoid the forfeiture of sugar to the Commodity
18 Credit Corporation.

19 “(2) MINIMUM.—The overall allotment quantity
20 established under paragraph (1) may not be less
21 than 85 percent of the estimated quantity of sugar
22 for domestic human consumption for the crop year.

23 “(3) ADJUSTMENT.—Subject to paragraphs (1)
24 and (2), the Secretary shall adjust the overall allot-
25 ment quantity—

1 “(A) to maintain raw and refined sugar
2 prices above forfeiture levels to avoid the for-
3 feiture of sugar to the Commodity Credit Cor-
4 poration; and

5 “(B) to maintain adequate supplies of raw
6 and refined sugar in the domestic market.”;

7 (2) in subsection (d)(2), by inserting before the
8 period the following: “or in-process beet sugar”;

9 (3) in subsection (g)(1), by inserting at the end
10 the following new sentence: “However, the overall al-
11 lotment quantity may not be reduced to a quantity
12 less than 85 percent of the estimated quantity of
13 sugar for domestic human consumption for the crop
14 year.”; and

15 (4) by striking subsection (h).

16 (d) ALLOCATION OF MARKETING ALLOTMENTS.—
17 Section 359d(b) of the Agricultural Adjustment Act of
18 1938 (7 U.S.C. 1359dd(b)) is amended—

19 (1) in paragraph (1)(F), by striking “Except as
20 otherwise provided in section 359f(c)(8), if” and in-
21 serting “If”; and

22 (2) in paragraph (2), by striking subparagraphs
23 (H) and (I) and inserting the following new subpara-
24 graph:

1 “(H) NEW ENTRANTS STARTING PRODUC-
2 TION, REOPENING, OR ACQUIRING AN EXISTING
3 FACTORY WITH PRODUCTION HISTORY.—

4 “(i) ALLOCATION FOR A NEW EN-
5 TRANT THAT HAS CONSTRUCTED A NEW
6 FACTORY OR REOPENED A FACTORY THAT
7 WAS NOT OPERATING SINCE BEFORE
8 1998.—If a New Entrant constructs a new
9 sugar beet processing factory, or acquires
10 and reopens a sugar beet processing fac-
11 tory that last processed sugar beets prior
12 to the 1998 crop year and there is no allo-
13 cation currently associated with the fac-
14 tory, the Secretary shall—

15 “(I) assign an allocation for beet
16 sugar to the New Entrant that pro-
17 vides a fair and equitable distribution
18 of the allocations for beet sugar in
19 order to enable the New Entrant to
20 achieve a factory utilization rate com-
21 parable to the factory utilization rates
22 of other similarly situated processors;
23 and

24 “(II) reduce the allocations for
25 beet sugar of all other processors on

1 a pro rata basis to reflect the alloca-
2 tion to the New Entrant.

3 “(ii) ALLOCATION FOR A NEW EN-
4 TRANT THAT HAS ACQUIRED AN EXISTING
5 FACTORY WITH A PRODUCTION HISTORY.—

6 If a New Entrant acquires an existing fac-
7 tory that has processed sugar beets from
8 the 1998 or later crop years and has a
9 production history, then, upon the mutual
10 agreement of the New Entrant and the
11 company currently holding the allocation
12 associated with the factory, the Secretary
13 shall transfer to the New Entrant a por-
14 tion of allocation of the current allocation
15 holder to reflect the historical contribution
16 of the production of the acquired factory to
17 the total allocation of the current alloca-
18 tion holder. In the absence of mutual
19 agreement, the new entrant shall be ineli-
20 gible for a beet sugar allocation.

21 “(iii) APPEALS.—Any decision made
22 under this subsection may be appealed to
23 the Secretary pursuant to section 359i.

24 “(iv) DEFINITION.—In this subpara-
25 graph, the term ‘New Entrant’ means an

1 individual, corporation, or other entity that
2 does not have an allocation of the beet
3 sugar allotment under this part, is not af-
4 filiated with any other individual, corpora-
5 tion, or entity that has an allocation of
6 beet sugar under this part (known as a
7 ‘third party’), and will process sugar beets
8 produced by sugar beet growers under con-
9 tract with the New Entrant for the produc-
10 tion of sugar at the new or re-opened fac-
11 tory that is the basis for the New Entrant
12 allocation.

13 “(v) AFFILIATION.—For purposes of
14 this subparagraph, a New Entrant and a
15 third party shall be deemed to be ‘affili-
16 ated’ if—

17 “(I) the third party has an own-
18 ership interest in the New Entrant;

19 “(II) the New Entrant and the
20 third party have owners in common;

21 “(III) the third party has the
22 ability to exercise control over the
23 New Entrant by organizational rights,
24 contractual rights, or any other
25 means;

1 “(IV) the third party has a con-
2 tractual relationship with the New
3 Entrant by which the New Entrant
4 will make use of the facilities or assets
5 of such third party; or

6 “(V) any other similar cir-
7 cumstance exists by which the Sec-
8 retary determines that the New En-
9 trant and the third party are affili-
10 ated.”.

11 (e) REASSIGNMENT OF DEFICITS.—Section 359e(b)
12 of the Agricultural Adjustment Act of 1938 (7 U.S.C.
13 1359ee(b)) is amended in both paragraphs (1)(D) and
14 (2)(C) by inserting “of raw cane sugar” after “imports”.

15 (f) PROVISIONS APPLICABLE TO PRODUCERS.—Sec-
16 tion 359f(c) of the Agricultural Adjustment Act of 1938
17 (7 U.S.C. 1359ff(c)) is amended—

18 (1) in paragraph (2), by striking “quantity of
19 sugarcane” and inserting “quantity of sugar pro-
20 duced from sugarcane”;

21 (2) in paragraph (5)(C), by inserting “for
22 sugar” before “in excess of the farm’s proportionate
23 share”;

1 (3) in paragraph (7), by striking “amount of
2 sugarcane” and inserting “amount of sugar from
3 sugarcane”; and

4 (4) by striking paragraph (8) and inserting the
5 following new paragraph:

6 “(8) SEED DEFINITION.—In this subsection,
7 the term ‘seed’ includes only varieties of seed dedi-
8 cated to the production of sugarcane from which is
9 produced sugar for human consumption, and ex-
10 cludes seed of high-fiber cane varieties dedicated to
11 other uses, as determined by the Secretary.”.

12 (g) SPECIAL RULES.—Section 359g of the Agricul-
13 tural Adjustment Act of 1938 (7 U.S.C. 1359gg) is
14 amended—

15 (1) by striking subsection (a) and inserting the
16 following new subsection:

17 “(a) TRANSFER OF ACREAGE BASE HISTORY.—

18 “(1) TRANSFER AUTHORIZED.—For the pur-
19 pose of establishing proportionate shares for sugarcane
20 farms under section 359f(c), the Secretary, on
21 application of any producer, with the written consent
22 of all owners of a farm, may transfer the acreage
23 base history of the farm to any other parcels of land
24 of the applicant.

25 “(2) CONVERTED ACREAGE BASE.—

1 “(A) IN GENERAL.—Sugarcane base acre-
2 age established under section 359f(c) that has
3 been or is converted to non-agricultural use on
4 or after May 13, 2002, may be transferred to
5 other land suitable for the production of sugar-
6 cane that can be delivered to a processor in a
7 proportionate share State in accordance with
8 this paragraph.

9 “(B) NOTIFICATION.—Not later than 90
10 days after the date of the enactment of the
11 Farm, Nutrition, and Bioenergy Act of 2007,
12 or the subsequent conversion of sugarcane base
13 acreage to a non-agricultural use, the Sec-
14 retary, acting through the Farm Service Agen-
15 cy, shall notify the affected landowner (or land-
16 owners) of the transferability of the applicable
17 sugarcane base acreage.

18 “(C) INITIAL TRANSFER PERIOD.—The
19 owner of the base attributable to the acreage at
20 the time of the conversion shall be afforded 90
21 days from the date of the receipt of the notifi-
22 cation under subparagraph (B) to transfer the
23 base to one or more farms owned by the owner.

24 “(D) GROWER OF RECORD.—If the trans-
25 fer under subparagraph (C) cannot be accom-

1 plished within the time period prescribed in
2 such subparagraph, then the grower of record
3 with regard to the base acreage on the date on
4 which the acreage was converted to non-agricul-
5 tural use shall be so notified, and shall be af-
6 farded 90 days from the date of the receipt of
7 such notification to transfer the base to one or
8 more farms operated by the grower.

9 “(E) POOL DISTRIBUTION.—If the trans-
10 fers under subparagraphs (B) and (C) cannot
11 be accomplished within the time periods pre-
12 scribed therein, then the county committee for
13 the applicable parish shall place the acreage
14 base in a pool for possible assignment to other
15 farms. After providing reasonable notice to
16 farm owners, operators, and growers of record
17 in the parish, the county committee shall accept
18 requests from owners, operators, and growers of
19 record in the parish. The county committee
20 shall assign the base to other farms in the par-
21 ish that are eligible and capable of accepting
22 such base, based on a random drawing from
23 among the requests received from owners, oper-
24 ators, and growers of record with eligible farms.

1 “(F) STATEWIDE REALLOCATION.—Any
2 base remaining unassigned after the processes
3 in subparagraphs (A) through (E) shall be
4 made available to the State committee for allo-
5 cation among the remaining county committees
6 in the State representing parishes with farms
7 eligible for assignment of the base. The remain-
8 ing base shall be reallocated to requesting coun-
9 ty committees based on a random drawing. Any
10 county committee receiving base under this sub-
11 paragraph shall allocate the base to eligible
12 farms using the process described in subpara-
13 graph (E).

14 “(G) STATUS OF REASSIGNED BASE.—
15 Once reassigned pursuant to this paragraph,
16 the acreage base shall remain on the farm, and
17 will be subject to the transfer provisions of
18 paragraph (1).”;

19 (2) by striking subsection (d) and inserting the
20 following new subsection:

21 “(d) TRANSFERS OF MILL ALLOCATIONS.—

22 “(1) TRANSFER AUTHORIZED.—A producer in a
23 proportionate share State, upon written consent
24 from all affected crop-share owners (or the rep-
25 resentative of the crop-share owners) of a farm may

1 deliver sugarcane to another processing company if
2 the additional delivery, when combined with such
3 other processing company's existing deliveries, does
4 not exceed the processing capacity of the company.

5 “(2) ALLOCATION ADJUSTMENT.—Notwith-
6 standing section 359d, the Secretary shall adjust the
7 allocations of each of such processing companies af-
8 fected by a transfer under paragraph (1) to reflect
9 the change in deliveries, based on—

10 “(A) the number of acres of sugarcane
11 base being transferred; and

12 “(B) the pro-rata amount of allocation at
13 the processing company holding the applicable
14 allocation that equals the grower's contribution
15 to the processing company's allocation for the
16 sugarcane base acres being transferred.”.

17 (h) APPEALS.—Section 359i of the Agricultural Ad-
18 justment Act of 1938 (7 U.S.C. 1359ii) is amended—

19 (1) in subsection (a), by inserting “or 359g(d)”
20 after “359f”; and

21 (2) by striking subsection (e).

22 (i) ADMINISTRATION OF TARIFF RATE QUOTAS.—
23 The Agricultural Adjustment Act of 1938 is amended by
24 striking section 359k (7 U.S.C. 1359kk) and inserting the
25 following new section:

1 **“SEC. 359k. ADMINISTRATION OF TARIFF RATE QUOTAS.**

2 “(a) ESTABLISHMENT.—Notwithstanding any other
3 provision of law, at the beginning of the quota year, the
4 Secretary shall establish the tariff-rate quotas for raw
5 cane sugar and refined sugars at the minimum necessary
6 to comply with obligations under international trade
7 agreements that have been approved by the Congress. This
8 subsection shall not apply to specialty sugar.

9 “(b) ADJUSTMENT.—

10 “(1) BEFORE APRIL 1.—

11 “(A) INITIAL ADJUSTMENT REQUIRED.—

12 Before April 1 of a fiscal year, in the event that
13 there is an emergency shortage of sugar in the
14 United States market that is caused by war,
15 floods, hurricanes, or other natural disaster, or
16 other similar event, the Secretary shall take ac-
17 tion to increase supply as provided under sec-
18 tions 359c(b)(2) and 359e(b), including an in-
19 crease in the tariff-rate quota for raw cane
20 sugar to accommodate the reassignment to im-
21 ports.

22 “(B) ADDITIONAL ADJUSTMENT.—If, after
23 adjustment under subparagraph (A), there is
24 still a shortage of sugar in the United States
25 market, and marketings of domestic sugar have
26 been maximized, the Secretary may increase the

1 tariff-rate quota for refined sugars sufficient to
2 accommodate the supply increase, if such fur-
3 ther increase will not threaten to result in the
4 forfeiture of sugar pledged as collateral for a
5 loan under section 156 of the Federal Agri-
6 culture Improvement and Reform Act of 1996
7 (7 U.S.C. 7272).

8 “(2) ON OR AFTER APRIL 1.—

9 “(A) INITIAL ADJUSTMENT AUTHOR-
10 IZED.—On or after April 1 of a fiscal year, the
11 Secretary may take action to increase supply as
12 provided under sections 359c(b)(2) and
13 359e(b), including an increase in the tariff-rate
14 quota for raw cane sugar to accommodate the
15 reassignment to imports.

16 “(B) ADDITIONAL ADJUSTMENT.—If, after
17 adjustment under subparagraph (A), there is
18 still a shortage of sugar in the United States
19 market, and marketings of domestic sugar have
20 been maximized, the Secretary may increase the
21 tariff-rate quota for raw cane sugar if such fur-
22 ther increase will not threaten to result in the
23 forfeiture of sugar pledged as collateral for a
24 loan under section 156 of the Federal Agri-

1 culture Improvement and Reform Act of 1996
2 (7 U.S.C. 7272).

3 “(c) ORDERLY SHIPPING PATTERNS FOR MAJOR
4 SUPPLIERS.—

5 “(1) IN GENERAL.—The Secretary of Agri-
6 culture shall establish orderly shipping patterns for
7 major suppliers of sugar to the United States under
8 the tariff rate quotas in accordance with this sub-
9 section.

10 “(2) VERY LARGE MAJOR SUPPLIERS.—If a
11 country holds quota allocations of at least 100,000
12 metric tons of sugar, the Secretary shall allow the
13 country to export up to 25 percent of the country’s
14 quota allocation to the United States in each cal-
15 endar quarter. Sugar permitted to enter into the
16 United States in a calendar quarter, but not actually
17 entered in that quarter, may be entered into the
18 United States at any time during the remainder of
19 the fiscal year.

20 “(3) LARGE MAJOR SUPPLIERS.—For countries
21 holding quota allocations of more than 45,000 met-
22 ric tons of sugar, but less than 100,000 metric tons
23 of sugar, the Secretary shall require that the coun-
24 try may ship not more than 50 percent of the coun-

1 try's quota sugar to the United States in the first
2 six months of the year.”.

3 (j) **EFFECTIVE DATE.**—The Agricultural Adjustment
4 Act of 1938 is amended by inserting after section 359k
5 (7 U.S.C. 1359kk) the following new section:

6 **“SEC. 359l. EFFECTIVE PERIOD.**

7 “This part shall be effective only for the 2008
8 through 2012 crop years for sugar.”.

9 (k) **TRANSITION.**—The Secretary of Agriculture shall
10 administer flexible marketing allotments for sugar for the
11 2007 crop year for sugar on the terms and conditions pro-
12 vided in part VII of title III of the Agricultural Adjust-
13 ment Act of 1938, as in effect on the day before the date
14 of the enactment of this Act.

15 **Subtitle D—Dairy-Related** 16 **Provisions**

17 **SEC. 1401. DAIRY PRODUCT PRICE SUPPORT PROGRAM.**

18 (a) **SUPPORT ACTIVITIES.**—During the period begin-
19 ning on January 1, 2008, through December 31, 2012,
20 the Secretary of Agriculture shall support the price of
21 cheddar cheese, butter, and nonfat dry milk through the
22 purchase of such products made from milk produced in
23 the United States.

1 (b) PURCHASE PRICE.—To carry out subsection (a)
2 during the period specified in such subsection, the Sec-
3 retary shall purchase—

4 (1) cheddar cheese in blocks at not less than
5 \$1.13 per pound;

6 (2) cheddar cheese in barrels at not less than
7 \$1.10 per pound;

8 (3) butter at not less than \$1.05 per pound;
9 and

10 (4) nonfat dry milk at not less than \$0.80 per
11 pound.

12 (c) TEMPORARY PRICE ADJUSTMENT TO AVOID EX-
13 CESS INVENTORIES.—

14 (1) ADJUSTMENTS AUTHORIZED.—The Sec-
15 retary may adjust the minimum purchase prices es-
16 tablished under subsection (b) only as permitted
17 under this subsection.

18 (2) CHEESE INVENTORIES IN EXCESS OF 200
19 MILLION POUNDS.—If net removals for a period of
20 12 consecutive months exceed 200 million pounds of
21 cheese, but do not exceed 400 million pounds, the
22 Secretary may reduce the purchase prices under
23 paragraphs (1) and (2) of subsection (b) during the
24 immediately following month by not more than 10
25 cents per pound.

1 (3) CHEESE INVENTORIES IN EXCESS OF 400
2 MILLION POUNDS.—If net removals for a period of
3 12 consecutive months exceed 400 million pounds of
4 cheese, the Secretary may reduce the purchase
5 prices under paragraphs (1) and (2) of subsection
6 (b) during the immediately following month by not
7 more than 20 cents per pound.

8 (4) BUTTER INVENTORIES IN EXCESS OF 450
9 MILLION POUNDS.—If net removals for a period of
10 12 consecutive months exceed 450 million pounds of
11 butter, but do not exceed 650 million pounds, the
12 Secretary may reduce the purchase price under sub-
13 section (b)(3) during the immediately following
14 month by not more than 10 cents per pound.

15 (5) BUTTER INVENTORIES IN EXCESS OF 650
16 MILLION POUNDS.—If net removals for a period of
17 12 consecutive months exceed 650 million pounds of
18 butter, the Secretary may reduce the purchase price
19 under subsection (b)(3) during the immediately fol-
20 lowing month by not more than 20 cents per pound.

21 (6) NONFAT DRY MILK INVENTORIES IN EX-
22 CESS OF 600 MILLION POUNDS.—If net removals for
23 a period of 12 consecutive months exceed 600 mil-
24 lion pounds of nonfat dry milk, but do not exceed
25 800 million pounds, the Secretary may reduce the

1 purchase price under subsection (b)(4) during the
2 immediately following month by not more than 5
3 cents per pound.

4 (7) NONFAT DRY MILK INVENTORIES IN EX-
5 CESS OF 800 MILLION POUNDS.—If net removals for
6 a period of 12 consecutive months exceed 800 mil-
7 lion pounds of nonfat dry milk, the Secretary may
8 reduce the purchase price under subsection (b)(4)
9 during the immediately following month by not more
10 than 10 cents per pound.

11 (d) UNIFORM PURCHASE PRICE.—The prices that
12 the Secretary pays for cheese, butter, or nonfat dry milk,
13 respectively, under subsection (a) shall be uniform for all
14 regions of the United States.

15 (e) SALES FROM INVENTORIES.—In the case of each
16 commodity specified in subsection (b) that is available for
17 unrestricted use in inventories of the Commodity Credit
18 Corporation, the Secretary may sell the commodity at the
19 market prices prevailing for that commodity at the time
20 of sale, except that the sale price may not be less than
21 110 percent of the minimum purchase price specified in
22 subsection (b) for that commodity.

23 (f) NET REMOVALS DEFINED.—In this section, the
24 term “net removals” means—

1 (1) the sum of the quantity of a product de-
2 scribed in subsection (a) purchased by the Com-
3 modity Credit Corporation under this section and
4 the quantity of such product exported under section
5 153 of the Food Security Act of 1985 (15 U.S.C.
6 713a–14); less

7 (2) the amount of such product sold for unre-
8 stricted use by the Commodity Credit Corporation.

9 (g) COMMODITY CREDIT CORPORATION.—The Sec-
10 retary shall use the funds of the Commodity Credit Cor-
11 poration to carry out this section.

12 **SEC. 1402. DAIRY FORWARD PRICING PROGRAM.**

13 (a) PROGRAM REQUIRED.—The Secretary of Agri-
14 culture shall establish a program under which milk pro-
15 ducers and cooperative associations of producers are au-
16 thorized to voluntarily enter into forward price contracts
17 with milk handlers.

18 (b) MINIMUM MILK PRICE REQUIREMENTS.—Pay-
19 ments made by milk handlers to milk producers and coop-
20 erative associations of producers, and prices received by
21 milk producers and cooperative associations, in accordance
22 with the terms of a forward price contract authorized by
23 subsection (a), shall be deemed to satisfy—

24 (1) all uniform and minimum milk price re-
25 quirements of paragraphs (B) and (F) of subsection

1 (5) of section 8c of the Agricultural Adjustment Act
2 (7 U.S.C. 627), reenacted with amendments by the
3 Agricultural Marketing Agreement Act of 1937; and

4 (2) the total payment requirement of paragraph
5 (C) of such subsection.

6 (c) MILK COVERED BY PROGRAM.—

7 (1) COVERED MILK.—The program shall apply
8 only with respect to the marketing of federally regu-
9 lated milk that—

10 (A) is not classified as Class I milk or oth-
11 erwise intended for fluid use; and

12 (B) is in the current of interstate or for-
13 eign commerce or directly burdens, obstructs, or
14 affects interstate or foreign commerce in feder-
15 ally regulated milk.

16 (2) RELATION TO CLASS I MILK.—To assist
17 milk handlers in complying with the limitation in
18 paragraph (1)(A) without having to segregate or
19 otherwise individually track the source and disposi-
20 tion of milk, a milk handler may allocate milk re-
21 ceipts from producers, cooperatives, and other
22 sources that are not subject to a forward contract to
23 satisfy the handler's obligations with regard to Class
24 I milk usage.

1 (d) VOLUNTARY PROGRAM.—A milk handler may not
2 require participation in a forward pricing contract as a
3 condition of the handler receiving milk from a producer
4 or cooperative association of producers, and such producer
5 or cooperative association may continue to have their milk
6 priced under the order’s minimum payment provisions.
7 The Secretary shall investigate complaints made by pro-
8 ducers or cooperative associations of coercion by handlers
9 to enter into forward contracts, and if the Secretary finds
10 evidence of such coercion, the Secretary shall take appro-
11 priate action.

12 (e) DURATION.—No forward price contract may be
13 entered into under this program after September 30,
14 2012, and no forward contract entered into under the pro-
15 gram may extend beyond September 30, 2015.

16 **SEC. 1403. DAIRY EXPORT INCENTIVE PROGRAM.**

17 (a) EXTENSION.—Subsection (a) of section 153 of
18 the Food Security Act of 1985 (15 U.S.C. 713a–14) is
19 amended by striking “2007” and inserting “2012”.

20 (b) COMPLIANCE WITH TRADE AGREEMENTS.—Sec-
21 tion 153 of the Food Security Act of 1985 (15 U.S.C.
22 713a–14) is amended—

23 (1) in subsection (c), by striking paragraph (3)
24 and inserting the following new paragraph:

1 “(3) the maximum volume of dairy product ex-
2 ports allowable consistent with the obligations of the
3 United States under the Uruguay Round Agree-
4 ments approved under section 101 of the Uruguay
5 Round Agreements Act (19 U.S.C. 3511) is exported
6 under the program each year (minus the volume sold
7 under section 1163 of this Act (Public Law 99–198;
8 7 U.S.C. 1731 note) during that year), except to the
9 extent that the export of such a volume under the
10 program would, in the judgment of the Secretary,
11 exceed the limitations on the value set forth in sub-
12 section (f); and”;

13 (2) in subsection (f), by striking paragraph (1)
14 and inserting the following new paragraph:

15 “(1) FUNDS AND COMMODITIES.—Except as
16 provided in paragraph (2), the Commodity Credit
17 Corporation shall in each year use money and com-
18 modities for the program under this section in the
19 maximum amount consistent with the obligations of
20 the United States under the Uruguay Round Agree-
21 ments approved under section 101 of the Uruguay
22 Round Agreements Act (19 U.S.C. 3511), minus the
23 amount expended under section 1163 of this Act
24 (Public Law 99–198; 7 U.S.C. 1731 note) during
25 that year.”.

1 **SEC. 1404. REVISION OF FEDERAL MARKETING ORDER**
2 **AMENDMENT PROCEDURES.**

3 Subsection (17) of section 8c of the Agricultural Ad-
4 justment Act (7 U.S.C. 608c), reenacted with amendments
5 by the Agricultural Marketing Agreement Act of 1937, is
6 amended to read as follows:

7 “(17) PROVISIONS APPLICABLE TO AMENDMENTS.—

8 “(A) APPLICABILITY TO AMENDMENTS.—The
9 provisions of this section and section 8d, applicable
10 to orders shall be applicable to amendments to or-
11 ders.

12 “(B) ADVANCE NOTICE OF HEARING.—Notice
13 of a hearing upon a proposed amendment to any
14 order issued pursuant to this section shall be given
15 not less than 3 days before the date fixed for the
16 hearing, and such notice shall be deemed to be due
17 notice of the hearing.

18 “(C) PROMPT RESPONSE TO REQUESTS FOR
19 AMENDMENT HEARINGS.—Not more than 30 days
20 after receipt of a written request for an amendment
21 hearing regarding a milk marketing order, the Sec-
22 retary shall—

23 “(i) issue a denial of the request; or

24 “(ii) issue notice of the hearing, which
25 shall begin no more than 60 days, and conclude

1 no more than 90 days, after receipt of the re-
2 quest.

3 “(D) SUBMISSION AND USE OF EVIDENCE.—

4 The proponents of any amendment proposed to be
5 made to a milk marketing order shall file with the
6 Secretary all testimony and other evidence in sup-
7 port of the amendment, in written form, at least 7
8 business days before the date fixed for the hearing.
9 The Secretary shall make such written testimony
10 and other evidence available to interested members
11 of the public. Subject to any evidentiary objections
12 and cross examination of submitting witness, the
13 written testimony and evidence shall be entered into
14 evidence without being read at the hearing.

15 “(E) ISSUANCE OF DECISION.—The Secretary
16 shall issue a recommended decision on a proposed
17 amendment to a milk marketing order not later than
18 90 days after the date set by the Administrative
19 Law Judge for the submission of post-hearing pro-
20 posed findings and conclusions and written argu-
21 ments or briefs. The final decision shall be issued
22 not later than 60 days after the date on which the
23 recommended decision was issued.

24 “(F) AVOIDING DUPLICATION.—The Secretary
25 shall not be required to call a hearing on any

1 amendment proposed to be made to a milk mar-
2 keting order in response to an application for a
3 hearing on such proposed amendment if the applica-
4 tion requesting the hearing is received by the Sec-
5 retary within 90 days after the date on which the
6 Secretary has announced the decision on a pre-
7 viously proposed amendment to that order and the
8 two proposed amendments are essentially the
9 same.”.

10 **SEC. 1405. DAIRY INDEMNITY PROGRAM.**

11 Section 3 of Public Law 90–484 (7 U.S.C. 450l) is
12 amended by striking “2007” and inserting “2012”.

13 **SEC. 1406. EXTENSION OF MILK INCOME LOSS CONTRACT**
14 **PROGRAM.**

15 Section 1502(c)(3)(B) of the Farm Security and
16 Rural Investment Act of 2002 (7 U.S.C. 7982(c)(3)(B)),
17 as amended by section 9006(a) of the U.S. Troop Readi-
18 ness, Veterans’ Care, Katrina Recovery, and Iraq Ac-
19 countability Appropriations Act, 2007 (Public Law 110–
20 28, 121 Stat. 217), is amended by striking “2007” and
21 inserting “2012”.

22 **SEC. 1407. DAIRY PROMOTION AND RESEARCH PROGRAM.**

23 (a) **EXTENSION OF PROMOTION AUTHORITY.**—Sec-
24 tion 113(e)(2) of the Dairy Production Stabilization Act

1 of 1983 (7 U.S.C. 4504(e)(2)) is amended by striking
2 “2007” and inserting “2012”.

3 (b) DEFINITION OF UNITED STATES FOR PRO-
4 MOTION PROGRAM.—Section 111 of the Dairy Production
5 Stabilization Act of 1983 (7 U.S.C. 4502) is amended—

6 (1) by striking subsection (l) and inserting the
7 following new subsection:

8 “(l) the term ‘United States’, when used in a geo-
9 graphical sense, means all of the States, the District of
10 Columbia, and the Commonwealth of Puerto Rico;”;

11 (2) in subsection (m), by striking “(as defined
12 in subsection (l))”.

13 (c) DEFINITION OF UNITED STATES FOR RESEARCH
14 PROGRAM.—Section 130 of the Dairy Production Sta-
15 bilization Act of 1983 (7 U.S.C. 4531) is amended by
16 striking paragraph (12) and inserting the following new
17 paragraph:

18 “(12) the term ‘United States’, when used in a
19 geographical sense, means all of the States, the Dis-
20 trict of Columbia, and the Commonwealth of Puerto
21 Rico.”.

22 (d) REFUND OF ASSESSMENTS ON IMPORTED DAIRY
23 PRODUCTS.—Section 113(g) of the Dairy Production Sta-
24 bilization Act of 1983 (7 U.S.C. 4504(g)) is amended by
25 adding at the end the following:

1 “(7) REFUND OF ASSESSMENTS ON CERTAIN
2 IMPORTED PRODUCTS.—

3 “(A) IN GENERAL.—An importer is enti-
4 tled to a refund of any assessment paid under
5 this subsection on imported dairy products im-
6 ported under a contract entered into prior to
7 July 26, 2007.

8 “(B) EXPIRATION.—Refunds under para-
9 graph (A) shall expire one year after the date
10 of the enactment of the Farm, Nutrition, and
11 Bioenergy Act of 2007.”.

12 **SEC. 1408. REPORT ON DEPARTMENT OF AGRICULTURE RE-**
13 **PORTING PROCEDURES FOR NONFAT DRY**
14 **MILK.**

15 Not later than 90 days after the date of the enact-
16 ment of this Act, the Secretary of Agriculture shall submit
17 to Congress a report regarding Department of Agriculture
18 reporting procedures for nonfat dry milk and the impact
19 of these procedures on Federal milk marketing order min-
20 imum prices during the period beginning on July 1, 2006,
21 and ending on the date of the enactment of this Act.

22 **SEC. 1409. FEDERAL MILK MARKETING ORDER REVIEW**
23 **COMMISSION.**

24 (a) ESTABLISHMENT.—Subject to the availability of
25 appropriations to carry out this section, the Secretary of

1 Agriculture shall establish a commission to be known as
2 the “Federal Milk Marketing Order Review Commission”,
3 in this section referred to as the “commission”, which
4 shall conduct a comprehensive review and evaluation of—

5 (1) the current Federal milk marketing order
6 system; and

7 (2) non-Federal milk marketing order systems.

8 (b) ELEMENTS OF REVIEW AND EVALUATION.—As
9 part of the review and evaluation under subsection (a),
10 the commission shall consider legislative and regulatory
11 options for—

12 (1) ensuring that the competitiveness of dairy
13 products with other competing products in the mar-
14 ketplace is preserved and enhanced;

15 (2) enhancing the competitiveness of American
16 dairy producers in world markets;

17 (3) increasing the responsiveness of the Federal
18 milk marketing order system to market forces;

19 (4) streamlining and expediting the process by
20 which amendments to Federal milk market orders
21 are adopted;

22 (5) simplifying the Federal milk marketing
23 order system;

24 (6) evaluating whether the Federal milk mar-
25 keting order system, established during the Great

1 Depression, continues to serve the interests of the
2 public, dairy processors, and dairy farmers;

3 (7) evaluating whether Federal milk marketing
4 orders are operating in a manner to minimize costs
5 to taxpayers and consumers; and

6 (8) evaluating the nutritional composition of
7 milk, including the potential benefits and costs of
8 adjusting the milk content standards.

9 (c) MEMBERSHIP.—

10 (1) COMPOSITION.—The commission shall con-
11 sist of 18 members.

12 (2) MEMBERS.—As soon as practicable after
13 the date on which funds are first made available to
14 carry out this section, commission members shall be
15 appointed as follows:

16 (A) Two members appointed by the Chair-
17 man of the Committee on Agriculture of the
18 House of Representatives, in consultation with
19 the ranking member of the Committee on Agri-
20 culture of the House of Representatives.

21 (B) Two members appointed by the Chair-
22 man of the Committee on Agriculture, Nutri-
23 tion, and Forestry of the Senate, in consulta-
24 tion with the ranking member of the Committee

1 on Agriculture, Nutrition and Forestry of the
2 Senate.

3 (C) Fourteen members appointed by the
4 Secretary of Agriculture.

5 (3) SPECIAL APPOINTMENT REQUIREMENTS.—

6 In the case of the members to be appointed under
7 paragraph (2)(C), the Secretary shall comply with
8 the following requirements:

9 (A) At least one member shall represent a
10 national consumer organization.

11 (B) At least four members shall represent
12 land-grant universities or ASCARR institutions
13 with accredited dairy economic programs, with
14 two of these members being experts in the field
15 of economics.

16 (C) At least one member shall represent
17 the food and beverage retail sector.

18 (D) Four dairy producer and four dairy
19 processors, appointed so as to balance geo-
20 graphical distribution of milk production and
21 dairy processing, reflect all segments of dairy
22 processing, and represent all regions of the
23 United States equitably, including States that
24 operate outside of a Federal milk marketing
25 order.

1 (4) CHAIR.—The commission shall elect one of
2 its appointed members to serve as chairperson for
3 the duration of the commission’s proceedings.

4 (5) VACANCY.—Any vacancy occurring before
5 the termination of the commission shall be filled in
6 the same manner as the original appointment.

7 (6) COMPENSATION.—Members of the commis-
8 sion shall serve without compensation, but shall be
9 reimbursed by the Secretary of Agriculture from ex-
10 isting budget authority for necessary and reasonable
11 expenses incurred in the performance of the duties
12 of the commission.

13 (d) REPORT.—Not later than two years after the date
14 of the first meeting of the commission, the commission
15 shall submit to the Secretary of Agriculture and Congress
16 a report setting forth the results of the review and evalua-
17 tion conducted under this section, including such rec-
18 ommendations regarding the legislative and regulatory op-
19 tions considered under subsection (b) as the commission
20 considers to be appropriate. The report findings shall re-
21 flect, to the extent practicable, a consensus opinion of the
22 commission members, but the report may include majority
23 and minority findings regarding those matters for which
24 consensus was not reached.

1 (e) ADVISORY NATURE.—The commission is wholly
2 advisory in nature, and the recommendations of the com-
3 mission are non-binding.

4 (f) NO EFFECT ON EXISTING PROGRAMS.—The Sec-
5 retary shall not allow the existence of the commission to
6 impede, delay, or otherwise affect any decision making
7 process of the Department of Agriculture, including any
8 rulemaking procedures planned, proposed, or near comple-
9 tion.

10 (g) ADMINISTRATIVE ASSISTANCE.—The Secretary
11 shall provide administrative support to the commission,
12 and expend such funds as necessary from existing budget
13 authority to carry out this responsibility.

14 (h) AUTHORIZATION OF APPROPRIATIONS.—There
15 are authorized to be appropriated such sums as are nec-
16 essary to carry out this section.

17 (i) TERMINATION.—The commission shall terminate
18 immediately after submission of the report under sub-
19 section (d).

20 **Subtitle E—Administration**

21 **SEC. 1501. ADMINISTRATION GENERALLY.**

22 (a) USE OF COMMODITY CREDIT CORPORATION.—
23 The Secretary shall use the funds, facilities, and authori-
24 ties of the Commodity Credit Corporation to carry out this
25 title.

1 (b) DETERMINATIONS BY SECRETARY.—A deter-
2 mination made by the Secretary under this title shall be
3 final and conclusive.

4 (c) REGULATIONS.—

5 (1) IN GENERAL.—Not later than 90 days after
6 the date of the enactment of this Act, the Secretary
7 and the Commodity Credit Corporation, as appro-
8 priate, shall promulgate such regulations as are nec-
9 essary to implement this title.

10 (2) PROCEDURE.—The promulgation of the reg-
11 ulations and administration of this title shall be
12 made without regard to—

13 (A) chapter 35 of title 44, United States
14 Code (commonly known as the “Paperwork Re-
15 duction Act”);

16 (B) the Statement of Policy of the Sec-
17 retary of Agriculture effective July 24, 1971
18 (36 Fed. Reg. 13804), relating to notices of
19 proposed rulemaking and public participation in
20 rulemaking; and

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

23 (3) CONGRESSIONAL REVIEW OF AGENCY RULE-
24 MAKING.—In carrying out this subsection, the Sec-

1 retary shall use the authority provided under section
2 808 of title 5, United States Code.

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

5 (1) REQUIRED DETERMINATION; ADJUST-
6 MENT.—If the Secretary determines that expendi-
7 tures under subtitles A through E that are subject
8 to the total allowable domestic support levels under
9 the Uruguay Round Agreements (as defined in sec-
10 tion 2 of the Uruguay Round Agreements Act (19
11 U.S.C. 3501)), as in effect on the date of enactment
12 of this Act, will exceed such allowable levels for any
13 applicable reporting period, the Secretary shall, to
14 the maximum extent practicable, make adjustments
15 in the amount of such expenditures during that pe-
16 riod to ensure that such expenditures do not exceed
17 such allowable levels.

18 (2) CONGRESSIONAL NOTIFICATION.—Before
19 making any adjustment under paragraph (1), the
20 Secretary shall submit to the Committee on Agri-
21 culture of the House of Representatives or the Com-
22 mittee on Agriculture, Nutrition, and Forestry of
23 the Senate a report describing the determination
24 made under that paragraph and the extent of the
25 adjustment to be made.

1 **SEC. 1502. SUSPENSION OF PERMANENT PRICE SUPPORT**
2 **AUTHORITY.**

3 (a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—
4 The following provisions of the Agricultural Adjustment
5 Act of 1938 shall not be applicable to the 2008 through
6 2012 crops of covered commodities, peanuts, and sugar
7 and shall not be applicable to milk during the period be-
8 ginning on the date of enactment of this Act through De-
9 cember 31, 2012:

10 (1) Parts II through V of subtitle B of title III
11 (7 U.S.C. 1326 et seq.).

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

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

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

17 (b) AGRICULTURAL ACT OF 1949.—The following
18 provisions of the Agricultural Act of 1949 shall not be ap-
19 plicable to the 2008 through 2012 crops of covered com-
20 modities, peanuts, and sugar and shall not be applicable
21 to milk during the period beginning on the date of enact-
22 ment of this Act and through December 31, 2012:

23 (1) Section 101 (7 U.S.C. 1441).

24 (2) Section 103(a) (7 U.S.C. 1444(a)).

25 (3) Section 105 (7 U.S.C. 1444b).

26 (4) Section 107 (7 U.S.C. 1445a).

1 (5) Section 110 (7 U.S.C. 1445e).

2 (6) Section 112 (7 U.S.C. 1445g).

3 (7) Section 115 (7 U.S.C. 1445k).

4 (8) Section 201 (7 U.S.C. 1446).

5 (9) Title III (7 U.S.C. 1447 et seq.).

6 (10) Title IV (7 U.S.C. 1421 et seq.), other
7 than sections 404, 412, and 416 (7 U.S.C. 1424,
8 1429, and 1431).

9 (11) Title V (7 U.S.C. 1461 et seq.).

10 (12) Title VI (7 U.S.C. 1471 et seq.).

11 (c) **SUSPENSION OF CERTAIN QUOTA PROVISIONS.**—

12 The joint resolution entitled “A joint resolution relating
13 to corn and wheat marketing quotas under the Agricul-
14 tural Adjustment Act of 1938, as amended”, approved
15 May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be
16 applicable to the crops of wheat planted for harvest in the
17 calendar years 2008 through 2012.

18 **SEC. 1503. PAYMENT LIMITATIONS.**

19 (a) **EXTENSION AND REVISION OF LIMITATIONS.**—

20 (1) **EXTENSION.**—Sections 1001 and 1001C(a)
21 of the Food Security Act of 1985 (7 U.S.C. 1308,
22 1308–3(a)) are amended by striking “Farm Security
23 and Rural Investment Act of 2002” each place it ap-
24 pears (other than in subsection (d)(1) of section

1 1001 of such Act) and inserting “Farm, Nutrition,
2 and Bioenergy Act of 2007”.

3 (2) COMBINATION OF LIMITS.—Section 1001 of
4 the Food Security Act of 1985 (7 U.S.C. 1308) is
5 amended by striking subsections (b) and (c) and in-
6 serting the following new subsections:

7 “(b) LIMITATION ON DIRECT AND COUNTER-CYCLI-
8 CAL PAYMENTS FOR COVERED COMMODITIES (OTHER
9 THAN PEANUTS).—

10 “(1) DIRECT PAYMENTS.—The total amount of
11 direct payments received, directly or indirectly, by a
12 person or any legal entity (except a joint venture or
13 a general partnership) in any crop year under sub-
14 title A of title I of the Farm, Nutrition, and Bio-
15 energy Act of 2007 for 1 or more covered commod-
16 ities (except for peanuts) may not exceed \$60,000.

17 “(2) COUNTER-CYCLICAL PAYMENTS.—The
18 total amount of counter-cyclical payments received,
19 directly or indirectly, by a person or any legal entity
20 (except a joint venture or a general partnership in
21 any crop year under subtitle A of title I of the
22 Farm, Nutrition, and Bioenergy Act of 2007 for one
23 or more covered commodities (except for peanuts)
24 may not exceed \$65,000.

1 “(c) LIMITATION ON DIRECT AND COUNTER-CYCLI-
2 CAL PAYMENTS FOR PEANUTS.—

3 “(1) DIRECT PAYMENTS.—The total amount of
4 direct payments received, directly or indirectly, by a
5 person or any legal entity (except a joint venture or
6 a general partnership) in any crop year under sub-
7 title A of title I of the Farm, Nutrition, and Bio-
8 energy Act of 2007 for peanuts may not exceed
9 \$60,000.

10 “(2) COUNTER-CYCLICAL PAYMENTS.—The
11 total amount of counter-cyclical payments received,
12 directly or indirectly, by a person or any legal entity
13 (except a joint venture or a general partnership in
14 any crop year under subtitle A of title I of the
15 Farm, Nutrition, and Bioenergy Act of 2007 for
16 peanuts may not exceed \$65,000.”.

17 (b) DIRECT CONTRIBUTION.—Section 1001 of the
18 Food Security Act of 1985 (7 U.S.C. 1308) is amended—

19 (1) in subsection (a)—

20 (A) by redesignating paragraphs (2) and
21 (3) as paragraphs (4) and (5), respectively; and

22 (B) by inserting after paragraph (1) the
23 following new paragraphs:

1 “(2) LEGAL ENTITY.—The term ‘legal entity’
2 means an entity that is created under Federal or
3 State law and that—

4 “(A) owns land or an agricultural com-
5 modity; or

6 “(B) produces an agricultural commodity.

7 “(3) PERSON.—The term ‘person’ means a nat-
8 ural person, and does not include a legal entity.”;

9 (2) by striking subsections (d) through (e) and
10 inserting the following new subsections:

11 “(d) CONTRIBUTION OF PAYMENTS.—

12 “(1) IN GENERAL.—In implementing sub-
13 sections (b) and (c), the Secretary shall issue such
14 regulations as are necessary to ensure that the total
15 amount of payments are attributed to a person by
16 taking into account the direct and indirect owner-
17 ship interests of the person in a legal entity that is
18 eligible to receive such payments.

19 “(2) PAYMENTS TO A PERSON.—Every payment
20 made directly to a person shall be combined with the
21 person’s pro rata interest in payments received by a
22 legal entity in which the person has a direct or indi-
23 rect ownership interest.

24 “(3) PAYMENTS TO A LEGAL ENTITY.—

1 “(A) IN GENERAL.—Every payment made
2 to a legal entity shall be attributed to those per-
3 sons who have a direct or indirect ownership in-
4 terest in the legal entity.

5 “(B) ATTRIBUTION OF PAYMENTS.—

6 “(i) PAYMENT LIMITS.—Except as
7 provided in clause (ii), payments made to
8 a legal entity shall not exceed the amounts
9 specified in subsections (b) and (c).

10 “(ii) EXCEPTION.—Payments made to
11 a joint venture or a general partnership
12 shall not exceed, for each payment speci-
13 fied in subsections (b) and (c), the amount
14 determined by multiplying the maximum
15 payment amount specified in subsections
16 (b) and (c) by the number of persons and
17 legal entities (other than joint ventures
18 and general partnerships) that comprise
19 the ownership of the joint venture or gen-
20 eral partnership.

21 “(4) FOUR LEVELS OF ATTRIBUTION FOR EM-
22 BDED ENTITIES.—

23 “(A) IN GENERAL.—Attribution of pay-
24 ments made to legal entities shall be traced
25 through four levels of ownership in entities.

1 “(B) FIRST LEVEL.—Any payments made
2 to a legal entity (a first-tier entity) that is
3 owned in whole or in part by a person shall be
4 attributed to the person in an amount that rep-
5 represents the direct ownership in the first-tier en-
6 tity by the person.

7 “(C) SECOND LEVEL.—Any payments
8 made to a first-tier entity that is owned in
9 whole or in part by another legal entity (a sec-
10 ond-tier entity) shall be attributed to the sec-
11 ond-tier entity in proportion to the second-tier
12 entity’s ownership in the first-tier entity. If the
13 second-tier entity is owned in whole or in part
14 by a person, the amount of the payment made
15 to the first-tier entity shall be attributed to the
16 person in the amount that represents the indi-
17 rect ownership in the first-tier entity by the
18 person.

19 “(D) THIRD AND FOURTH LEVELS.—The
20 Secretary shall attribute payments at the third
21 and fourth tiers of ownership in the same man-
22 ner as specified in subparagraph (C) unless the
23 fourth-tier of ownership is that of a fourth-tier
24 entity and not that of a person, in which case
25 the Secretary shall reduce the amount of the

1 payment to be made to the first-tier entity in
2 the amount that represents the indirect owner-
3 ship in the first-tier entity by the fourth-tier en-
4 tity.

5 “(e) SPECIAL RULES.—

6 “(1) MINOR CHILDREN.—Payments received by
7 a child under the age of 18 shall be attributed to the
8 child’s parents, except that the Secretary shall issue
9 regulations which provide the conditions under which
10 payments received by a child under the age of 18
11 will not be attributed to the child’s parents.

12 “(2) MARKETING COOPERATIVES.—Subsections
13 (b) and (c) shall not apply to a cooperative associa-
14 tion of producers with respect to commodities pro-
15 duced by its members which are marketed by such
16 association on behalf of its members but shall apply
17 to such producers as persons.

18 “(3) TRUSTS AND ESTATES.—

19 “(A) IN GENERAL.—With respect to irrev-
20 ovable trusts and estates, the Secretary shall
21 administer the provisions of this subtitle in
22 such manner as the Secretary determines will
23 ensure that fair and equitable treatment of the
24 beneficiaries of such trusts and estates.

1 “(B) IRREVOCABLE TRUST.—In order for
2 a trust to be considered an irrevocable trust,
3 the terms of the trust agreement must not
4 allow for modification or termination of the
5 trust by the grantor, allow for the grantor to
6 have any future, contingent, or remainder inter-
7 est in the corpus of the trust, or provide for the
8 transfer of the corpus of the trust to the re-
9 mainder beneficiary in less than 20 years from
10 the date the trust is established except in cases
11 where the transfer is contingent on the remain-
12 der beneficiary achieving at least the age of ma-
13 jority or is contingent on the death of the
14 grantor or income beneficiary.

15 “(C) REVOCABLE TRUST.—A revocable
16 trust shall be considered to be the same person
17 as the grantor of the trust.

18 “(4) CASH RENT TENANTS.—

19 “(A) DEFINITION.—In this paragraph, the
20 term ‘cash rent tenant’ means a person or legal
21 entity that rents land—

22 “(i) for cash; or

23 “(ii) for a crop share guaranteed as to
24 the amount of the commodity to be paid in
25 rent.

1 “(B) RESTRICTION.—A cash rent tenant
2 who makes a significant contribution of active
3 personal management, but not of personal
4 labor, with respect to a farming operation is eli-
5 gible to receive a payment described in sub-
6 section (b) only if the tenant makes a signifi-
7 cant contribution of equipment used in the
8 farming operation.

9 “(5) FEDERAL AGENCIES.—

10 “(A) IN GENERAL.—Federal agencies shall
11 not be eligible to receive any payment described
12 in subsection (b) or (c).

13 “(B) RENTS LAND.—A person or legal en-
14 tity that rents land owned by a Federal agency
15 may receive such payments.

16 “(6) STATE AND LOCAL GOVERNMENTS.—

17 “(A) GOVERNMENTS INELIGIBLE.—

18 “(i) IN GENERAL.—Except as pro-
19 vided in subparagraphs (B) and (C), State
20 and local governments and political sub-
21 divisions and agencies of such govern-
22 ments, shall not be eligible to receive pay-
23 ments described in subsections (b) and (c).

24 “(ii) TENANTS.—A person or legal en-
25 tity that rents land owned by a State or

1 local government or a political subdivision
2 or agency of such government, may receive
3 payments described in subsections (b) and
4 (c) if they otherwise meet all applicable cri-
5 teria.

6 “(B) EXCEPTION.—

7 “(i) IN GENERAL.—Within the limita-
8 tion described in clause (ii), a State and
9 the political subdivisions and agencies of
10 such governments, may receive payments
11 described in subsections (b) and (c), if the
12 State or a political subdivision or agency of
13 such government—

14 “(I) is the producer of all crops
15 produced on a farm; and

16 “(II) the proceeds from the crop
17 production are used to maintain a
18 public school.

19 “(ii) LIMITATION.—For each State,
20 the total amount of payments described in
21 subsections (b) and (c) that are received
22 collectively by the State and all political
23 subdivisions or agencies of such govern-
24 ments shall not exceed the amounts that

1 one legal entity may receive in one year as
2 specified in subsections (b) and (c).

3 “(C) SHARE LEASES.—A State and the po-
4 litical subdivisions and agencies of such govern-
5 ments may, without regard to the provisions of
6 subparagraph (B), receive payments described
7 in subsections (b) and (c) if—

8 “(i) the payments are received with
9 respect to land that is share leased to a
10 private party;

11 “(ii) the lease was in effect on the
12 date of enactment of the Farm, Nutrition,
13 and Bioenergy Act of 2007; and

14 “(iii) the land is used to maintain a
15 public school.

16 “(7) CHANGES IN FARMING OPERATIONS.—In
17 the administration of this subtitle, the Secretary
18 may not approve any change in a farming operation
19 that otherwise will increase the number of persons to
20 which the limitations under this section are applied
21 unless the Secretary determines that the change is
22 bona fide and substantive. The addition of a family
23 member to a farming operation under the criteria
24 set out in section 1001A shall be considered a bona

1 fide and substantive change in the farming oper-
2 ation.

3 “(8) DENIAL OF PROGRAM BENEFITS.—

4 “(A) TWO YEAR DENIAL OF PAYMENT.—A
5 person or legal entity shall be ineligible to re-
6 ceive payments specified in subsections (b) and
7 (c) for that year, and the succeeding crop year,
8 in which the Secretary determines that the per-
9 son or entity engaged in an activity in which
10 the primary purpose of the activity was to avoid
11 the application of the provisions of this subtitle
12 to the person, legal entity or any other person
13 or legal entity.

14 “(B) EXTENDED INELIGIBILITY.—If the
15 Secretary determines that a person or legal en-
16 tity, for their benefit or the benefit of any other
17 person or legal entity, has knowingly engaged
18 in, or aided in the creation of fraudulent docu-
19 ments, failed to disclose material information
20 relevant to the administration of this subtitle
21 requested by the Secretary, or committed other
22 equally serious actions as identified in regula-
23 tions issued by the Secretary, the Secretary
24 may for a period not to exceed five crop years

1 deny the issuance of payments to the person or
2 legal entity.

3 “(C) PRO RATA DENIAL.—Payments other-
4 wise owed to a person or legal entity covered by
5 subparagraphs (A) or (B) shall be denied in a
6 pro rata manner based upon the ownership in-
7 terest of the person or legal entity in a farm,
8 and payments otherwise payable to the person
9 or legal entity who is a cash rent tenant on a
10 farm owned or under the control of such person
11 or legal entity shall be denied.

12 “(9) DEATH OF OWNER.—In the event of a
13 transfer of any ownership interest in land or a com-
14 modity as the result of the death of a program par-
15 ticipant, the new owner of such land or commodity
16 may, if such person is otherwise eligible to partici-
17 pate in the applicable program, succeed to the prior
18 owner’s contract and receive payments subject to
19 this section without regard to the amount of pay-
20 ments received by the new owner. Payments made
21 pursuant to this subsection shall not exceed the
22 amount to which the previous owner was entitled to
23 receive under the terms of the contract at the time
24 of the death of the prior owner.”.

1 (c) REPEAL OF THREE-ENTITY RULE.—Section
2 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–
3 1) is amended—

4 (1) in the section heading, by striking “**PRE-**
5 **VENTION OF CREATION OF ENTITIES TO QUAL-**
6 **IFY AS SEPARATE PERSONS**” and inserting “**NO-**
7 **TIFICATION OF INTERESTS**”; and

8 (2) by striking subsection (a) and inserting the
9 following new subsection:

10 “(a) NOTIFICATION OF INTERESTS.—To facilitate
11 administration of sections 1001 and this section, each en-
12 tity or person receiving payments described in subsections
13 (b) and (c) of section 1001 as a separate person shall pro-
14 vide to the Secretary of Agriculture, at such times and
15 in such manner as prescribed by the Secretary, the name
16 and social security number of each individual, or the name
17 and taxpayer identification number of each entity, that
18 holds or acquires an ownership interest in such separate
19 person and shall provide such information regarding each
20 entity in which such separate person holds an ownership
21 interest.”.

22 (d) AMENDMENT FOR CONSISTENCY.—Section
23 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–
24 1) is amended by striking subsection (b) and inserting the
25 following new subsections:

1 “(b) ACTIVELY ENGAGED.—

2 “(1) IN GENERAL.—To be eligible to receive a
3 payment described in subsections (b) and (c) of sec-
4 tion 1001, a person or legal entity must be actively
5 engaged in farming as provided in this subsection or
6 subsection (c).

7 “(2) CLASSES ACTIVELY ENGAGED.—Except as
8 provided in subsections (c) and (d)—

9 “(A) a person, including a person partici-
10 pating in a farming operation as a partner in
11 a general partnership, a participant in a joint
12 venture, a grantor of a revocable trust, or a
13 participant in a similar entity as determined by
14 the secretary, shall be considered to be actively
15 engaged in farming with respect to a farm oper-
16 ation if—

17 “(i) the person makes a significant
18 contribution (based on the total value of
19 the farming operation) to the farming op-
20 eration of—

21 “(I) capital, equipment, or land;

22 and

23 “(II) personal labor or active per-
24 sonal management;

1 “(ii) the person’s share of the profits
2 or losses from the farming operation is
3 commensurate with the contributions of
4 the person to the farming operation; and

5 “(iii) the contributions of the person
6 are at risk;

7 “(B) a legal entity that is a corporation,
8 joint stock company, association, limited part-
9 nership, charitable organization, or other simi-
10 lar entity determined by the Secretary, includ-
11 ing any such entity participating in the farming
12 operation as a partner in a general partnership,
13 a participant in a joint venture, a grantor of a
14 revocable trust, or as a participant in a similar
15 entity as determined by the Secretary shall be
16 considered as actively engaged in farming with
17 respect to a farming operation if—

18 “(i) the entity separately makes a sig-
19 nificant contribution (based on the total
20 value of the farming operation) of capital,
21 equipment, or land;

22 “(ii) the stockholders or members col-
23 lectively make a significant contribution of
24 personal labor or active personal manage-
25 ment to the operation; and

1 “(iii) the standards provided in
2 clauses (ii) and (iii) of paragraph (A), as
3 applied to the entity, are met by the entity;

4 “(C) if a legal entity that is a general part-
5 nership, joint venture, or similar entity, as de-
6 termined by the Secretary, separately makes a
7 significant contribution (based on the total
8 value of the farming operation involved) of cap-
9 ital, equipment, or land, and the standards pro-
10 vided in clauses (ii) and (iii) of paragraph (A),
11 as applied to the entity, are met by the entity,
12 the partners or members making a significant
13 contribution of personal labor or active personal
14 management shall be considered to be actively
15 engaged in farming with respect to the farming
16 operation involved; and

17 “(D) in making determinations under this
18 subsection regarding equipment and personal
19 labor, the Secretary shall take into consider-
20 ation the equipment and personal labor nor-
21 mally and customarily provided by farm opera-
22 tors in the area involved to produce program
23 crops.

24 “(c) SPECIAL CLASSES ACTIVELY ENGAGED.—

1 “(1) LANDOWNER.—A person or legal entity
2 that is a landowner contributing the owned land to
3 a farming operation shall be considered to be ac-
4 tively engaged in farming with respect to the farm-
5 ing operation if the landowner receives rent or in-
6 come for such use of the land based on the land’s
7 production or the operation’s operating results, and
8 the person or legal entity meets the standard pro-
9 vided in clauses (ii) and (iii) of subsection (b)(2)(A).

10 “(2) ADULT FAMILY MEMBER.—With respect to
11 a farming operation when a majority of the partici-
12 pants are family members, an adult family member
13 shall be considered to be actively engaged in farming
14 with respect to the farming operation if the per-
15 son—

16 “(A) makes a significant contribution,
17 based on the total value of the farming oper-
18 ation, of active personal management or per-
19 sonal labor; and

20 “(B) such contribution meets the stand-
21 ards provided in clauses (ii) and (iii) of sub-
22 section (b)(2)(A).

23 “(3) SHARECROPPER.—A sharecropper who
24 makes a significant contribution of personal labor to
25 a farming operation shall be considered to be ac-

1 tively engaged in farming with respect to the farm-
2 ing operation if such contribution meets the stand-
3 ards provided in clauses (ii) and (iii) of subsection
4 (b)(2)(A).

5 “(4) GROWERS OF HYBRID SEED.—In deter-
6 mining whether a person or legal entity growing hy-
7 brid seed under contract shall be considered to be
8 actively engaged in farming, the Secretary shall not
9 take into consideration the existence of a hybrid seed
10 contract.

11 “(5) CUSTOM FARMING SERVICES.—A person or
12 legal entity receiving custom farming services will be
13 considered separately eligible for payment limitation
14 purposes if such person or legal entity is actively en-
15 gaged in farming based on subsection (b)(2) or
16 paragraphs (1) through (5) of this subsection. No
17 other rules with respect to custom farming shall
18 apply in making a determination under this section.

19 “(6) SPOUSE.—Where one spouse is determined
20 to be actively engaged, the other spouse shall be de-
21 termined to have met the requirements of subclause
22 (II) of subsection (b)(2)(A)(i) of this section.

23 “(d) CLASSES NOT ACTIVELY ENGAGED.—

24 “(1) CASH RENT LANDLORD.—A landlord con-
25 tributing land to a farming operation shall not be

1 considered to be actively engaged in farming with re-
2 spect to the farming operation if the landlord re-
3 ceives cash rent, or a crop share guaranteed as to
4 the amount of the commodity to be paid in rent, for
5 such use of the land.

6 “(2) OTHER PERSONS.—Any other person de-
7 termined by the Secretary as failing to meet the
8 standards set out in subsections (b)(2) and (c) shall
9 not be considered to be actively engaged in farming
10 with respect to a farming operation.”.

11 (e) TRANSITION.—Section 1001 of the Food Security
12 Act of 1985 (7 U.S.C. 1308), as in effect on the day before
13 the date of the enactment of this Act, shall continue to
14 apply with respect to the 2007 crop of any covered com-
15 modity.

16 **SEC. 1504. ADJUSTED GROSS INCOME LIMITATION.**

17 (a) EXTENSION OF ADJUSTED GROSS INCOME LIM-
18 ITATION.—Section 1001D of the Food Security Act of
19 1985 (7 U.S.C. 1308–3a) is amended—

20 (1) in subsection (b)(2), by striking “Farm Se-
21 curity and Rural Investment Act of 2002” each
22 place it appears and inserting “Farm, Nutrition,
23 and Bioenergy Act of 2007”; and

24 (2) in subsection (e), by striking “2007” and
25 inserting “2012”.

1 (b) MODIFICATION OF LIMITATION.—Section
2 1001D(b) of the Food Security Act of 1985 (7 U.S.C.
3 1308–3a(b)) is amended—

4 (1) by striking paragraph (1) and inserting the
5 following new paragraph:

6 “(1) CAPS.—

7 “(A) UPPER LIMIT.—Notwithstanding any
8 other provision of law, an individual or entity
9 shall not be eligible to receive any benefit de-
10 scribed in paragraph (2) during a crop year if
11 the average adjusted gross income of the indi-
12 vidual or entity exceeds \$1,000,000.

13 “(B) PRODUCER EXEMPTION.—Notwith-
14 standing any other provision of law, an indi-
15 vidual or entity shall not be eligible to receive
16 any benefit described in paragraph (2) during a
17 crop year if the average adjusted gross income
18 of the individual or entity exceeds \$500,000,
19 unless not less than 66.66 percent of the aver-
20 age adjusted gross income of the individual or
21 entity is derived from farming, ranching, or for-
22 estry operations, as determined by the Sec-
23 retary.”;

24 (2) in paragraph (2)(A), by striking “or C”;

25 and

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

3 “(3) INCOME DERIVED FROM FARMING, RANCH-
4 ING OR FORESTRY OPERATIONS.—In determining
5 what portion of the average adjusted gross income of
6 an individual or entity is derived from farming,
7 ranching, or forestry operations, the Secretary shall
8 include income derived from the following:

9 “(A) The production of crops, livestock, or
10 unfinished raw forestry products.

11 “(B) The sale, including the sale of ease-
12 ments and development rights, of farm, ranch,
13 or forestry land or water rights.

14 “(C) The sale, but not as a dealer, of
15 equipment purchased to conduct farm, ranch,
16 or forestry operations when the equipment is
17 otherwise subject to depreciation expense.

18 “(D) The rental of land used for farming,
19 ranching, or forestry operations.

20 “(E) The provision of production inputs
21 and services to farmers, ranchers, and foresters.

22 “(F) The processing, storing, and trans-
23 porting of farm, ranch, and forestry commod-
24 ities.

1 “(G) The sale of land that has been used
2 for agriculture.”.

3 **SEC. 1505. ADJUSTMENTS OF LOANS.**

4 Section 162 of the Federal Agriculture Improvement
5 and Reform Act of 1996 (7 U.S.C. 7282) is amended—

6 (1) in subsection (a), by inserting “(except for
7 cotton and long grain, medium grain, and short
8 grain rice)” after “commodity”;

9 (2) in subsection (b), by striking “Farm Secu-
10 rity and Rural Investment Act of 2002” and insert-
11 ing “Farm, Nutrition, and Bioenergy Act of 2007”;
12 and

13 (3) by adding at the end the following new sub-
14 sections:

15 “(d) ADJUSTMENT IN LOAN RATE FOR COTTON.—

16 “(1) ADJUSTMENT AUTHORITY.—The Secretary
17 may make appropriate adjustments in the loan rate
18 for cotton for differences in quality factors.

19 “(2) REVISIONS TO QUALITY ADJUSTMENTS
20 FOR UPLAND COTTON.—

21 “(A) REVISION.—Within 180 days after
22 the date of the enactment of the Farm, Nutri-
23 tion, and Bioenergy Act of 2007, the Secretary,
24 after consultation with the private sector as
25 provided in paragraph (3), shall implement revi-

1 sions in the administration of the marketing as-
2 sistance loan program for upland cotton to
3 more accurately and efficiently reflect market
4 values for upland cotton.

5 “(B) MANDATORY REVISIONS.—The revi-
6 sions required under subparagraph (A) shall in-
7 clude the following:

8 “(i) The elimination or adjustment of
9 warehouse location differentials to reflect
10 market conditions.

11 “(ii) The establishment of differentials
12 for the various quality factors and staple
13 lengths of cotton based on a three-year,
14 weighted moving average of the weighted
15 designated spot market regions as deter-
16 mined by regional production.

17 “(iii) The elimination of any artificial
18 split in the premium or discount between
19 upland cotton with a 32 or 33 staple
20 length due to micronaire;

21 “(iv) A mechanism to ensure that no
22 premium or discount is established that ex-
23 ceeds the premium or discount associated
24 with a leaf grade that is one better than
25 the applicable color grade.

1 “(C) DISCRETIONARY REVISIONS.—The re-
2 visions under subparagraph (A) may include, at
3 a minimum, the following:

4 “(i) The use of non-spot market price
5 data, in addition to spot market price data,
6 that would enhance the accuracy of the
7 price information used in determining
8 quality adjustments under this subsection.

9 “(ii) Adjustments in the premiums or
10 discounts associated with upland cotton
11 with a staple length of 33 or above due to
12 micronaire with the goal of eliminating any
13 unnecessary artificial splits in the calcula-
14 tions of such premiums or discounts.

15 “(iii) Such other adjustments deter-
16 mined appropriate by the Secretary, after
17 consultations conducted in accordance with
18 paragraph (3).

19 “(3) CONSULTATION WITH PRIVATE SECTOR.—

20 “(A) PRIOR TO REVISION.—Prior to imple-
21 menting any revisions to the administration of
22 the marketing assistance loan program for up-
23 land cotton, the Secretary should endeavor to
24 consult with an existing private sector com-
25 mittee whose membership includes representa-

1 tives of the production, ginning, warehousing,
2 cooperative, and merchandising segments of the
3 United States cotton industry and that has de-
4 veloped recommendations concerning such revi-
5 sions.

6 “(B) UPON REVIEW.—The Secretary shall
7 also consult with the committee referred to in
8 subparagraph (A) when conducting a review of
9 adjustments in the operation of the loan pro-
10 gram as provided in paragraph (4).

11 “(C) INAPPLICABILITY OF FEDERAL ADVI-
12 SORY COMMITTEE ACT.—The Federal Advisory
13 Committee Act (5 U.S.C. App.) shall not apply
14 to consultations under this paragraph with the
15 committee referred to in subparagraph (A).

16 “(4) REVIEW OF ADJUSTMENTS.—The Sec-
17 retary may review the operation of the upland cotton
18 quality adjustments implemented pursuant to this
19 subsection and may make further revisions to the
20 administration of the loan program, by either revok-
21 ing or revising the actions taken pursuant to para-
22 graph (2)(B) or by revoking or revising any actions
23 taken or authorized to be taken under paragraph
24 (2)(B).

1 “(5) ADJUSTMENTS IN EFFECT PRIOR TO REVI-
2 SION.—The quality differences (premiums and dis-
3 counts for quality factors) applicable to the upland
4 cotton loan program (prior to any revisions in ac-
5 cordance with this subsection) shall be established
6 by the Secretary by giving equal weight—

7 “(A) to loan differences for the preceding
8 crop; and

9 “(B) to market differences for such crop in
10 the designated United States spot markets.

11 “(e) RICE LIMITATION.—With respect to long grain
12 rice and medium and short grain rice, the Secretary shall
13 not make adjustments in the loan rates for such commod-
14 ities, except for differences in grade and quality (including
15 milling yields).”.

16 **SEC. 1506. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.**
17

18 Section 164 of the Federal Agriculture Improvement
19 and Reform Act of 1996 (7 U.S.C. 7284) is amended by
20 striking “Farm Security and Rural Investment Act of
21 2002” each place it appears and inserting “Farm, Nutri-
22 tion, and Bioenergy Act of 2007”.

1 **SEC. 1507. EXTENSION OF EXISTING ADMINISTRATIVE AU-**
2 **THORITY REGARDING LOANS.**

3 Section 166 of the Federal Agriculture Improvement
4 and Reform Act of 1996 (7 U.S.C. 7286) is amended in
5 subsections (a) and (c)(1) by striking “subtitle B and C
6 of title I of the Farm Security and Rural Investment Act
7 of 2002” each place it appears and inserting “subtitle B
8 of title I of the Farm, Nutrition, and Bioenergy Act of
9 2007”.

10 **SEC. 1508. ASSIGNMENT OF PAYMENTS.**

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

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

19 **SEC. 1509. TRACKING OF BENEFITS.**

20 As soon as practicable after the date of enactment
21 of this Act, the Secretary shall track the benefits provided,
22 directly or indirectly, to individuals and entities under ti-
23 tles I and II and the amendments made by those titles.

24 **SEC. 1510. UPLAND COTTON STORAGE PAYMENTS.**

25 Beginning with the 2011 crop of upland cotton, the
26 Secretary may not use the funds of the Commodity Credit

1 Corporation to pay storage, handling, and other costs as-
2 sociated with the storage of upland cotton for which a
3 marketing assistance loan is made under section 1201.

4 **SEC. 1511. GOVERNMENT PUBLICATION OF COTTON PRICE**
5 **FORECASTS.**

6 Section 15 of the Agricultural Marketing Act (12
7 U.S.C. 1141j) is amended by striking subsection (d).

8 **SEC. 1512. PREVENTION OF DECEASED PERSONS RECEIV-**
9 **ING PAYMENTS UNDER FARM COMMODITY**
10 **PROGRAMS.**

11 (a) IDENTIFICATION OF ERRONEOUS PAYMENTS
12 MADE TO DECEASED PERSONS.—The Secretary of Agri-
13 culture shall—

14 (1) undertake a study to identify any estate of
15 a deceased person that continued to receive pay-
16 ments under this title for more than two crop years
17 after the death of the person; and

18 (2) submit a report containing the results of
19 the study to Congress.

20 (b) NOTIFICATION.—The Secretary shall issue regu-
21 lations that specify deadlines by which a legal entity must
22 notify the Secretary of any change in ownership of such
23 entity, including the death of a person with a direct or
24 indirect ownership interest in the entity, that may affect
25 the entity's eligibility to receive payments or other benefits

1 under this title. The Secretary may deny the issuance of
 2 such payments or benefits to an entity that fails to comply
 3 with such regulations.

4 (c) RECOUPMENT.—If the Secretary determines that
 5 the estate of a deceased person failed to timely notify the
 6 Farm Service Agency of the death, the Secretary shall re-
 7 coup the erroneous payments made on behalf of the de-
 8 ceased person. The Secretary shall withhold payments that
 9 would otherwise be made under this title to farming oper-
 10 ations in which the deceased person was actively engaged
 11 in farming before death until the funds have been re-
 12 couped.

13 (d) COORDINATION.—The Secretary shall, twice a
 14 year, reconcile individual tax identification numbers with
 15 the Internal Revenue Service for recipients of payments
 16 under this title to determine recipients' living status.

17 **TITLE II—CONSERVATION**

Subtitle A—Conservation Programs of the Food Security Act of 1985

- Sec. 2101. Conservation reserve program.
- Sec. 2102. Wetlands reserve program.
- Sec. 2103. Conservation security program.
- Sec. 2104. Grassland reserve program.
- Sec. 2105. Environmental quality incentives program.
- Sec. 2106. Regional water enhancement program.
- Sec. 2107. Grassroots source water protection program.
- Sec. 2108. Conservation of private grazing land.
- Sec. 2109. Great Lakes basin program for soil erosion and sediment control.
- Sec. 2110. Farm and ranchland protection program.
- Sec. 2111. Farm viability program.
- Sec. 2112. Wildlife habitat incentive program.

Subtitle B—Conservation Programs Under Other Laws

- Sec. 2201. Agricultural management assistance program.
- Sec. 2202. Resource Conservation and Development Program.

Sec. 2203. Small watershed rehabilitation program.

Subtitle C—Additional Conservation Programs

Sec. 2301. Chesapeake Bay program for nutrient reduction and sediment control.

Sec. 2302. Voluntary public access and habitat incentive program.

Subtitle D—Administration and Funding

Sec. 2401. Funding of conservation programs under Food Security Act of 1985.

Sec. 2402. Improved provision of technical assistance under conservation programs.

Sec. 2403. Cooperative conservation partnership initiative.

Sec. 2404. Regional equity and flexibility.

Sec. 2405. Administrative requirements for conservation programs.

Sec. 2406. Annual report on participation by specialty crop producers in conservation programs.

Sec. 2407. Promotion of market-based approaches to conservation.

Sec. 2408. Establishment of State technical committees and their responsibilities.

Sec. 2409. Payment limitations.

Subtitle E—Miscellaneous Provisions

Sec. 2501. Inclusion of income from affiliated packing and handling operations as income derived from farming for application of adjusted gross income limitation on eligibility for conservation programs.

Sec. 2502. Encouragement of voluntary sustainability practices guidelines.

Sec. 2503. Farmland resource information.

1 **Subtitle A—Conservation Programs** 2 **of the Food Security Act of 1985**

3 **SEC. 2101. CONSERVATION RESERVE PROGRAM.**

4 (a) AUTHORIZATION AND ELIGIBLE LAND.—Section
5 1231 of the Food Security Act of 1985 (16 U.S.C. 3831)
6 is amended—

7 (1) in subsection (a)—

8 (A) by striking “2007” and inserting
9 “2012”; and

10 (B) by inserting before the period the fol-
11 lowing: “and to address issues raised by State,

1 regional, and national conservation initiatives”;
2 and

3 (2) in subsection (b)—

4 (A) in paragraph (1)(B)—

5 (i) by striking “the Farm Security
6 and Rural Investment Act of 2002” and
7 inserting “the Farm, Nutrition, and Bio-
8 energy Act of 2007”; and

9 (ii) by striking the period at the end
10 and inserting a semicolon; and

11 (B) in paragraph (4), by striking the semi-
12 colon at the end of subparagraph (E) and in-
13 serting “; or”.

14 (b) MAXIMUM ENROLLMENT.—Section 1231(d) of
15 the Food Security Act of 1985 (16 U.S.C. 3831(d)) is
16 amended by striking “2007” and inserting “2012”.

17 (c) CONSERVATION PRIORITY AREAS.—Section
18 1231(f) of the Food Security Act of 1985 (16 U.S.C.
19 3831(f)) is amended by striking “the Chesapeake Bay Re-
20 gion (Pennsylvania, Maryland, and Virginia)” and insert-
21 ing “the Chesapeake Bay Region”.

22 (d) TREATMENT OF MULTI-YEAR GRASSES AND
23 LEGUMES.—Subsection (g) of section 1231 of the Food
24 Security Act of 1985 (16 U.S.C. 3831) is amended to read
25 as follows:

1 “(g) MULTI-YEAR GRASSES AND LEGUMES.—

2 “(1) IN GENERAL.—For purposes of this sub-
3 chapter, alfalfa and other multi-year grasses and
4 legumes in a rotation practice, approved by the Sec-
5 retary, shall be considered agricultural commodities.

6 “(2) CROPPING HISTORY.—Alfalfa, when grown
7 as part of a rotation practice, as determined by the
8 Secretary, is an agricultural commodity subject to
9 the cropping history criteria under subsection
10 (b)(1)(B) for the purpose of determining whether
11 highly erodible cropland has been planted or consid-
12 ered planted for 4 of the 6 years referred to in such
13 subsection.”.

14 (e) PILOT PROGRAM FOR ENROLLMENT OF WET-
15 LAND AND BUFFER ACREAGE IN CONSERVATION RE-
16 SERVE.—Section 1231(h)(1)(A) of the Food Security Act
17 of 1985 (16 U.S.C. 3831(h)(1)(A)) is amended by striking
18 “2007” and inserting “2012”.

19 (f) MANAGED HAYING AND GRAZING.—Section
20 1232(a)(7) of the Food Security Act of 1985 (16 U.S.C.
21 3832(a)(7)) is amended—

22 (1) in subparagraph (A)—

23 (A) by inserting “and prescribed grazing
24 for the control of invasive species” after “bio-
25 mass”; and

1 (B) by striking “and” at the end of the
2 subparagraph;

3 (2) by redesignating subparagraph (B) as sub-
4 paragraph (D); and

5 (3) by inserting after subparagraph (A) the fol-
6 lowing new subparagraph:

7 “(B) managed grazing during the year, ex-
8 cept that in permitting such grazing, the Sec-
9 retary shall—

10 “(i) reduce the rental payment other-
11 wise payable under the contract by a per-
12 centage determined by the Secretary to be
13 appropriate; and

14 “(ii) require a management plan, in-
15 cluding a grazing rate, approved by the
16 Secretary that is consistent with section
17 1231(a);

18 “(C) dryland crop production and grazing
19 practices on acreage enrolled into the conserva-
20 tion reserve enhancement program announced
21 on May 27, 1998 (63 Fed. Reg. 28965) where
22 the conservation reserve enhancement program
23 is initiated to address declining groundwater or
24 surface water resources and water quality
25 issues associated with declining groundwater or

1 surface water resources and the conservation
2 reserve enhancement contract requires the
3 owner or operator to retire a water right, except
4 that in permitting dryland crop production and
5 grazing, the Secretary shall—

6 “(i) develop an appropriate working
7 lands conservation plan that implements
8 conservation practices suitable to the re-
9 gion to address soil conservation, water
10 quality, wildlife habitat, or other environ-
11 mental benefits;

12 “(ii) apply the provisions of section
13 11005 of the Farm, Nutrition, and Bio-
14 energy Act of 2007 in determining the eli-
15 gibility for crop insurance of dryland crop
16 production and grazing activities allowed
17 under a conservation reserve enhancement
18 contract for the purposes of this section,
19 dryland crop production and grazing activi-
20 ties allowed under a conservation reserve
21 enhancement contract shall be considered
22 ‘noncropland’ in applying the provisions of
23 section 11005 of the Farm, Nutrition, and
24 Bioenergy Act of 2007;

1 “(iii) reduce the rental payment other-
2 wise payable under the contract by an
3 amount commensurate with the economic
4 value of the crop production or grazing ac-
5 tivity, while still leaving sufficient financial
6 incentives for the owner or operator to par-
7 ticipate in the conservation reserve en-
8 hancement; and

9 “(iv) at the request of a State that
10 has previously entered into a conservation
11 reserve enhancement program agreement,
12 renegotiate the agreement to allow for the
13 dryland crop production and grazing in ac-
14 cordance with this section; and”.

15 (g) RENTAL RATES.—Section 1234(c) of the Food
16 Security Act of 1985 (16 U.S.C. 3834(c)) is amended by
17 adding at the end the following new paragraph:

18 “(5) COUNTY AVERAGE MARKET DRY-LAND AND
19 IRRIGATED CASH RENTAL RATES.—

20 “(A) ANNUAL ESTIMATES.—Beginning not
21 later than one year after the date of the enact-
22 ment of the Farm, Nutrition, and Bioenergy
23 Act of 2007, the National Agricultural Statis-
24 tics Service shall conduct an annual survey of
25 per acre estimates of county average market

1 dry-land and irrigated cash rental rates for
2 cropland and pastureland in all counties or
3 equivalent subdivisions within each State with
4 20,000 acres or more of cropland and
5 pastureland.

6 “(B) PUBLIC AVAILABILITY OF ESTI-
7 MATES.— The estimates derived as a result of
8 the annual survey conducted under subpara-
9 graph (A) shall be maintained on a website of
10 the Department of Agriculture for use by the
11 general public.”.

12 (h) CONSERVATION RESERVE PROGRAM TRANSITION
13 INCENTIVES.—Section 1235 of the Food Security Act of
14 1985 (16 U.S.C. 3835) is amended—

15 (1) in subsection (c)(1)(B)—

16 (A) in clause (ii), by striking “or” at the
17 end;

18 (B) by redesignating clause (iii) as clause
19 (iv); and

20 (C) by inserting after clause (ii) the fol-
21 lowing new clause:

22 “(iii) to facilitate a transition of land
23 subject to the contract from a retired or
24 retiring owner or operator to a beginning
25 farmer or rancher, socially disadvantaged

1 farmer or rancher, or limited resource
2 farmer or rancher for the purpose of re-
3 turning some or all of the land into pro-
4 duction using sustainable grazing or crop
5 production methods; or”); and

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

8 “(f) TRANSITION OPTION FOR CERTAIN FARMERS OR
9 RANCHERS.—

10 “(1) DUTIES OF THE SECRETARY.—In the case
11 of a contract modification approved in order to fa-
12 cilitate the transfer of land subject to a contract
13 from a retired or retiring owner or operator under
14 subsection (c)(1)(B)(iii) to a beginning farmer or
15 rancher, socially disadvantaged farmer or rancher,
16 or limited resource farmer or rancher (in this sub-
17 section referred to as a ‘covered farmer or rancher’)
18 the Secretary shall—

19 “(A) beginning on the date that is 1 year
20 before the date of termination of the contract—

21 “(i) allow the covered farmer or
22 rancher, in conjunction with the retired or
23 retiring owner or operator, to make con-
24 servation and land improvements; and

1 “(ii) allow the covered farmer or
2 rancher, at the election of the covered
3 farmer or rancher, to begin the certifi-
4 cation process under the Organic Foods
5 Production Act of 1990 (7 U.S.C. 6501 et
6 seq.);

7 “(B) beginning on the date of termination
8 of the contract, require the retired or retiring
9 owner or operator to sell or lease (under a long-
10 term lease or a lease with an option to pur-
11 chase) to the covered farmer or rancher the
12 land subject to the contract for production pur-
13 poses;

14 “(C) require the covered farmer or rancher
15 to develop and implement a comprehensive con-
16 servation plan that meets such sustainability
17 criteria as the Secretary may establish;

18 “(D) provide to the covered farmer or
19 rancher an opportunity to enroll in the con-
20 servation security program or the environmental
21 quality incentives program by not later than the
22 date on which the farmer or rancher takes pos-
23 session of the land through ownership or lease;
24 and

1 “(E) continue to make annual payments to
2 the retired or retiring owner or operator for not
3 more than an additional 2 years after the date
4 of termination of the contract, if the retired or
5 retiring owner or operator is not a family mem-
6 ber (as defined in section 1001A(b)(3)(B) of
7 this Act) of the covered farmer or rancher.

8 “(2) REENROLLMENT.—The Secretary shall
9 provide to a beginning farmer or rancher, socially
10 disadvantaged farmer or rancher, or limited resource
11 farmer or rancher described in paragraph (1) the
12 option to reenroll any applicable partial field con-
13 servation practice that is—

14 “(A) eligible for enrollment under the con-
15 tinuous signup requirement of section
16 1231(h)(4)(B); and

17 “(B) part of an approved comprehensive
18 conservation plan.”.

19 (i) EARLY TERMINATION.—Section 1235(e)(1) of the
20 Food Security Act of 1985 (16 U.S.C. 3835(e)(1)) is
21 amended by striking “before January 1, 1995,”.

22 (j) EXCEPTIONS TO EARLY TERMINATION.—Section
23 1235(e)(2) of the Food Security Act of 1985 (16 U.S.C.
24 3835(e)(2)) is amended by adding at the end the following
25 new subparagraph:

1 “(D) Land enrolled under continuous
2 signup.”.

3 **SEC. 2102. WETLANDS RESERVE PROGRAM.**

4 (a) ESTABLISHMENT AND PURPOSE.—Subsection (a)
5 of section 1237 of the Food Security Act of 1985 (16
6 U.S.C. 3837) is amended to read as follows:

7 “(a) ESTABLISHMENT AND PURPOSES.—

8 “(1) ESTABLISHMENT.—The Secretary shall es-
9 tablish a wetlands reserve program to assist owners
10 of eligible lands in restoring and protecting wet-
11 lands.

12 “(2) PURPOSES.—The purposes of the wetlands
13 reserve program are—

14 “(A) to restore, to create, to protect, or to
15 enhance wetlands on lands that are eligible
16 under subsections (c) and (d); and

17 “(B) to authorize the Secretary, at the sole
18 discretion of the Secretary, to purchase flood-
19 plain easements.”.

20 (b) MAXIMUM ENROLLMENT.—Section 1237(b) of
21 the Food Security Act of 1985 (16 U.S.C. 3837(b)) is
22 amended—

23 (1) by striking paragraph (1) and inserting the
24 following new paragraph:

1 “(1) MAXIMUM ENROLLMENT.—The total num-
2 ber of acres enrolled in the wetlands reserve pro-
3 gram shall not exceed 3,605,000 acres.”; and

4 (2) by adding at the end the following new
5 paragraphs:

6 “(3) ANNUAL ENROLLMENT GOAL.—Of the
7 total number of acres authorized by paragraph (1),
8 to the maximum extent practicable, the Secretary
9 shall enroll 250,000 acres in each fiscal year.

10 “(4) FLOOD-PLAIN EASEMENTS.—Of the acres
11 to be enrolled each fiscal year, not more than 10,000
12 acres may be enrolled using flood-plain easements.”.

13 (c) ELIGIBLE LANDS.—Subsection (c) of section
14 1237 of the Food Security Act of 1985 (16 U.S.C. 3837)
15 is amended to read as follows:

16 “(c) ELIGIBILITY.—For purposes of enrolling land
17 into the wetland reserve program established under this
18 subchapter during the 2008 through 2012 fiscal years,
19 land shall be eligible to be placed into such reserve if the
20 Secretary determines that—

21 “(1) in the case of wetlands—

22 “(A) the land maximizes wetland values
23 and functions and wildlife benefits;

24 “(B) the land is farmed wetland or con-
25 verted wetland, together with adjacent lands

1 that are functionally dependent on such wet-
2 lands, except that converted wetlands where the
3 conversion was not commenced prior to Decem-
4 ber 23, 1985, shall not be eligible to be enrolled
5 in the program under this section;

6 “(C) the likelihood of the successful res-
7 toration of such land, and the resultant wetland
8 values, merit inclusion of the land into the pro-
9 gram taking into consideration the cost of such
10 restoration; and

11 “(D) the land consists of riparian areas,
12 including areas that link wetlands that are pro-
13 tected by easements or some other device or cir-
14 cumstance that achieves the same purpose as
15 an easement; or

16 “(2) in the case of flood-plain lands—

17 “(A) the flood-plain land has been dam-
18 aged by flooding at least once within the pre-
19 vious calendar year, or has been subject to flood
20 damage at least twice within the previous 10
21 years; or

22 “(B) the enrollment of other land within
23 the flood plain would contribute to the restora-
24 tion of the flood storage and flow or erosion
25 control.”.

1 (d) INELIGIBLE LANDS.—Subsection (e) of section
2 1237 of the Food Security Act of 1985 (16 U.S.C. 3837)
3 is amended to read as follows:

4 “(e) INELIGIBLE LAND.—The Secretary may not ac-
5 quire easements on—

6 “(1) in the case of wetlands—

7 “(A) land that contains timber stands es-
8 tablished under the conservation reserve under
9 subchapter B; or

10 “(B) pasture land established to trees
11 under the conservation reserve under sub-
12 chapter B; or

13 “(2) in the case of flood-plain lands—

14 “(A) land on which implementation of res-
15 toration practices would not be productive; or

16 “(B) land that is subject to an existing
17 easement or deed restriction, and the easement
18 or deed provides sufficient protection or res-
19 toration of the flood plain’s functions and val-
20 ues, as determined by the Secretary.”.

21 (e) EASEMENTS AND AGREEMENTS.—Section 1237A
22 of the Food Security Act of 1985 (16 U.S.C. 3837a) is
23 amended—

24 (1) in subsection (a)(2), by inserting “if appli-
25 cable,” after “(2)”;

1 (2) in subsection (b)—

2 (A) in the matter before paragraph (1), by
3 inserting “or flood-plain land” after “values of
4 wetland”;

5 (B) in paragraph (1)(B), by inserting “or
6 flood-plain land” after “wetland”; and

7 (C) in paragraph (3), by inserting “or
8 flood-plain lands” after “wetlands”;

9 (3) by striking subsection (f) and inserting the
10 following new subsection:

11 “(f) COMPENSATION.—Compensation for easements
12 acquired by the Secretary under this subchapter shall be
13 made in cash in such amount as agreed to and specified
14 in the easement agreement. Lands may be enrolled
15 through the submission of bids under a procedure estab-
16 lished by the Secretary. Commendation may be provided
17 in not less than 5, nor more than 30, annual payments
18 of equal or unequal size, as agreed to by the owner and
19 the Secretary based on the following option that results
20 in the lowest amount of compensation to be paid by the
21 Secretary:

22 “(1) A percentage of the fair market value
23 based on the Uniform Standards for Professional
24 Appraisals Procedures, as determined by the Sec-

1 retary or a percentage of the market value deter-
2 mined by an area-wide market survey.

3 “(2) A geographic cap, prescribed in regulations
4 issued by the Secretary.

5 “(3) The offer made by the landowner.”; and

6 (4) by adding at the end the following new sub-
7 section:

8 “(h) ACCEPTANCE OF CONTRIBUTIONS.—The Sec-
9 retary may accept and use contributions of non-Federal
10 funds to administer the program under this subchapter.”.

11 (f) DUTIES OF THE SECRETARY.—Section 1237C of
12 the Food Security Act of 1985 (16 U.S.C. 3837c) is
13 amended—

14 (1) in subsection (a)(1)—

15 (A) by inserting “including necessary
16 maintenance activities,” after “values,”; and

17 (B) by inserting “or flood plains land”
18 after “wetland”; and

19 (2) by striking subsection (c) and inserting the
20 following new subsection:

21 “(c) RANKING OF OFFERS.—

22 “(1) IN GENERAL.—When evaluating offers
23 from landowners, the Secretary may consider—

24 “(A) the conservation benefits of obtaining
25 an easement or other interest in the land;

1 “(B) the cost-effectiveness of each ease-
2 ment or other interest in eligible land, so as to
3 maximize the environmental benefits per dollar
4 expended; and

5 “(C) whether the landowner or another
6 person is offering to contribute financially to
7 the cost of the easement or other interest in the
8 land to leverage Federal funds.

9 “(2) CONSERVATION BENEFITS.—In deter-
10 mining the acceptability of easement offers, the Sec-
11 retary may take into consideration—

12 “(A) in the case of wetlands—

13 “(i) the extent to which the purposes
14 of the easement program would be
15 achieved on the land;

16 “(ii) the productivity of the land; and

17 “(iii) the on-farm and off-farm envi-
18 ronmental threats if the land is used for
19 the production of agricultural commodities;
20 and

21 “(B) in the case of flood-plain lands—

22 “(i) the extent to which the purposes
23 of the easement program would be
24 achieved on the land;

1 “(ii) whether the land has been re-
2 peatedly flooded over the last ten years;

3 “(iii) the extent to which an easement
4 on the flood-plain land would contribute to
5 the restoration or management of land in
6 the area surrounding the flood-plain land;
7 and

8 “(iv) other factors, as determined by
9 the Secretary.”.

10 (g) WETLANDS RESERVE ENHANCEMENT.—Section
11 1237D(c) of the Food Security Act of 1985 (16 U.S.C.
12 3837d(c)) is amended by striking paragraph (4) and in-
13 serting the following new paragraph:

14 “(4) WETLANDS RESERVE ENHANCEMENT.—

15 “(A) IN GENERAL.—The provisions of this
16 subchapter that limit payments to any person,
17 and section 1305(d) of the Agricultural Rec-
18 onciliation Act of 1987 (Public Law 100–203;
19 7 U.S.C. 1308 note), shall not apply to pay-
20 ments received by a State, political subdivision,
21 or agency thereof in connection with agree-
22 ments entered into under a special wetlands re-
23 serve enhancement program carried out by that
24 entity that has been approved by the Secretary.

1 “(B) AGREEMENTS.—The Secretary may
 2 enter into agreements with States (including
 3 political subdivisions and agencies of States) re-
 4 garding payments described in subparagraph
 5 (A) that the Secretary determines will advance
 6 the purposes of this subchapter.”.

7 (h) AUTHORIZATION.—The Food Security Act of
 8 1985 is amended by inserting after section 1237F (16
 9 U.S.C. 3837f) the following new section:

10 **“SEC. 1237G. PERIOD OF AUTHORIZATION.**

11 “‘This subchapter is authorized to be carried out for
 12 the 2008 through 2012 fiscal years.’”.

13 **SEC. 2103. CONSERVATION SECURITY PROGRAM.**

14 (a) ESTABLISHMENT OF NEW CONSERVATION SECUR-
 15 RITY PROGRAM THROUGH 2017.—Subchapter A of chap-
 16 ter 2 of subtitle D of title XII of the Food Security Act
 17 of 1985 (16 U.S.C. 3838 et seq.) is amended to read as
 18 follows:

19 **“Subchapter A—Conservation Security**
 20 **Program**

21 **“SEC. 1238. DEFINITIONS.**

22 “‘In this subchapter:

23 “(1) BEGINNING FARMER OR RANCHER.—The
 24 term ‘beginning farmer or rancher’ has the meaning
 25 given the term under section 343(a) of the Consoli-

1 dated Farm and Rural Development Act (7 U.S.C.
2 1991(a)).

3 “(2) CONSERVATION PLAN.—The term ‘con-
4 servation plan’ means a plan that—

5 “(A) identifies resources of concern, inven-
6 tories resources, and establishes benchmark
7 data and stewardship enhancement objectives;

8 “(B) describes improvements that will en-
9 able the producer to meet and exceed the stew-
10 ardship threshold for all applicable resources of
11 concern; and

12 “(C) contains a schedule and evaluation
13 plan for the planning, installing, maintaining,
14 and managing new conservation practices, ac-
15 tivities, and management measures and main-
16 taining, managing, and improving existing con-
17 servation practices, activities, and management
18 measures.

19 “(3) CONSERVATION PRACTICE.—The term
20 ‘conservation practice’ means a site-specific land
21 management practice or activity, or a supporting
22 structural practice, that is part of an implemented
23 management system designed to address a priority
24 resource of concern.

1 “(4) CONSERVATION SECURITY CONTRACT.—
2 The term ‘conservation security contract’ means a
3 contract entered into under this subchapter.

4 “(5) CONSERVATION SECURITY PROGRAM.—The
5 term ‘conservation security program’ means the pro-
6 gram established under section 1238A(a).

7 “(6) MANAGEMENT INTENSITY.— The term
8 ‘management intensity’ means the degree, scope,
9 and comprehensiveness of conservation practices, ac-
10 tivities, or management measures taken by a pro-
11 ducer to address a priority resource of concern to a
12 level exceeding the stewardship threshold.

13 “(7) NONDEGRADATION STANDARD.—The term
14 ‘nondegradation standard’ means the level of natural
15 resource conservation and environmental manage-
16 ment measures required to improve and sustain the
17 status and condition of natural and environmental
18 resources to a level that, as determined by the Sec-
19 retary—

20 “(A) prevents impairment of soil, water,
21 and air quality and the quality of fish and wild-
22 life habitat; and

23 “(B) sustains the long-term productivity of
24 agricultural resources.

1 “(8) PRIORITY RESOURCE OF CONCERN.—The
2 term ‘priority resource of concern’ means a resource
3 of concern identified by the Secretary, consistent
4 with the requirements of section 1238C(a), that
5 must be addressed by participants in the conserva-
6 tion security program in a particular watershed or
7 other area within that State.

8 “(9) PRODUCER.—The term ‘producer’ means
9 an owner, operator, landlord, tenant, or share-
10 cropper that—

11 “(A) shares in the risk of producing any
12 crop or livestock; and

13 “(B) is entitled to share in the crop or
14 livestock available for marketing from a farm
15 (or would have shared had the crop or livestock
16 been produced).

17 “(10) RESOURCE-SPECIFIC INDEX.—The term
18 ‘resource-specific index’ means an index of manage-
19 ment intensity or other similar index, developed by
20 the Secretary, that estimates the expected level of
21 resource and environmental outcomes of the con-
22 servation practices, activities, and management
23 measures employed by a producer.

24 “(11) SOCIALLY DISADVANTAGED FARMER OR
25 RANCHER.—The term ‘socially disadvantaged farmer

1 or rancher’ has the meaning given the term under
2 section 355(e) of the Consolidated Farm and Rural
3 Development Act (7 U.S.C. 2003(e)).

4 “(12) STRUCTURAL PRACTICE.—The term
5 ‘structural practice’ means a site-specific, con-
6 structed conservation practice that is integrated with
7 and essential to the successful implementation of the
8 system of land management practices and activities
9 that are the basis of a conservation security con-
10 tract.

11 **“SEC. 1238A. CONSERVATION SECURITY PROGRAM.**

12 “(a) ESTABLISHMENT AND PURPOSE.—The Sec-
13 retary shall establish, and for each of fiscal years 2012
14 through 2017, carry out a conservation security program
15 to assist producers in improving environmental quality by
16 addressing priority resources of concern in a comprehen-
17 sive manner.

18 “(b) ELIGIBLE PRODUCERS.—To be eligible to par-
19 ticipate in the conservation security program, a producer
20 shall—

21 “(1) demonstrate that the producer is address-
22 ing at least one priority resource of concern to a
23 minimum level of management intensity determined
24 by the Secretary; and

1 “(2) develop and submit to the Secretary, and
2 obtain the approval of the Secretary of, a conserva-
3 tion offer.

4 “(c) ELIGIBLE LAND.—

5 “(1) IN GENERAL.—Except as provided in para-
6 graph (2), private agricultural land (including crop-
7 land, grassland, prairie land, improved pasture land,
8 forest land and rangeland) and land under the juris-
9 diction of an Indian tribe (as defined by the Sec-
10 retary) shall be eligible for enrollment in the con-
11 servation security program.

12 “(2) EXCLUSIONS.—

13 “(A) LAND ENROLLED IN OTHER CON-
14 SERVATION PROGRAMS.—Except as provided in
15 subsection (f)(3)(A), the following lands are not
16 eligible for enrollment in the conservation secu-
17 rity program:

18 “(i) Lands enrolled in the conserva-
19 tion reserve program under subchapter B
20 of chapter 1.

21 “(ii) Land enrolled in the wetlands re-
22 serve program established under sub-
23 chapter C of chapter 1.

1 “(iii) Land enrolled in the grassland
2 reserve program established under sub-
3 chapter C of chapter 2.

4 “(B) CONVERSION TO CROPLAND.—Land
5 used for crop production after October 1, 2011,
6 that had not been planted, considered to be
7 planted, or devoted to crop production for at
8 least 4 of the 6 years preceding that date (ex-
9 cept for land enrolled in the conservation re-
10 serve program or that has been maintained
11 using long-term crop rotation practices, as de-
12 termined by the Secretary) shall not be the
13 basis for any payment under the conservation
14 security program.

15 “(d) ECONOMIC USES.—With respect to eligible land
16 covered by a conservation security contract, the Secretary
17 shall permit economic uses of the land that—

18 “(1) maintain the agricultural nature of the
19 land; and

20 “(2) are consistent with the conservation pur-
21 poses of the conservation security program.

22 “(e) CONSERVATION SECURITY CONTRACTS.—

23 “(1) IN GENERAL.—After a determination that
24 a producer is eligible for the conservation security
25 program, and on approval of the conservation offer

1 of the producer, the Secretary shall enter into a con-
2 servation security contract with the producer to en-
3 roll the land to be covered by the contract in the
4 conservation security program.

5 “(2) TERM.—A conservation security contract
6 shall be for a term of 5 years.

7 “(3) AGRICULTURAL OPERATION.—All the acres
8 of the agricultural operation that are under the pro-
9 ducer’s effective control at the time the producer en-
10 ters into a conservation security contract shall be
11 covered by the conservation security contract.

12 “(4) PROVISIONS.—The conservation security
13 contract of a producer shall—

14 “(A) include a conservation plan approved
15 by the Secretary;

16 “(B) describe the land covered by the con-
17 servation security contract;

18 “(C) state the amount of the stewardship
19 enhancement payment the Secretary agrees to
20 make to the producer each year of the conserva-
21 tion security contract under section 1238C(e);

22 “(D) describe the new conservation prac-
23 tices and activities the producer is required to
24 implement during the term of the conservation
25 security contract in order to increase the level

1 of management intensity with which the pro-
2 ducer addresses a priority resource of concern
3 or priority resources of concern, as designated
4 by the Secretary under section 1238C(a)(1);
5 and

6 “(E) include such other provisions as the
7 Secretary determines necessary to ensure the
8 conservation purposes of the conservation secu-
9 rity program are met.

10 “(5) ON-FARM RESEARCH AND DEMONSTRA-
11 TION OR PILOT TESTING.—The Secretary may ap-
12 prove a conservation security contract that in-
13 cludes—

14 “(A) on-farm conservation research and
15 demonstration activities; and

16 “(B) pilot testing of new technologies or
17 innovative conservation practices.

18 “(f) MODIFICATION.—The Secretary may allow a
19 producer to modify a conservation security contract before
20 the expiration of the contract if the Secretary determines
21 that failure to modify the contract would significantly
22 interfere with achieving the purposes of the conservation
23 security program.

24 “(g) CONTRACT TERMINATION.—

1 “(1) VOLUNTARY TERMINATION.—A producer
2 may terminate a conservation security contract if the
3 Secretary determines that termination of the con-
4 tract would not defeat the purposes of the conserva-
5 tion plan of the producer.

6 “(2) INVOLUNTARY TERMINATION.—The Sec-
7 retary may terminate a contract under this sub-
8 chapter if the Secretary determines that the pro-
9 ducer violated the contract.

10 “(3) TRANSFER OR CHANGE OF INTEREST IN
11 LAND SUBJECT TO CONSERVATION SECURITY CON-
12 TRACT.—

13 “(A) IN GENERAL.—Except as provided in
14 subparagraph (B), the transfer, or change in
15 the interest, of a producer in land subject to a
16 conservation security contract shall result in the
17 termination of the conservation security con-
18 tract.

19 “(B) TRANSFER OF DUTIES AND
20 RIGHTS.—Subparagraph (A) shall not apply if,
21 within a reasonable period of time after the
22 date of the transfer or change in the interest in
23 land, the transferee of the land provides written
24 notice to the Secretary that all duties and
25 rights under the conservation security contract

1 have been transferred to, and assumed by, the
2 transferee. The Secretary shall specify what will
3 be considered a reasonable period of time for
4 purposes of providing the notification required
5 by this subparagraph.

6 “(h) CONTRACT RENEWAL.—At the end of an initial
7 conservation security contract of a producer, the Secretary
8 may allow the producer to renew the contract for one addi-
9 tional five-year period if the producer—

10 “(1) demonstrates compliance with the terms of
11 the existing contract, including a demonstration that
12 the producer has complied with the schedule for the
13 implementation of new practices and activities in-
14 cluded in the conservation security contract and has
15 met the stated goals for increasing the level of man-
16 agement intensity with which the producer is ad-
17 dressing the designated priority resource of concern
18 or priority resources of concern; and

19 “(2) agrees to implement and maintain such
20 additional new conservation practices and activities
21 as the Secretary determines necessary and feasible
22 to achieve higher levels of management intensity
23 with which the producer addresses the designated
24 priority resource of concern or priority resources of
25 concern.

1 “(i) EFFECT OF NONCOMPLIANCE DUE TO CIR-
2 CUMSTANCES BEYOND THE CONTROL OF PRODUCERS.—
3 The Secretary shall include in the conservation security
4 contract a provision to ensure that a producer shall not
5 be considered in violation of a conservation security con-
6 tract for failure to comply with the conservation security
7 contract due to circumstances beyond the control of the
8 producer, including a disaster or related condition, as de-
9 termined by the Secretary.

10 “(j) EVALUATION OF OFFERS.—In evaluating appli-
11 cations by producers to enroll in the conservation security
12 program, the Secretary shall—

13 “(1) consider the extent to which the antici-
14 pated environmental benefits from the contract are
15 provided at least cost relative to other similar activi-
16 ties;

17 “(2) consider the extent to which the producer
18 proposes to increase the level of performance on ap-
19 plicable resource-specific indices or the level of man-
20 agement intensity with which the producer addresses
21 the designated priority resources of concern;

22 “(3) consider the extent to which the environ-
23 mental benefits expected to result from the contract
24 complements other conservation efforts in the water-
25 shed or region;

1 “(4) consider the multiple benefits of conserva-
2 tion-based farming systems, including resource-con-
3 servation crop rotations, managed rotational graz-
4 ing, and the adoption of certified production under
5 the national organic production program under the
6 Organic Foods Production Act of 1990 (7 U.S.C.
7 6501 et seq.); and

8 “(5) develop any additional criteria for evalu-
9 ating applications that the Secretary determines are
10 necessary to ensure that national, State, and local
11 conservation priorities are effectively addressed.

12 “(k) COORDINATION WITH ORGANIC CERTIFI-
13 CATION.—Within 90 days after the date of the enactment
14 of the Farm, Nutrition, and Bioenergy Act of 2007, the
15 Secretary shall establish a transparent and producer-
16 friendly means by which producers may coordinate and si-
17 multaneously certify eligibly under a conservation security
18 contract and under the national organic production pro-
19 gram established under the Organic Foods Production Act
20 of 1990 (7 U.S.C. 6501 et seq.).

21 **“SEC. 1238B. DUTIES OF PRODUCERS.**

22 “(a) AGREEMENT BY PRODUCER.—Under a con-
23 servation security contract, a producer shall agree—

1 “(1) to implement during the term of the con-
2 servation security contract the conservation plan ap-
3 proved by the Secretary;

4 “(2) to maintain, and make available to the
5 Secretary at such times as the Secretary may re-
6 quest, appropriate records showing the effective and
7 timely implementation of the conservation security
8 contract; and

9 “(3) not to engage in any activity during the
10 term of the conservation security contract that
11 would interfere with the purposes of the conservation
12 security program.

13 “(b) EFFECT OF VIOLATION.—On the violation of a
14 term or condition of the conservation security contract of
15 a producer—

16 “(1) if the Secretary determines that the viola-
17 tion warrants termination of the conservation secu-
18 rity contract, the producer shall—

19 “(A) forfeit all rights to receive payments
20 under the conservation security contract; and

21 “(B) refund to the Secretary all or a por-
22 tion of the payments received by the producer
23 under the conservation security contract, in-
24 cluding any advance payments and interest on
25 the payments, as determined by the Secretary;

1 “(2) if the Secretary determines that the viola-
2 tion does not warrant termination of the conserva-
3 tion security contract, the producer shall refund to
4 the Secretary, or accept adjustments to, the pay-
5 ments provided to the producer, as the Secretary de-
6 termines to be appropriate; or

7 “(3) some combination of the remedies author-
8 ized by paragraphs (1) and (2), as determined by
9 the Secretary to be appropriate.

10 **“SEC. 1238C. DUTIES OF THE SECRETARY.**

11 “(a) IDENTIFICATION OF PRIORITY RESOURCES OF
12 CONCERN.—

13 “(1) IDENTIFICATION AT STATE LEVEL.—The
14 Secretary shall ensure that the identification of pri-
15 ority resources of concern is made at the State level
16 so that each priority resource of concern—

17 “(A) represents a significant environmental
18 concern, including watershed management or
19 wildlife habitat, in the State to which agricul-
20 tural activities are contributing; and

21 “(B) is likely to be addressed successfully
22 through the implementation of conservation
23 practices and other activities by producers.

24 “(2) LIMITATION.—The Secretary shall identify
25 not more than 5 resources of concern as priority re-

1 sources of concern in a particular watershed or other
2 appropriate region or area within a State.

3 “(3) ADVICE AND CONSULTATION.—The Sec-
4 retary, with the advice of the appropriate State tech-
5 nical committee and in consultation with Federal
6 and State agencies with expertise related to natural
7 resources and environmental quality, shall designate,
8 to the extent practicable, each priority resource of
9 concern identified under paragraph (1) as either a
10 primary, secondary, or tertiary resource of concern.

11 “(b) DEVELOPMENT OF RESOURCE-SPECIFIC INDI-
12 CES.—The Secretary shall develop resource-specific indi-
13 ces to measure the management intensity with which spe-
14 cific resources of concern are addressed, for purposes of
15 determining eligibility and payments for participants in
16 the conservation security program.

17 “(c) STEWARDSHIP ENHANCEMENT PAYMENT.—

18 “(1) TIMING OF PAYMENT.—The Secretary
19 shall make a payment under a conservation security
20 contract as soon as practicable after October 1 of
21 each fiscal year.

22 “(2) EXCLUSIONS.—A payment to a producer
23 under this subsection shall not be provided for—

24 “(A) the design, construction, or mainte-
25 nance of animal waste storage or treatment fa-

1 ilities or associated waste transport or transfer
2 devices for animal feeding operations; or

3 “(B) conservation practices and activities
4 for which there is no net cost or loss of income
5 to the producer, as determined by the Sec-
6 retary.

7 “(3) AVAILABILITY OF PAYMENTS.—The Sec-
8 retary shall provide a stewardship enhancement pay-
9 ment to a producer under a conservation security
10 contract to compensate the producer for—

11 “(A) ongoing implementation and mainte-
12 nance of conservation practices, activities, and
13 management measures in place on the pro-
14 ducers operation at the time the conservation
15 security contract is accepted; and

16 “(B) installation and adoption of new con-
17 servation practices, activities, and management
18 measures or improvements to conservation prac-
19 tices, activities, and management measures in
20 place on the producer’s operation, as required
21 by the conservation security contract.

22 “(4) PAYMENT AMOUNT.—The amount of the
23 stewardship enhancement payment shall be deter-
24 mined by the Secretary and shall be based, to the
25 maximum extent feasible, on—

1 “(A) a portion of the actual costs incurred
2 by the producer;

3 “(B) the income forgone by the producer;
4 and

5 “(C) resource-specific indices, in any case
6 in which such indices have been developed and
7 implemented.

8 “(d) PAYMENT LIMITATIONS.—An individual or enti-
9 ty may not receive, directly or indirectly, payments under
10 a conservation security contract that, in the aggregate, ex-
11 ceed \$150,000 for the 5-year term of the conservation se-
12 curity contract, excluding funding arrangements with fed-
13 erally recognized Indian Tribes or Alaska Native Corpora-
14 tions.

15 “(e) REGULATIONS.—The Secretary shall promulgate
16 regulations that—

17 “(1) provide for adequate safeguards to protect
18 the interests of tenants and sharecroppers, including
19 provision for sharing payments, on a fair and equi-
20 table basis; and

21 “(2) prescribe such other rules as the Secretary
22 determines to be necessary to ensure a fair and rea-
23 sonable application of the limitations established
24 under subsection (d).

1 “(f) ALLOCATION TO STATES.—When making alloca-
2 tions to States of funds made available to carry out the
3 conservation security program, the Secretary shall give
4 significant consideration to the extent and magnitude of
5 the environmental needs associated with agricultural pro-
6 duction in each State, the degree to which implementation
7 of the conservation security program in the State is, or
8 will be, effective in helping producers address these needs,
9 and other considerations to achieve equitable geographic
10 distributions of funds, as determined by the Secretary.

11 “(g) TECHNICAL ASSISTANCE.—For each of fiscal
12 years 2008 through 2017, the Secretary shall provide ap-
13 propriate technical assistance to producers for the develop-
14 ment and implementation of conservation security con-
15 tracts, in an amount not to exceed 15 percent of the
16 amounts expended for the fiscal year.

17 “(h) DATA.—The Secretary shall maintain conserva-
18 tion security program contract and payment data in a
19 manner that provides detailed and segmented data that
20 allows for quantification of the amount of payments made
21 to producers for—

22 “(1) the maintenance of conservation practices,
23 activities, and management measures in place on the
24 producer’s operation at the time the conservation se-
25 curity offer is accepted by the Secretary;

1 “(2) the installation and adoption of new con-
2 servation practices, activities, and management
3 measures and the improvements to conservation
4 practices, activities, and management measures in
5 place on the producer’s operation at the time the
6 conservation security offer is accepted by the Sec-
7 retary;

8 “(3) participation in research, demonstration,
9 and pilot projects; and

10 “(4) the development and periodic assessment
11 and evaluation of comprehensive conservation
12 plans.”.

13 (b) EFFECT ON EXISTING CONSERVATION SECURITY
14 CONTRACTS.—Subchapter A of chapter 2 of subtitle D of
15 title XII of the Food Security Act of 1985 (16 U.S.C.
16 3838 et seq.), as in effect on the day before the date of
17 the enactment of this Act, shall continue to apply to con-
18 servation security contracts entered into before October 1,
19 2007. The Secretary of Agriculture may continue to make
20 payments under such subchapter, as so in effect, with re-
21 spect to such a conservation security contracts during the
22 term of the contract.

23 (c) PROHIBITION ON NEW CONTRACTS.—A conserva-
24 tion security contract may not be entered into or renewed
25 under subchapter A of chapter 2 of subtitle D of title XII

1 of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.),
2 as in effect on the day before the date of the enactment
3 of this Act, after September 30, 2007.

4 **SEC. 2104. GRASSLAND RESERVE PROGRAM.**

5 (a) ENROLLMENT PRIORITY.—Subsection (b) of sec-
6 tion 1238N of the Food Security Act of 1985 (16 U.S.C.
7 3838n) is amended by striking paragraph (3) and insert-
8 ing the following new paragraph:

9 “(3) PRIORITY FOR LONG-TERM AGREEMENTS
10 AND EASEMENTS.—Of the total number of acres en-
11 rolled in the program at any one time through the
12 methods described in paragraph (2)(A), the Sec-
13 retary shall ensure that at least 60 percent of the
14 acres were enrolled through the use of 30-year rental
15 agreements and permanent and long-term easements
16 described in clause (ii) of such paragraph.”.

17 (b) ENROLLMENT OF ACREAGE.—Subsection (b) of
18 section 1238N of the Food Security Act of 1985 (16
19 U.S.C. 3838n) is amended by striking paragraph (1) and
20 inserting the following new paragraph:

21 “(1) ENROLLMENT.—The Secretary shall enroll
22 an additional 1,340,000 acres of restored or im-
23 proved grassland, rangeland, and pastureland in the
24 grassland reserve program during fiscal years 2008
25 through 2012.”.

1 (c) ENROLLMENT OF CONSERVATION RESERVE PRO-
2 GRAM LAND.—Section 1238N of the Food Security Act
3 of 1985 (16 U.S.C. 3838n) is amended by adding at the
4 end the following new subsections:

5 “(d) ENROLLMENT OF CONSERVATION RESERVE
6 PROGRAM LAND.—

7 “(1) ENROLLMENT AUTHORIZED.—Subject to
8 the eligibility requirements of subsection (c) and all
9 other requirements of this subchapter, land enrolled
10 in the conservation reserve program may be enrolled
11 in the grassland reserve program if the Secretary de-
12 termines that the land is of high ecological value and
13 under significant threat of conversion to other uses.

14 “(2) MAXIMUM ENROLLMENT.—The number of
15 acres of conservation reserve program land enrolled
16 under this subsection in a calendar year shall not ex-
17 ceed 10 percent of the total number of acres enrolled
18 in the grassland reserve program in that calendar
19 year.

20 “(3) PROHIBITION ON DUPLICATION OF PAY-
21 MENTS.—Land enrolled in the program under this
22 subsection shall no longer be eligible for payments
23 under the conservation reserve program.

24 “(e) METHOD FOR DETERMINATION OF FAIR MAR-
25 KET VALUE.—The Secretary shall determine the fair mar-

1 ket value of land to be enrolled in program based on the
2 option specified in paragraph (1), (2), (3), or (4) that re-
3 sults in the lowest amount of compensation to be paid by
4 the Secretary:

5 “(1) A percentage of the fair market value
6 based on the Uniform Standards for Professional
7 Appraisals Procedures, as determined by the Sec-
8 retary.

9 “(2) A percentage of the market value deter-
10 mined by an area wide market survey.

11 “(3) A geographic cap, as prescribed in regula-
12 tions issued by the Secretary.

13 “(4) The offer made by the owner of the land.”.

14 (d) GRASSLAND RESERVE ENHANCEMENT.—Section
15 1238N of the Food Security Act of 1985 (16 U.S.C.
16 3838n) is amended by inserting after subsection (d), as
17 added by subsection (b), the following new subsection:

18 “(e) GRASSLAND RESERVE ENHANCEMENT.—The
19 Secretary may enter into such agreements with States, in-
20 cluding political subdivisions and agencies of States, that
21 the Secretary determines will advance the purposes of the
22 grassland reserve program. Section 1305(d) of the Agri-
23 cultural Reconciliation Act of 1987 (Public Law 100–203;
24 7 U.S.C. 1308 note) shall not apply to payments received

1 by a State or political subdivision or agency thereof in con-
2 nection with such an agreement.”.

3 (e) USE OF PRIVATE ORGANIZATIONS OR STATE
4 AGENCIES.—Section 1238Q of the Food Security Act of
5 1985 (16 U.S.C. 3838q) is amended—

6 (1) by striking subsection (a) and inserting the
7 following new subsection:

8 “(a) AUTHORITY TO USE PRIVATE ORGANIZATIONS
9 OR STATES.—The Secretary shall permit a private con-
10 servation or land trust organization (referred to in this
11 section as a ‘private organization’) or a State agency to
12 own, write, and enforce an easement under this sub-
13 chapter, in lieu of the Secretary, subject to the right of
14 the Secretary to conduct periodic inspections and enforce
15 the easement, if—

16 “(1) the Secretary determines that granting the
17 permission will promote protection of grassland, land
18 that contains forbs, and shrubland;

19 “(2) the owner authorizes the private organiza-
20 tion or State agency to hold and enforce the ease-
21 ment; and

22 “(3) the private organization or State agency
23 agrees to assume the costs incurred in administering
24 and enforcing the easement, including the costs of
25 restoration or rehabilitation of the land as specified

1 by the owner and the private organization or State
2 agency.”;

3 (2) in subsection (b), by striking “hold” and in-
4 serting “own, write,”; and

5 (3) in subsection (c), by striking “hold” and in-
6 serting “own, write,”.

7 **SEC. 2105. ENVIRONMENTAL QUALITY INCENTIVES PRO-**
8 **GRAM.**

9 (a) PURPOSES.—Section 1240 of the Food Security
10 Act of 1985 (16 U.S.C. 3839aa) is amended—

11 (1) in the matter preceding paragraph (1), by
12 inserting “, forest management, organic transition,”
13 after “agricultural production”; and

14 (2) by striking paragraphs (3) and (4) and in-
15 serting the following new paragraphs:

16 “(3) providing flexible assistance to producers
17 to install and maintain conservation practices that,
18 while sustaining production of food and fiber—

19 “(A) enhance soil, water, and related nat-
20 ural resources, including grazing land,
21 forestland, wetland, and wildlife; and

22 “(B) conserve energy;

23 “(4) assisting producers to make beneficial, cost
24 effective changes to cropping systems, grazing man-
25 agement, energy use, forest management, nutrient

1 management associated with livestock, pest or irriga-
2 tion management, or other practices on agricultural
3 and forested land; and”.

4 (b) DEFINITIONS.—Section 1240A of the Food Secu-
5 rity Act of 1985 (16 U.S.C. 3839aa–1) is amended—

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

8 “(3) LAND MANAGEMENT PRACTICE.—

9 “(A) IN GENERAL.—The term ‘land man-
10 agement practice’ means a site-specific nutrient
11 or manure management, integrated pest man-
12 agement, irrigation management, tillage or res-
13 idue management, grazing management, air
14 quality management, forest management, sil-
15 vicultural practice, or other land management
16 practice carried out on eligible land that the
17 Secretary determines is needed to protect from
18 degradation, in the most cost-effective manner,
19 water, soil, or related resources.

20 “(B) FOREST MANAGEMENT PRACTICES.—

21 For purposes of subparagraph (A), forest man-
22 agement practices may include activities that
23 the Secretary determines are needed to—

24 “(i) improve water quality;

25 “(ii) restore forest biodiversity;

1 “(iii) control invasive species; or

2 “(iv) improve watershed health.

3 “(C) COORDINATED IMPLEMENTATION.—A

4 land management practice may involve multiple
5 landowners implementing eligible conservation
6 activities in a coordinated fashion.”;

7 (2) in paragraph (4), by inserting “alpacas,
8 bison,” after “sheep,”;

9 (3) by redesignating paragraphs (3), (4), (5),
10 and (6), as so amended, as paragraphs (4), (5), (6),
11 and (8), respectively;

12 (4) by inserting after paragraph (2) the fol-
13 lowing new paragraph:

14 “(3) INTEGRATED PEST MANAGEMENT.—The
15 term ‘integrated pest management’ means a sustain-
16 able approach to managing pests by combining bio-
17 logical, cultural, physical, and chemical tools in a
18 way that minimizes economic, health, an environ-
19 mental risks.”; and

20 (5) by inserting after paragraph (6), as so re-
21 designated, the following new paragraph:

22 “(7) SOCIALLY DISADVANTAGED FARMER OR
23 RANCHER.—The term ‘socially disadvantaged farmer
24 or rancher’ has the meaning given the term under

1 section 355(e) of the Consolidated Farm and Rural
2 Development Act (7 U.S.C. 2003(e)).”.

3 (c) ELIGIBLE PRACTICES.—Section 1240B(a) of the
4 Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)) is
5 amended—

6 (1) in paragraph (1), by striking “2010” and
7 inserting “2012”; and

8 (2) in paragraph (2)—

9 (A) in subparagraph (A), by inserting “or
10 receives organic certification” after “chapter”;
11 and

12 (B) by striking subparagraph (B) and in-
13 serting the following new subparagraph:

14 “(B) a producer that implements a land
15 management practice, receives technical services
16 from an approved third-party provider, develops
17 a comprehensive nutrient management plan, or
18 implements energy efficiency improvements or
19 renewable energy systems, in accordance with
20 this chapter shall be eligible to receive incentive
21 payments.”.

22 (d) BEGINNING FARMERS OR RANCHERS AND SO-
23 CIALY DISADVANTAGED FARMERS OR RANCHERS.—Sec-
24 tion 1240B(d)(2) of the Food Security Act of 1985 (16

1 U.S.C. 3839aa–2(d)(2)) is amended by striking subpara-
2 graph (A) and inserting the following new subparagraph:

3 “(A) INCREASED COST-SHARE FOR CER-
4 TAIN PRODUCERS.—The Secretary shall in-
5 crease the amount provided under paragraph
6 (1) to a producer that is a beginning farmer or
7 rancher, socially disadvantaged farmer or
8 rancher, or limited resource farmer or rancher
9 to 90 percent of the cost of the practice, as de-
10 termined by the Secretary.”.

11 (e) ADDITIONAL SUPPORT FOR USE OF GASIFIER
12 TECHNOLOGY.—Section 1240B(d)(2) of the Food Secu-
13 rity Act of 1985 (16 U.S.C. 3839aa–2(d)(2)) is amended
14 by adding at the end the following new subparagraph:

15 “(C) INCREASED COST-SHARE FOR USE OF
16 GASIFIER TECHNOLOGY.—In carrying out this
17 chapter, the Secretary shall promote air quality
18 by providing for a 90 percent cost share for
19 those projects that utilize gasifier technology
20 for the purposes of the disposal of animal car-
21 casses and by-products.”.

22 (f) INCENTIVE PAYMENTS.—Section 1240B(e) of the
23 Food Security Act of 1985 (16 U.S.C. 3839aa–2(e)) is
24 amended—

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

3 “(1) AVAILABILITY OF INCENTIVE PAY-
4 MENTS.—The Secretary shall make incentive pay-
5 ments in an amount and at a rate determined by the
6 Secretary to be necessary to encourage a producer—

7 “(A) to perform 1 or more land manage-
8 ment practices;

9 “(B) to receive technical services from an
10 approved third-party provider;

11 “(C) to develop a comprehensive nutrient
12 management plan; or

13 “(D) to implement energy efficiency im-
14 provements or renewable energy systems.”; and

15 (2) in paragraph (2), by inserting “pollinator
16 habitat,” after “invasive species,”.

17 (g) ALLOCATION OF FUNDING.—Section 1240B(g) of
18 the Food Security Act of 1985 (16 U.S.C. 3839aa–2(g))
19 is amended—

20 (1) by striking “For each” and inserting the
21 following:

22 “(1) ALLOCATION FOR LIVESTOCK PRODUCTION
23 PRACTICES.—For each”;

24 (2) in such paragraph, as so designated, by
25 striking “2007” and inserting “2012”; and

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

3 “(2) ALLOCATION FOR CERTAIN PRODUCERS.—
4 For each of fiscal years 2007 through 2012, of the
5 funds made available for cost-share payments and
6 incentive payments under this chapter, the Secretary
7 shall reserve, for a period of not less than 90 days
8 after the date on which the funds are made available
9 for the fiscal year—

10 “(A) not less than 5 percent for beginning
11 farmers and ranchers; and

12 “(B) not less than 5 percent of funds for
13 socially disadvantaged farmers and ranchers
14 and limited resource farmers and ranchers.”.

15 (h) ELIGIBILITY OF MARKET AGENCIES AND CUS-
16 TOM FEEDING BUSINESSES.—Section 1240B of the Food
17 Security Act of 1985 (16 U.S.C. 3839aa-2) is amended
18 by adding at the end the following new subsection:

19 “(i) ELIGIBILITY OF MARKET AGENCIES AND CUS-
20 TOM FEEDING BUSINESSES FOR ASSISTANCE.—A market
21 agency (as defined in section 301(c) of the Packers and
22 Stockyards Act, 1921 (7 U.S.C. 201(c))) or custom feed-
23 ing business may receive technical assistance, cost-share
24 payments, or incentive payments under the program. Any

1 reference to ‘producer’ in this chapter shall be deemed to
2 include a market agency or custom feeding business.”.

3 (i) EVALUATION OF APPLICATIONS FOR COST-SHARE
4 PAYMENTS AND INCENTIVE PAYMENTS.—Section 1240C
5 of the Food Security Act of 1985 (16 U.S.C. 3839aa–3)
6 is amended to read as follows:

7 **“SEC. 1240C. EVALUATION OF APPLICATIONS FOR COST-**
8 **SHARE PAYMENTS AND INCENTIVE PAY-**
9 **MENTS.**

10 “(a) PRIORITIES AND GROUPING OF APPLICA-
11 TIONS.—In evaluating applications for cost-share pay-
12 ments and incentive payments, the Secretary shall—

13 “(1) prioritize applications based on their over-
14 all level of cost-effectiveness to ensure that the con-
15 servation practices and approaches proposed are the
16 most efficient means of achieving the anticipated en-
17 vironmental benefits of the project;

18 “(2) prioritize applications based on how effec-
19 tively and comprehensively the project addresses the
20 designated resource concern or resource concerns;

21 “(3) prioritize applications that best fulfill the
22 purpose of the environmental quality incentives pro-
23 gram specified in section 1240(1);

1 “(4) develop criteria for evaluating applications
2 that will ensure that national, State, and local con-
3 servation priorities are effectively addressed; and

4 “(5) to the greatest extent practicable, group
5 applications of similar crop or livestock operations
6 for evaluation purposes or otherwise evaluate appli-
7 cations relative to other applications for similar
8 farming operations.

9 “(b) EVALUATION PROCESS.—The Secretary shall
10 ensure that the evaluation process is as streamlined and
11 efficient as practicable in the case of applications that—

12 “(1) involve operations with substantial and
13 sound environmental management systems; and

14 “(2) seek a single practice or a limited number
15 of practices to further improve the environmental
16 performance of that system.”.

17 (j) DUTIES OF PRODUCERS.—Section 1240D(2) of
18 the Food Security Act of 1985 (16 U.S.C. 3839aa–4(2))
19 is amended by striking “or ranch” and inserting “, ranch,
20 or forestland”.

21 (k) PROGRAM PLAN.—Section 1240E of the Food Se-
22 curity Act of 1985 (16 U.S.C. 3839aa–5) is amended by
23 striking subsections (a) and (b) and inserting the following
24 new subsections:

1 “(a) PLAN OF OPERATIONS.—To be eligible to re-
2 ceive cost-share payments or incentive payments under the
3 program, a producer shall submit to the Secretary for ap-
4 proval a plan of operations that—

5 “(1) specifies practices covered under the pro-
6 gram;

7 “(2) includes such terms and conditions as the
8 Secretary considers necessary to carry out the pro-
9 gram, including a description of the purposes to be
10 met by the implementation of the plan;

11 “(3) in the case of a confined livestock feeding
12 operation, provides for development and implementa-
13 tion of a comprehensive nutrient management plan,
14 if applicable; and

15 “(4) in the case of forestland, is consistent with
16 the provisions of a forest management plan meeting
17 with the approval of the Secretary, which may in-
18 clude a forest stewardship plan, as specified in sec-
19 tion 5 of the Cooperative Forestry Assistance Act of
20 1978 (16 U.S.C. 2103a), other practice plan ap-
21 proved by the State forester, or other plan deter-
22 mined appropriate by the Secretary.

23 “(b) AVOIDANCE OF DUPLICATION.—The Secretary
24 shall—

1 “(1) consider a permit acquired under a water
2 or air quality regulatory program as the equivalent
3 of a plan of operations under subsection (a); and

4 “(2) to the maximum extent practicable, elimi-
5 nate duplication of planning activities under the pro-
6 gram under this chapter and comparable conserva-
7 tion programs.”.

8 (l) DUTIES OF THE SECRETARY.—Section 1240F of
9 the Food Security Act of 1985 (16 U.S.C. 3839aa–6) is
10 amended—

11 (1) by striking “To the extent” and inserting
12 “(a) PROVISION OF ASSISTANCE.—To the extent”;
13 and

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

16 “(b) WATER SAVINGS.—In the case of a practice pri-
17 marily intended to conserve water, the Secretary may pro-
18 vide assistance to a producer under this section only if
19 the Secretary determines that—

20 “(1) the practice results in a minimum reduc-
21 tion, as determined by the Secretary, in the total
22 consumptive use of ground water or surface water
23 resources affected by the practice;

24 “(2) any saved water remains in the source for
25 the useful life of the practice; and

1 “(3) the practice will not result, directly or indi-
2 rectly, in an increase in the consumptive use of
3 water in the agriculture operation of the producer.”.

4 (m) CONSERVATION INNOVATION GRANTS.—Section
5 1240H of the Food Security Act of 1985 (16 U.S.C.
6 3839aa–8) is amended to read as follows:

7 **“SEC. 1240H. CONSERVATION INNOVATION GRANTS.**

8 “(a) COMPETITIVE GRANTS.—The Secretary shall
9 pay the cost of competitive grants that are intended to
10 stimulate innovative approaches to leveraging Federal in-
11 vestment in environmental enhancement and protection, in
12 conjunction with agricultural production or forest resource
13 management, through the program.

14 “(b) USE.—The Secretary may provide grants under
15 this section to governmental and non-governmental orga-
16 nizations and persons, on a competitive basis, to carry out
17 projects that—

18 “(1) involve producers that are eligible for pay-
19 ments or technical assistance under the program;

20 “(2) leverage funds made available to carry out
21 the program under this chapter with matching funds
22 provided by State and local governments and private
23 organizations to promote environmental enhance-
24 ment and protection in conjunction with agricultural
25 production;

1 “(3) ensure efficient and effective transfer of
2 innovative technologies and approaches dem-
3 onstrated through projects that receive funding
4 under this section; and

5 “(4) provide environmental and resource con-
6 servation benefits through increased participation by
7 producers of specialty crops.

8 “(c) PILOT PROGRAM FOR COMPREHENSIVE CON-
9 SERVATION PLANNING.—

10 “(1) PILOT PROGRAM REQUIRED.—The Sec-
11 retary shall establish a pilot program to undertake
12 comprehensive conservation planning to assist pro-
13 ducers before they submit an application for assist-
14 ance under any of the conservation programs au-
15 thorized by this subtitle.

16 “(2) CONSERVATION PLANNING ASSISTANCE.—
17 The Secretary shall undertake pilot projects under
18 the pilot program in the locations specified in para-
19 graph (3) to assist producers by making a com-
20 prehensive assessment of the resource concerns,
21 needs, and alternative solutions for the producer’s
22 entire operation, as determined by the Secretary, fol-
23 lowing the procedures in the Natural Resources Con-
24 servation Service conservation planning manual. The
25 assistance shall be provided by the Secretary directly

1 or through third party providers certified by the Sec-
2 retary, and shall not be at the expense of the pro-
3 ducer. The results of the comprehensive planning as-
4 sistance shall be provided to the producer to enable
5 informed choices on the type of financial assistance
6 available under this subtitle that would most effec-
7 tively address the resource needs of the operation
8 consistent with the environmental goals for the area
9 in which the operation is located.

10 “(3) PILOT PROJECTS.—Pilot projects in com-
11 prehensive conservation planning shall be under-
12 taken in the Chesapeake Bay watershed, and shall
13 include the identification of hydrologic, soil, and
14 rural land use factors that are unique to the Del-
15 marva Peninsula.

16 “(4) REPORT.—The Secretary shall conduct an
17 assessment of the effectiveness of the pilot program
18 and publish a report, available to the public, of the
19 results of the assessment. Such assessments shall be
20 undertaken in the second year and the fifth year of
21 the pilot program.

22 “(d) AIR QUALITY.—Of the funds made available
23 under subsection (e)(1), the Secretary shall use
24 \$10,000,000 for fiscal year 2008, \$15,000,000 for fiscal
25 year 2009, \$30,000,000 for fiscal year 2010, \$40,000,000

1 for fiscal year 2011, and \$55,000,000 for fiscal year 2012
2 to support air quality improvements to help producers
3 meet State and local regulatory requirements related to
4 air quality. Notwithstanding the requirements under sub-
5 sections (a) and (b), these funds shall be made available
6 to a State on the basis of air quality concerns facing that
7 producers in that State. The funds made available shall
8 be used to provide cost-share and incentive payments to
9 producers.

10 “(e) FUNDING.—

11 “(1) AVAILABILITY OF FUNDS.—Of the funds
12 made available under section 1241(a)(6) for fiscal
13 years 2008 through 2012, the Secretary shall use
14 \$30,000,000 for fiscal year 2008, \$35,000,000 for
15 fiscal year 2009, \$50,000,000 for fiscal year 2010,
16 \$60,000,000 for fiscal year 2011, and \$75,000,000
17 for fiscal year 2012.

18 “(2) OUTREACH FOR CERTAIN PRODUCERS.—

19 Of the funds made available under paragraph (1) for
20 a fiscal year, the Secretary shall use \$5,000,000 to
21 make grants to support effective outreach and inno-
22 vative approaches for outreach and to serve organic
23 producers and producers of specialty crops (as de-
24 fined in section 3 of the Specialty Crops Competi-

1 tiveness Act of 2004 (Public Law 108–465; 7 U.S.C.
2 1621 note).

3 “(3) COMPREHENSIVE CONSERVATION PLAN-
4 NING.—Of the funds made available under para-
5 graph (1) for a fiscal year, the Secretary shall use
6 \$5,000,000 to carry out the comprehensive conserva-
7 tion planning pilot program under subsection (c).”.

8 **SEC. 2106. REGIONAL WATER ENHANCEMENT PROGRAM.**

9 (a) PURPOSE AND GOALS.—The purpose of this sec-
10 tion is to authorize a regional water enhancement pro-
11 gram, within the environmental quality incentives pro-
12 gram, to enhance performance-based, cost-effective con-
13 servation carried out through cooperative agreements en-
14 tered into by the Secretary of Agriculture with producers,
15 governmental entities, and Indian tribes. The goal of the
16 program is to improve water quality or ground and surface
17 water quantity through coordinated program activities on
18 agricultural lands. The Secretary will develop goals and
19 provide coordinated program assistance for water quality
20 or water quantity improvement projects.

21 (b) ESTABLISHMENT OF PROGRAM.—Section 1240I
22 of the Food Security Act of 1985 (16 U.S.C. 3839aa–9)
23 is amended to read as follows:

24 **“SEC. 1240I. REGIONAL WATER ENHANCEMENT PROGRAM.**

25 “(a) DEFINITIONS.—In this section:

1 “(1) REGIONAL WATER ENHANCEMENT ACTIVI-
2 TIES.—The term ‘regional water enhancement activi-
3 ties’ includes resource condition assessment and
4 modeling, water quality, water quantity or water
5 conservation plan development, management system
6 and environmental monitoring and evaluation, cost-
7 share of restoration or enhancement projects, incen-
8 tive payments for land management practices, ease-
9 ment purchases, conservation contracts with land-
10 owners, improved irrigation systems, water banking
11 and other forms of water transactions, groundwater
12 recharge and other conservation related activities
13 that the Secretary determines will help to achieve
14 the water quality or water quantity benefits on agri-
15 cultural lands identified in a partnership agreement.

16 “(2) PARTNERSHIP AGREEMENT.—The term
17 ‘partnership agreement’ means an agreement be-
18 tween the Secretary and a partner under subsection
19 (d).

20 “(3) PARTNER.—The term ‘partner’ means an
21 entity that enters into a partnership agreement with
22 the Secretary to carry out regional water enhance-
23 ment activities. The term includes—

1 “(A) an agricultural producer, agricultural
2 or silvicultural producer association, or other
3 group of such producers;

4 “(B) a State or unit of local government,
5 including an irrigation or water district; or

6 “(C) a federally recognized Indian tribe.

7 “(b) ESTABLISHMENT OF PROGRAM.—

8 “(1) ESTABLISHMENT.—The Secretary shall es-
9 tablish a regional water enhancement program in ac-
10 cordance with this section to improve water quality
11 or water quantity on a regional scale to benefit
12 working agricultural land and other lands sur-
13 rounding agricultural land.

14 “(2) IDENTIFICATION OF WATER QUALITY AND
15 WATER QUANTITY PRIORITY AREAS.—The Secretary
16 shall identify areas where protecting or improving
17 water quality, water quantity, or both is a priority.
18 In identifying these areas, the Secretary shall
19 prioritize the Chesapeake Bay, the Upper Mississippi
20 River basin, the Everglades, the Sacramento River
21 watershed, and the Klamath River basin. Not more
22 than 50 percent of the funds made available for the
23 regional water enhancement program shall be re-
24 served for priority areas identified in this paragraph.

25 “(c) SELECTION OF PARTNERS.—

1 “(1) SOLICITATION OF PARTNERSHIP PRO-
2 POSALS.—Not later than 90 days after the date of
3 the enactment of the Farm, Nutrition, and Bio-
4 energy Act of 2007, the Secretary shall invite pro-
5 spective partners to submit competitive grant pro-
6 posals for regional water enhancement partnerships.

7 “(2) ELEMENTS.—To be eligible for consider-
8 ation for participation in the program, a proposal
9 submitted by a partner shall contain the following
10 elements:

11 “(A) Identification of the exact geographic
12 area for which the partnership is proposed,
13 which may be based on—

14 “(i) a watershed (or portion thereof);

15 “(ii) an irrigation, water, drainage
16 district, including service area; or

17 “(iii) some other geographic area with
18 characteristics making it suitable for land-
19 scape-wide program implementation, as
20 may be determined by the Secretary.

21 “(B) Identification of the water quality or
22 water quantity issues that are of concern in the
23 area.

1 “(C) A method for determining a baseline
2 assessment of water quality, water quantity,
3 and other resource conditions in the region.

4 “(D) A detailed description of the proposed
5 regional water enhancement activities to be un-
6 dertaken in the area, including an estimated
7 timeline and budget for each activity.

8 “(E) A description of the performance
9 measures to be used to gauge the effectiveness
10 of the regional water enhancement activities.

11 “(F) A description of other regional water
12 enhancement activities carried out by the Sec-
13 retary.

14 “(G) A description of regional water en-
15 hancement activities carried out by partners
16 through other means.

17 “(3) SELECTION OF PROPOSALS.—The Sec-
18 retary shall award grants competitively, based on the
19 following criteria applied by the Secretary:

20 “(A) Proposals that will result in the inclu-
21 sion of the highest percentage of agricultural
22 lands and producers in the area.

23 “(B) Proposals that will result in the high-
24 est percentage of on-the-ground activities versus
25 administrative costs.

1 “(C) Proposals that will provide the great-
2 est contribution to sustaining or enhancing ag-
3 ricultural production in the area or rural eco-
4 nomic development.

5 “(D) Proposals that include performance
6 measures that will allow post-activity conditions
7 to be satisfactorily measured to gauge overall
8 effectiveness.

9 “(E) Proposals that will capture surface-
10 water runoff on farms through the construction,
11 improvement, or maintenance of irrigation
12 ponds.

13 “(F) Proposals that have the highest likeli-
14 hood of improving issues of concern for the area
15 through the participation of multiple interested
16 persons.

17 “(G) Proposals that will assist producers
18 in meeting a regulatory requirement imposed on
19 lands in agriculture production that reduces the
20 economic scope of the producer’s operation.

21 “(4) DURATION.—Grants under this subsection
22 shall be made on a multi-year basis, not to exceed
23 5 years total, except that the Secretary may termi-
24 nate a grant earlier if the performance measures are
25 not being met.

1 “(d) PARTNERSHIP AGREEMENTS.—

2 “(1) GENERALLY.—Not later than 30 days
3 after the award of a grant to a partner under sub-
4 section (c), the Secretary shall enter into a partner-
5 ship agreement with the grant recipient. At a min-
6 imum, the agreement shall contain—

7 “(A) a description of the respective duties
8 and responsibilities of the Secretary and the
9 partner in carrying out regional water enhance-
10 ment activities; and

11 “(B) the criteria that the Secretary will
12 use to measure the overall effectiveness of the
13 regional water enhancement activities funded by
14 the grant in improving the water quality or
15 quantity conditions of the region relative to the
16 performance measures in the grant proposal.

17 “(2) ACCEPTANCE OF CONTRIBUTIONS.—The
18 Secretary may accept and use contributions of non-
19 Federal funds to administer the program under this
20 section.

21 “(3) WAIVER AUTHORITY.—The Secretary shall
22 waive the limitation in section 1001D of this Act if
23 the Secretary determines that doing so is necessary
24 to fulfill the objectives of the regional water en-
25 hancement program.

1 “(e) MODIFICATION OF SECRETARIAL AUTHORITY.—

2 To the extent that the Secretary will be carrying out re-
3 gional water enhancement activities in an area, the Sec-
4 retary may use the general authorities provided in this
5 subtitle to ensure that all producers and landowners in
6 the region have the opportunity to participate in such ac-
7 tivities.

8 “(f) RELATIONSHIP WITH OTHER PROGRAMS.—The

9 Secretary shall ensure that, to the extent producers and
10 landowners are individually participating in other pro-
11 grams under this subtitle in a region where the regional
12 water enhancement program is in effect, any improve-
13 ments to water quality or water quantity attributable to
14 such individual participation is included in the evaluation
15 criteria developed under subparagraph (d)(1)(B).

16 “(g) CONSISTENCY WITH STATE LAW.—Any regional

17 water enhancement activity conducted under this section
18 shall be consistent with State water laws.

19 “(h) FUNDING.—

20 “(1) AVAILABILITY OF FUNDS.—In addition to

21 funds made available to carry out this chapter under
22 section 1241(a)(6), the Secretary shall use funds of
23 the Commodity Credit Corporation to carry out this
24 section in the amount of, to the maximum extent

1 practicable, \$60,000,000 for each of fiscal years
2 2008 through 2012.

3 “(2) LIMITATION ON ADMINISTRATIVE EX-
4 PENSES.—Not more than 3 percent of the funds
5 made available under paragraph (1) for a fiscal year
6 may be used for administrative expenses of the Sec-
7 retary.”.

8 **SEC. 2107. GRASSROOTS SOURCE WATER PROTECTION**
9 **PROGRAM.**

10 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
11 12400(b) of the Food Security Act of 1985 (16 U.S.C.
12 3839bb–2(b)) is amended by striking “\$5,000,000 for
13 each of fiscal years 2002 through 2007” and inserting
14 “\$20,000,000 for each of fiscal years 2008 through
15 2012”.

16 (b) ADDITIONAL FUNDING.—Section 12400 of the
17 Food Security Act of 1985 (16 U.S.C. 3839bb–2) is
18 amended by adding at the end the following new sub-
19 section:

20 “(c) ONE-TIME INFUSION OF FUNDS.—Of the funds
21 of the Commodity Credit Corporation, the Secretary shall
22 make available, on a one-time basis, \$10,000,000 to carry
23 out this section. Such funds shall remain available until
24 expended.”.

1 **SEC. 2108. CONSERVATION OF PRIVATE GRAZING LAND.**

2 Section 1240M(e) of the Food Security Act of 1985
3 (16 U.S.C. 3839bb(e)) is amended by striking “2007” and
4 inserting “2012”.

5 **SEC. 2109. GREAT LAKES BASIN PROGRAM FOR SOIL ERO-**
6 **SION AND SEDIMENT CONTROL.**

7 Section 1240P(c) of the Food Security Act of 1985
8 (16 U.S.C. 3839bb–3(c)) is amended by striking “2007”
9 and inserting “2012”.

10 **SEC. 2110. FARM AND RANGLAND PROTECTION PROGRAM.**

11 Subchapter B of chapter 2 of subtitle D of title XII
12 of the Food Security Act of 1985 (16 U.S.C. 3838h et
13 seq.) is amended to read as follows:

14 **“Subchapter B—Farm and Ranchland**
15 **Protection Program**

16 **“SEC. 1238H. DEFINITIONS.**

17 “In this subchapter:

18 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
19 tity’ means any of the following:

20 “(A) An agency of a State or local govern-
21 ment or an Indian tribe (including a farmland
22 protection board or land resource council estab-
23 lished under State law).

24 “(B) An organization that is organized for,
25 and at all times since the formation of the orga-
26 nization has been operated principally for, 1 or

1 more of the conservation purposes specified in
2 clause (i), (ii), (iii), or (iv) of section
3 170(h)(4)(A) of the Internal Revenue Code of
4 1986.

5 “(C) An organization described in section
6 501(c)(3) of the Internal Revenue Code of 1986
7 that is exempt from taxation under section
8 501(a) of that Code.

9 “(D) An organization described in section
10 509(a)(2) of the Internal Revenue Code of
11 1986.

12 “(E) An organization described in section
13 509(a)(3) of the Internal Revenue Code of 1986
14 that is controlled by an organization described
15 in section 509(a)(2), of that Code.

16 “(2) ELIGIBLE LAND.—The term ‘eligible land’
17 means land on a farm or ranch that—

18 “(A) is cropland;

19 “(B) is rangeland;

20 “(C) is grassland;

21 “(D) is pasture land;

22 “(E) is forest land that is an incidental
23 part of an agricultural operation, as determined
24 by the Secretary; or

1 “(F) contains historical or archaeological
2 resources.

3 “(3) INDIAN TRIBE.—The term ‘Indian tribe’
4 has the meaning given the term in section 4 of the
5 Indian Self-Determination and Education Assistance
6 Act (25 U.S.C. 450b).

7 “(4) PROGRAM.—The term ‘program’ means
8 the farm and ranchland protection program estab-
9 lished under section 1238I(a).

10 “(5) SECRETARY.—The term ‘Secretary’ means
11 the Secretary of Agriculture.

12 **“SEC. 1238I. FARM AND RANGLAND PROTECTION PRO-**
13 **GRAM.**

14 “(a) ESTABLISHMENT.—

15 “(1) ESTABLISHMENT AND PURPOSE.—The
16 Secretary shall establish and carry out a farm and
17 ranchland protection program under which the Sec-
18 retary shall facilitate and provide funding for the
19 purchase of conservation easements or other inter-
20 ests in eligible land that is subject to a pending offer
21 from a certified State or eligible entity for the pur-
22 pose of protecting the agricultural use and related
23 conservation values of the land by limiting incompat-
24 ible nonagricultural uses of the land.

1 “(2) PRIORITY.—In carrying out the program,
2 the Secretary shall give the highest priority—

3 “(A) to protecting farm and ranchland
4 with prime, unique or other productive soils
5 that are at risk of non-agricultural develop-
6 ment; or

7 “(B) to projects that further a State or
8 local policy consistent with the purposes of the
9 program.

10 “(b) GRANTS TO CERTIFIED STATES.—The Sec-
11 retary shall make grants to States certified by the Sec-
12 retary under subsection (c). Such grants shall be made
13 based on demonstrated need for farm and ranch land pro-
14 tection. Grants may be made for multiple transactions so
15 long as all funds provided under the program are used
16 to purchase conservation easements or other interests in
17 land in a timely and effective manner. A State receiving
18 a grant under this subsection may use up to 10 percent
19 of the grant funds for reasonable costs of purchasing and
20 enforcing conservation easements.

21 “(c) CERTIFICATION OF STATES FOR GRANTS.—

22 “(1) CERTIFICATION PROCESS.—The Secretary
23 shall implement a process, to be published in the
24 Federal Register, for certifying States as eligible to
25 participate in the program. The Secretary may pro-

1 vide a reasonable transitional period, not to extend
2 past September 30, 2008, in order to allow contin-
3 ued operation of the program for such time as need-
4 ed for the Secretary to implement the certification
5 process.

6 “(2) CERTIFICATION REQUIREMENTS.—To be
7 certified under the process implemented under para-
8 graph (1), a State shall demonstrate, at a minimum,
9 the following:

10 “(A) A legislative consistent with the pur-
11 poses of the program.

12 “(B) The necessary authority and the re-
13 sources to monitor and enforce the terms of
14 conservation easements or other interests in
15 land or to require the holder of such easements
16 or other interests in land acquired with the use
17 of funding under the program to monitor and
18 enforce the terms of such easements or other
19 interests in land.

20 “(C) Policies and procedures to ensure
21 that, on average, the purchase price of con-
22 servation easements or other interests in land
23 purchased with program funds do not exceed
24 the fair market value of the easements or other
25 interests in land.

1 “(D) Policies and procedures that ensure
2 that conservation easements or other interests
3 in land purchased with program funds will con-
4 tinue to protect the agricultural use and related
5 conservation values of the land.

6 “(d) AGREEMENTS WITH ELIGIBLE ENTITIES.—

7 “(1) AGREEMENTS AUTHORIZED.—The Sec-
8 retary may enter into an agreement with an eligible
9 entity, other than a certified State, under which the
10 entity may purchase conservation easements using a
11 combination of its own funds and funds distributed
12 by the Secretary under the program.

13 “(2) TERMS AND CONDITIONS.—An agreement
14 under this subsection shall stipulate the terms and
15 conditions under which the eligible entity shall use
16 funds provided by the Secretary under the program.
17 The eligible entity shall be authorized to use its own
18 terms and conditions for conservation easements and
19 other purchases of interests in land, so long as—

20 “(A) such terms and conditions are con-
21 sistent with the purposes of the program and
22 permit effective enforcement of the conservation
23 purposes of such easements or other interests;

24 “(B) the eligible entity has in place a re-
25 quirement consistent with agricultural activities

1 regarding the impervious surfaces to be allowed
2 for any conservation easement or other interest
3 in land purchased using funds provided under
4 the program; and

5 “(C) the eligible entity requires use of a
6 conservation plan for any highly erodible crop-
7 land for which a conservation easement or other
8 interest in land has been purchased using funds
9 provided under the program.

10 “(e) FEDERAL CONTINGENT RIGHT OF ENFORCE-
11 MENT.—The Secretary may require the inclusion of a Fed-
12 eral contingent right of enforcement or executory limita-
13 tion in a conservation easement or other interest in land
14 for conservation purposes purchased with Federal funds
15 provided under the program, in order to enforce the ease-
16 ment as a party of last resort. The inclusion of such a
17 right or interest shall not be considered to be the Federal
18 acquisition of real property and the Federal standards and
19 procedures for land acquisition shall not apply to the in-
20 clusion of the right or interest.

21 “(f) REVIEW; REVOCATION.—

22 “(1) REVIEW.—Every 3 years, the Secretary
23 shall review the certification of States under sub-
24 section (c) and the performance of eligible entities in

1 meeting the terms and conditions of an agreement
2 under subsection (d).

3 “(2) REVOCATION.— If, in the determination of
4 the Secretary, a State no longer meets the qualifica-
5 tions described in subsection (c)(2) or an eligible en-
6 tity is not meeting the terms and conditions of an
7 agreement under subsection (d), the Secretary
8 may—

9 “(A) revoke the certification of the State
10 or terminate the agreement with the eligible en-
11 tity; or

12 “(B) allow the State or eligible entity a
13 specified period of time in which to take such
14 actions as may be necessary to retain its certifi-
15 cation or to meet the terms and conditions of
16 the agreement, as the case may be.

17 “(g) CONSERVATION PLAN.—Any highly erodible
18 cropland for which a conservation easement or other inter-
19 est is purchased under this subchapter shall be subject to
20 the requirements of a conservation plan. In the case of
21 an easement or other interest in land that is perpetual
22 in duration, the Secretary may not require the conversion
23 of the cropland to less intensive uses if, under such plan,
24 soil erosion can be reduced to ‘T’ or below.

1 “(h) COST SHARING.—The share of the cost provided
2 under this section for purchasing a conservation easement
3 or other interest in land shall not exceed 50 percent of
4 the appraised fair market value of the conservation ease-
5 ment or other interest in eligible land. Fair market value
6 shall be determined on the basis of an appraisal of the
7 conservation easement or other interest in eligible land
8 using an industry-approved methodology determined by
9 the entity.”.

10 **SEC. 2111. FARM VIABILITY PROGRAM.**

11 Section 1238J(b) of the Food Security Act of 1985
12 (16 U.S.C. 3838j(b)) is amended by striking “2007” and
13 inserting “2012”.

14 **SEC. 2112. WILDLIFE HABITAT INCENTIVE PROGRAM.**

15 (a) REAUTHORIZATION.—Section 1240N of the Food
16 Security Act of 1985 (16 U.S.C. 3839bb–1) is amended
17 by adding at the end the following new subsection:

18 “(d) DURATION OF PROGRAM.—Using funds made
19 available under section 1241(a)(7), the Secretary shall
20 carry out the program during fiscal years 2008 through
21 2012.”.

22 (b) COST SHARE FOR LONG-TERM AGREEMENTS
23 AND IMPACT ON SCOPE OF OPERATIONS.—Section
24 1240N(b)(2) of the Food Security Act of 1985 (16 U.S.C.
25 3839bb–1(b)(2)) is amended—

1 (1) in the paragraph heading by inserting “AND
2 IMPACT ON SCOPE OF OPERATIONS” after “AGREE-
3 MENTS”;

4 (2) in subparagraph (A), by striking “years,”
5 and inserting “years, or that will assist producers in
6 meeting a regulatory requirement imposed on lands
7 in agriculture production that reduces the economic
8 scope of the producer’s operation,”; and

9 (3) in subparagraph (B), by striking “15 per-
10 cent” and inserting “25 percent”.

11 **Subtitle B—Conservation Programs** 12 **Under Other Laws**

13 **SEC. 2201. AGRICULTURAL MANAGEMENT ASSISTANCE** 14 **PROGRAM.**

15 (a) **ELIGIBLE STATES.**—Section 524(b)(1) of the
16 Federal Crop Insurance Act (7 U.S.C. 1524(b)(1)) is
17 amended—

18 (1) by inserting “Hawaii,” after “Delaware,”;
19 and

20 (2) by inserting “Virginia,” after “Vermont,”.

21 (b) **TECHNICAL CORRECTION.**—Section
22 524(b)(4)(B)(i) of the Federal Crop Insurance Act (7
23 U.S.C. 1524(b)(4)(B)(i)) is amended by striking “Except
24 as provided in clauses (ii) and (iii), the” and inserting
25 “The”.

1 (c) CERTAIN USES.—Section 524(b)(4) of the Fed-
2 eral Crop Insurance Act (7 U.S.C. 1524(b)(4)(B)) is
3 amended by adding at the end the following new subpara-
4 graph:

5 “(C) CERTAIN USES.—Of the amounts
6 made available to carry out this subsection for
7 a fiscal year, the Commodity Credit Corpora-
8 tion shall use not less than—

9 “(i) 50 percent to carry out subpara-
10 graphs (A), (B), and (C) of paragraph (2)
11 through the Natural Resources Conserva-
12 tion Service;

13 “(ii) 10 percent to provide organic
14 certification cost share assistance through
15 the Agricultural Marketing Service; and

16 “(iii) 40 percent to conduct activities
17 to carry out subparagraph (F) of para-
18 graph (2) through the Risk Management
19 Agency.”.

20 **SEC. 2202. RESOURCE CONSERVATION AND DEVELOPMENT**
21 **PROGRAM.**

22 (a) LOCALLY LED PLANNING PROCESS.—Section
23 1528 of the Agriculture and Food Act of 1981 (16 U.S.C.
24 3451) is amended—

1 (1) in paragraph (1), by striking “planning
2 process” in the matter preceding subparagraph (A)
3 and inserting “locally led planning process”; and

4 (2) in paragraph (9), by striking “council” and
5 inserting “locally led council”.

6 (b) AUTHORIZED TECHNICAL ASSISTANCE.—Section
7 1528(13) of the Agriculture and Food Act of 1981 (16
8 U.S.C. 3451(13)) is amended by striking subparagraphs
9 (C) and (D) and inserting the following new subpara-
10 graphs:

11 “(C) providing assistance for the imple-
12 mentation of area plans and projects; and

13 “(D) providing services which bring to
14 bear the resources of Department of Agri-
15 culture programs in a local community, as de-
16 fined in the locally led planning process.”.

17 (c) IMPROVED PROVISION OF TECHNICAL ASSIST-
18 ANCE.—Section 1531 of the Agriculture and Food Act of
19 1981 (16 U.S.C. 3454) is amended—

20 (1) by inserting “(a) IN GENERAL.—” before
21 “In carrying”; and

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

24 “(b) COORDINATOR.—To improve the provision of
25 technical assistance to councils under this subtitle, the

1 Secretary shall designate an individual, to be known as
2 the ‘Coordinator’, for each council. The Coordinator shall
3 be directly responsible for the provision of technical assist-
4 ance to the council.”.

5 (d) PROGRAM EVALUATION.—Section 1534 of the
6 Agriculture and Food Act of 1981 (16 U.S.C. 3457) is
7 repealed.

8 **SEC. 2203. SMALL WATERSHED REHABILITATION PRO-**
9 **GRAM.**

10 (a) AVAILABILITY OF FUNDS.—Section 14(h)(1) of
11 the Watershed Protection and Flood Prevention Act (16
12 U.S.C. 1012(h)(1)) is amended by adding at the end the
13 following new subparagraph:

14 “(G) \$50,000,000 for each of fiscal years
15 2009 through 2012.”.

16 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
17 14(h)(2)(E) of the Watershed Protection and Flood Pre-
18 vention Act (16 U.S.C. 1012(h)(2)(E)) is amended by
19 striking “fiscal year 2007” and inserting “each of fiscal
20 years 2007 through 2012”.

1 **Subtitle C—Additional**
2 **Conservation Programs**

3 **SEC. 2301. CHESAPEAKE BAY PROGRAM FOR NUTRIENT RE-**
4 **DUCTION AND SEDIMENT CONTROL.**

5 Chapter 5 of subtitle D of the Food Security Act of
6 1985 is amended by inserting after section 1240P (16
7 U.S.C. 3839bb–3) the following new section:

8 **“SEC. 1240Q. RIVER RESTORATION IN THE CHESAPEAKE**
9 **BAY WATERSHED.**

10 “(a) CHESAPEAKE BAY WATERSHED DEFINED.—In
11 this section, the term ‘Chesapeake Bay watershed’ means
12 all tributaries, backwaters, and side channels, including
13 their watersheds, draining into the Chesapeake Bay.

14 “(b) COMPREHENSIVE PLAN FOR CHESAPEAKE BAY
15 WATERSHED.—

16 “(1) DEVELOPMENT.—The Secretary of Agri-
17 culture shall develop, as expeditiously as practicable,
18 a proposed comprehensive plan for the purpose of
19 restoring, preserving, and protecting the Chesapeake
20 bay watershed.

21 “(2) PROVEN TECHNOLOGIES AND INNOVATIVE
22 APPROACHES.—The comprehensive plan shall pro-
23 vide for the development of new technologies and in-
24 novative approaches to advance the following goals:

1 “(A) Improvement of water quality and
2 quantity within the Chesapeake Bay.

3 “(B) Restoration, enhancement, and pres-
4 ervation of habitat for plants and wildlife.

5 “(C) Increase economic opportunity for
6 producers and rural communities.

7 “(3) SPECIFIC COMPONENTS.—The comprehen-
8 sive plan shall include such features as are necessary
9 to provide for—

10 “(A) the development and implementation
11 of a program for erosion prevention and con-
12 trol, sediment control and sediment removal,
13 and reduction of nutrient loads;

14 “(B) the development and implementation
15 of a program for—

16 “(i) the planning, conservation, eval-
17 uation, and construction of measures for
18 fish and wildlife habitat conservation and
19 rehabilitation; and

20 “(ii) stabilization and enhancement of
21 land and water resources; and

22 “(C) the development and implementation
23 of a long-term resource monitoring program.

1 “(4) CONSULTATION.—The comprehensive plan
2 shall be developed by the Secretary in consultation
3 with appropriate Federal and State agencies.

4 “(c) SUBMISSION OF PLAN.—

5 “(1) SUBMISSION.—Not later than 2 years
6 after the date of enactment of the Farm, Nutrition,
7 and Bioenergy Act of 2007, the Secretary shall
8 transmit to Congress a report containing the com-
9 prehensive plan.

10 “(2) ADDITIONAL STUDIES AND ANALYSES.—

11 After submission of the report required by para-
12 graph (1), the Secretary shall continue to conduct
13 such studies and analyses related to the comprehen-
14 sive plan as are necessary, consistent with this sub-
15 section.

16 “(d) RESTORATION ENHANCEMENT AND PRESERVA-
17 TION PROJECTS.—

18 “(1) PROJECT AUTHORITY.—In cooperation
19 with appropriate Federal and State agencies, the
20 Secretary shall carry out restoration enhancement
21 and preservation projects for the Chesapeake Bay
22 watershed to address the goals specified in sub-
23 section (b)(2). To achieve the restoration, preserva-
24 tion, and protection benefits of a project, the Sec-
25 retary shall proceed expeditiously with the imple-

1 mentation of the project consistent with the com-
2 prehensive plan.

3 “(2) CRITICAL PROJECTS.—In carrying out this
4 subsection, the Secretary shall begin with the Sus-
5 quehanna River, the Shenandoah River, the Potomac
6 River, and the Patuxent River.

7 “(3) AVAILABILITY OF FUNDS.—Of the funds
8 of the Commodity Credit Corporation, the Secretary
9 shall use to carry out projects under this subsection
10 the following amounts:

11 “(A) \$10,000,000 for fiscal year 2008.

12 “(B) \$15,000,000 for fiscal year 2009.

13 “(C) \$30,000,000 for fiscal year 2010.

14 “(D) \$40,000,000 for fiscal year 2011.

15 “(E) \$55,000,000 for fiscal year 2012.

16 “(4) FEDERAL SHARE.—The Federal share of
17 the cost of carrying out any individual project under
18 this subsection shall not exceed \$5,000,000.

19 “(e) GENERAL PROVISIONS.—

20 “(1) WATER QUALITY.—In carrying out
21 projects and activities under this section, the Sec-
22 retary shall take into account the protection of water
23 quality by considering applicable State water quality
24 standards.

1 “(2) PUBLIC PARTICIPATION.—In developing
2 the comprehensive plan under subsection (b) and
3 carrying out projects under subsection (d), the Sec-
4 retary shall implement procedures to facilitate public
5 participation, including providing advance notice of
6 meetings, providing adequate opportunity for public
7 input and comment, maintaining appropriate
8 records, and making a record of the proceeding of
9 meetings available for public inspection.

10 “(f) COORDINATION.—The Secretary shall integrate
11 and coordinate projects and activities carried out under
12 this section with other Federal and State programs,
13 projects, and activities.

14 “(g) COST SHARING.—

15 “(1) NON-FEDERAL SHARE.—Subject to sub-
16 section (d)(4), the non-Federal share of the cost of
17 projects and activities carried out under this section
18 shall be not less than 35 percent.

19 “(2) OPERATION, MAINTENANCE, REHABILITA-
20 TION, AND REPLACEMENT.—The operation, mainte-
21 nance, rehabilitation, and replacement of projects
22 carried out under this section shall be a non-Federal
23 responsibility.

24 “(h) SENSE OF CONGRESS REGARDING CHESAPEAKE
25 BAY EXECUTIVE COUNCIL.—

1 “(1) FINDINGS.—Congress finds the following:

2 “(A) One of the stated goals of the Chesapeake Bay Agreement is to ‘develop, promote,
3 and achieve sound land use practices which protect and restore watershed resources and water
4 quality, maintain reduced pollutant loadings for the Bay and its tributaries, and restore and
5 preserve aquatic living resources’.

6 “(B) Department of Agriculture conservation programs are integral to the restoration of
7 the Chesapeake Bay and achieving the water quality goals for the Chesapeake Bay program.
8 “(B) Department of Agriculture conservation programs are integral to the restoration of
9 the Chesapeake Bay and achieving the water quality goals for the Chesapeake Bay program.
10 “(B) Department of Agriculture conservation programs are integral to the restoration of
11 the Chesapeake Bay and achieving the water quality goals for the Chesapeake Bay program.
12 “(B) Department of Agriculture conservation programs are integral to the restoration of
13 the Chesapeake Bay and achieving the water quality goals for the Chesapeake Bay program.

14 “(2) SENSE OF CONGRESS.—In light of the findings specified in paragraph (1), it is the sense of
15 Congress that the Secretary of Agriculture should be a member of the Chesapeake Bay Executive Council,
16 and is authorized to do so under section 1(3) of the Soil Conservation and Domestic Allotment Act (16
17 U.S.C. 590a(3)).”.

18 **SEC. 2302. VOLUNTARY PUBLIC ACCESS AND HABITAT IN-**
19 **CENTIVE PROGRAM.**

20 Chapter 5 of subtitle D of title XII of the Food Security Act of 1985 is amended by inserting after section
21 1240Q, as added by section 2301, the following new section:
22
23
24
25

1 **“SEC. 1240R. VOLUNTARY PUBLIC ACCESS AND HABITAT IN-**
2 **CENTIVE PROGRAM.**

3 “(a) ESTABLISHMENT.—The Secretary shall estab-
4 lish a voluntary public access program under which States
5 and tribal governments may apply for grants to encourage
6 owners and operators of privately-held farm, ranch, and
7 forest land to voluntarily make that land available for ac-
8 cess by the public for wildlife-dependent recreation, includ-
9 ing hunting or fishing, under programs administered by
10 the States and tribal governments.

11 “(b) APPLICATIONS.—In submitting applications for
12 a grant under the program, a State or tribal government
13 shall describe—

14 “(1) the benefits that the State or tribal gov-
15 ernment intends to achieve by encouraging public ac-
16 cess to private farm and ranch land for—

17 “(A) hunting and fishing; and

18 “(B) to the maximum extent practicable,
19 other recreational purposes; and

20 “(2) the methods that will be used to achieve
21 those benefits.

22 “(c) PRIORITY.—In approving applications and
23 awarding grants under the program, the Secretary shall
24 give priority to States and tribal governments that—

1 “(1) have consistent opening dates for migra-
2 tory bird hunting for both residents and non-resi-
3 dents;

4 “(2) propose to maximize participation by offer-
5 ing a program the terms of which are likely to meet
6 with widespread acceptance among landowners;

7 “(3) propose to ensure that land enrolled under
8 the State or tribal government program has appro-
9 priate wildlife habitat;

10 “(4) propose to strengthen wildlife habitat im-
11 provement efforts on land enrolled in a special con-
12 servation reserve enhancement program described in
13 1234(f)(4) by providing incentives to increase public
14 hunting and other recreational access on that land;
15 and

16 “(5) propose to use additional Federal, State,
17 tribal government, or private resources in carrying
18 out the program.

19 “(d) RELATIONSHIP TO OTHER LAWS.—Nothing in
20 this section preempts a State or tribal government law,
21 including any State or tribal government liability law.

22 “(e) REGULATIONS.—The Secretary shall promulgate
23 such regulations as are necessary to carry out this section.

24 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
25 is authorized to be appropriated to the Secretary

1 \$20,000,000 for each of fiscal years 2008 through 2012
2 to carry out this section.”.

3 **SEC. 2303. MUCK SOILS CONSERVATION.**

4 (a) ESTABLISHMENT OF PROGRAM.—The Secretary
5 of Agriculture shall carry out a conservation program
6 under which the Secretary makes payments to assist own-
7 ers and operators of eligible land specified in subsection
8 (b) to conserve and improve the soil, water, and wildlife
9 resources of such land.

10 (b) ELIGIBLE LAND.—To be eligible for inclusion in
11 the program established under this section, the land
12 must—

13 (1) be comprised of soil that qualifies as muck,
14 as determined by the Secretary;

15 (2) be used for production of an agricultural
16 crop;

17 (3) have a spring cover crop planted in conjunc-
18 tion with the primary agricultural crop referred to in
19 paragraph (2);

20 (4) have a winter crop planted; and

21 (5) have ditch banks seeded with grass that is
22 maintained on a year-round basis.

23 (c) PAYMENT AMOUNTS.—The Secretary may pro-
24 vide payments of not less than \$300, but not more than
25 \$500, per acre per year under the program.

1 (d) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to the Secretary to carry
3 out the program \$50,000,000 for each of fiscal years 2008
4 through 2012.

5 **Subtitle D—Administration and**
6 **Funding**

7 **SEC. 2401. FUNDING OF CONSERVATION PROGRAMS UNDER**
8 **FOOD SECURITY ACT OF 1985.**

9 (a) IN GENERAL.—Section 1241(a) of the Food Se-
10 curity Act of 1985 (16 U.S.C. 3841(a)) is amended in the
11 matter preceding paragraph (1), by striking “2007” and
12 inserting “2012”.

13 (b) CONSERVATION SECURITY PROGRAM.—Para-
14 graph (3) of section 1241(a) of the Food Security Act of
15 1985 (16 U.S.C. 3841(a)) is amended to read as follows:

16 “(3) The conservation security program under
17 subchapter A of chapter 2, using, to the maximum
18 extent practicable—

19 “(A) in the case of conservation security
20 contracts entered into before October 1, 2007,
21 under such subchapter, as in effect on the day
22 before the date of the enactment of the Farm,
23 Nutrition, and Bioenergy Act of 2007—

24 “(i) \$1,454,000,000 for the period of
25 fiscal years 2007 through 2012; and

1 “(ii) \$1,927,000,000 for the period of
2 fiscal years 2007 through 2017; and

3 “(B) in the case of conservation security
4 contracts entered into on or after October 1,
5 2011, under such subchapter—

6 “(i) \$501,000,000 for fiscal year
7 2012; and

8 “(ii) \$4,646,000,000 for the period of
9 fiscal years 2012 through 2017.”.

10 (c) FARM AND RANCLAND PROTECTION PRO-
11 GRAM.—Paragraph (4) of section 1241(a) of the Food Se-
12 curity Act of 1985 (16 U.S.C. 3841(a)) is amended to
13 read as follows:

14 “(4) The farm and ranchland protection pro-
15 gram under subchapter B of chapter 2, using, to the
16 maximum extent practicable—

17 “(A) \$125,000,000 in fiscal year 2008;

18 “(B) \$150,000,000 in fiscal year 2009;

19 “(C) \$200,000,000 in fiscal year 2010;

20 “(D) \$240,000,000 in fiscal year 2011;

21 and

22 “(E) \$280,000,000 in fiscal year 2012.”.

23 (d) ENVIRONMENTAL QUALITY INCENTIVES PRO-
24 GRAM.—Paragraph (6) of section 1241(a) of the Food Se-

1 curity Act of 1985 (16 U.S.C. 3841(a)) is amended to
2 read as follows:

3 “(6) The environmental quality incentives pro-
4 gram under chapter 4, using, to the maximum ex-
5 tent practicable—

6 “(A) \$1,250,000,000 in fiscal year 2008;

7 “(B) \$1,600,000,000 in fiscal year 2009;

8 “(C) \$1,700,000,000 in fiscal year 2010;

9 “(D) \$1,800,000,000 in fiscal year 2011;

10 and

11 “(E) \$2,000,000,000 in fiscal year 2012.”.

12 (e) WILDLIFE HABITAT INCENTIVES PROGRAM.—
13 Paragraph (7)(D) of section 1241(a) of the Food Security
14 Act of 1985 (16 U.S.C. 3841(a)) is amended by striking
15 “2007” and inserting “2012”.

16 **SEC. 2402. IMPROVED PROVISION OF TECHNICAL ASSIST-**
17 **ANCE UNDER CONSERVATION PROGRAMS.**

18 Section 1242 of the Food Security Act of 1985 (16
19 U.S.C. 3842) is amended—

20 (1) in subsection (a)—

21 (A) by striking “or” at the end of para-
22 graph (1); and

23 (B) by striking paragraph (2) and insert-
24 ing the following new paragraphs:

1 “(2) through a contract with an approved third
2 party, if available; or

3 “(3) at the option of the producer, through a
4 payment as determined by the Secretary, directly to
5 an approved third party, if available, or to the pro-
6 ducer for an approved third party, if available.”;

7 (2) in subsection (b)—

8 (A) by striking “technical assistance” each
9 place it appears and inserting “technical serv-
10 ices”; and

11 (B) in paragraph (1)(B), by striking “that
12 assistance” and inserting “those technical serv-
13 ices”; and

14 (3) by adding at the end the following new sub-
15 sections:

16 “(c) PAYMENT AMOUNTS.—

17 “(1) USE OF PREVAILING MARKET RATES.—

18 The Secretary shall set the amounts of payments
19 under subsection (b)(1)(B) for technical services at
20 levels not less than prevailing private market rates.

21 “(2) EXCEPTION.—Paragraph (1) shall not
22 apply in instances where personnel of the Depart-
23 ment of Agriculture are immediately available to
24 provide comparable technical services to eligible pro-
25 ducers.

1 “(d) REVIEW AND EXPEDITED APPROVAL OF TECH-
2 NICAL ASSISTANCE SPECIFICATIONS.—

3 “(1) REVIEW OF EXISTING TECHNICAL ASSIST-
4 ANCE SPECIFICATIONS.—

5 “(A) REVIEW OF SPECIFICATIONS.—The
6 Secretary shall direct each State to review and
7 ensure, to the maximum extent practicable, the
8 completeness and relevance of technical assist-
9 ance specifications in effect as of the date of
10 the enactment of the Farm, Nutrition, and Bio-
11 energy Act of 2007.

12 “(B) CONSULTATION.—In conducting the
13 assessment under subparagraph (A), a State
14 shall consult with specialty crop producers, crop
15 consultants, cooperative extension and land-
16 grant universities, nongovernmental organiza-
17 tions, and other qualified entities.

18 “(C) EXPEDITED REVISION OF SPECIFICA-
19 TIONS.—If a State determines under subpara-
20 graph (A) that revisions to its technical assist-
21 ance specifications are necessary, the State
22 shall establish an administrative process for ex-
23 pediting the revisions.

24 “(2) ADDRESSING CONCERNS OF SPECIALTY
25 CROP PRODUCERS.—

1 “(A) IN GENERAL.—The Secretary shall
2 direct each State to fully incorporate into its
3 technical assistance specifications and provide
4 for the appropriate range of conservation prac-
5 tices and resource mitigation measures available
6 to specialty crop producers.

7 “(B) AVAILABILITY OF ADEQUATE TECH-
8 NICAL ASSISTANCE.—The Secretary shall en-
9 sure that adequate technical assistance is avail-
10 able for the implementation of conservation
11 practices by specialty crop producers through
12 Federal conservation programs. In carrying out
13 this requirement, the Secretary shall develop—

14 “(i) programs that meet specific needs
15 of specialty crop producers through cooper-
16 ative agreements with other agencies and
17 nongovernmental organizations; and

18 “(ii) program specifications that allow
19 for innovative approaches that engage local
20 resources in providing technical assistance
21 for planning and implementation of con-
22 servation practices.

23 “(e) NON-FEDERAL ASSISTANCE.—The Secretary
24 may request the services of, and enter into cooperative
25 agreements or contracts with, non-Federal entities to as-

1 sist the Secretary in providing technical assistance nec-
2 essary to develop and implement conservation programs
3 under this title.”.

4 **SEC. 2403. COOPERATIVE CONSERVATION PARTNERSHIP**
5 **INITIATIVE.**

6 (a) TRANSFER OF EXISTING PROVISIONS.—Sub-
7 sections (b), (c), and (d) of section 1243 of the Food Secu-
8 rity Act of 1985 (16 U.S.C. 3843) are—

9 (1) redesignated as subsections (c), (d), and (e),
10 respectively; and

11 (2) transferred to appear at the end of section
12 1244 of such Act (16 U.S.C. 3844).

13 (b) ESTABLISHMENT OF PARTNERSHIP INITIA-
14 TIVE.—Section 1243 of the Food Security Act of 1985
15 (16 U.S.C. 3843), as amended by subsection (a), is
16 amended to read as follows:

17 **“SEC. 1243. COOPERATIVE CONSERVATION PARTNERSHIP**
18 **INITIATIVE.**

19 “(a) ESTABLISHMENT OF INITIATIVE.—

20 “(1) ESTABLISHMENT.—The Secretary shall es-
21 tablish a cooperative conservation partnership initia-
22 tive (in this section referred to as the ‘Partnership’)
23 within each program described in subsection (b) to
24 address conservation issues involving production ag-
25 riculture on local, regional, or State levels.

1 “(2) ADMINISTRATION.—The Secretary shall
2 carry out the Partnership—

3 “(A) by selecting proposals for grants and
4 agreements by eligible entities described in sub-
5 section (c) through a competitive selection proc-
6 ess;

7 “(B) by making grants to, and entering
8 into agreements with, with eligible entities de-
9 scribed in subsection (c) for not less than 2
10 years, but not more than 5 years, in duration;
11 and

12 “(C) by providing producers that are par-
13 ticipating in a special project and initiative of
14 an eligible entity preferential enrollment into 1
15 or more of the programs described in subsection
16 (b).

17 “(3) PURPOSES.—The purposes of the Partner-
18 ship are to carry out special projects and initia-
19 tives—

20 “(A) to address conservation issues involv-
21 ing production agriculture on local, regional, or
22 State levels through producers and eligible enti-
23 ties;

24 “(B) to address community and economic
25 development needs and opportunities; and

1 “(C) to increase access to, and participa-
2 tion in, the programs described in subsection
3 (b) by producers of specialty crops (as defined
4 in section 3 of the Specialty Crops Competitive-
5 ness Act of 2004, Pub. L. 108–465 (7 U.S.C.
6 1621 note).

7 “(b) COVERED PROGRAMS.—The conservation pro-
8 grams covered by this section are the following:

9 “(1) Conservation security program.

10 “(2) Environmental quality incentives program.

11 “(3) Wildlife habitat incentive program.

12 “(c) ELIGIBLE PARTNERS.—Grants may be made or
13 agreements may be entered into under this section with
14 any of the following (or a combination thereof):

15 “(1) States and agencies of States.

16 “(2) Political subdivisions of States, including
17 counties and State- or county-sponsored conserva-
18 tion districts.

19 “(3) Indian tribes.

20 “(4) Nongovernmental organizations and asso-
21 ciations, including producer associations, farmer co-
22 operatives, extension associations, and conservation
23 organizations with a history of working cooperatively
24 with producers to effectively address resource con-

1 cerns related to agricultural production, as deter-
2 mined by the Secretary.

3 “(5) A combination of partners specified in a
4 preceding paragraph.

5 “(d) APPLICATIONS.—

6 “(1) COMPETITIVE PROCESS.—The Secretary
7 shall establish a competitive process for considering
8 applications for grants or agreements under this sec-
9 tion consistent with the evaluation criteria listed in
10 subsection (e).

11 “(2) PROGRAM ALLOCATION.—Applications
12 shall include—

13 “(A) specification of the amount of fund-
14 ing or acres, or both, of 1 or more covered pro-
15 grams specified in subsection (b) proposed to be
16 allocated to carry out the special project or ini-
17 tiative; and

18 “(B) a schedule for utilization of funding
19 or acres over the life of the proposed project or
20 initiative.

21 “(e) EVALUATION CRITERIA.—In evaluating applica-
22 tions for grants or agreements under this section the Sec-
23 retary shall consider the extent to which—

24 “(1) preferential enrollment in the covered pro-
25 grams specified in the application will effectively ad-

1 dress the environmental objectives established for
2 the special project or initiative; and

3 “(2) the special project or initiative covered by
4 the application—

5 “(A) enjoys local and regional support
6 from producers and other interested persons,
7 including governmental and nongovernmental
8 organizations with appropriate expertise on the
9 issues the project or initiative seeks to address;

10 “(B) includes clear environmental objec-
11 tives;

12 “(C) includes a well defined project or ini-
13 tiative plan that identifies sensitive areas re-
14 quiring treatment and prioritizes conservation
15 practices and activities needed to achieve envi-
16 ronmental objectives;

17 “(D) promises adequate and coordinated
18 participation to achieve the objectives of the
19 project or initiative;

20 “(E) coordinates integration of local,
21 State, and Federal efforts to make the best use
22 of available resources and maximize cost-effec-
23 tive investments;

24 “(F) leverages financial and technical re-
25 sources from sources other than the programs

1 authorized by this subtitle, including financial
2 and technical resources provided by Federal
3 and State agencies, local governments, non-
4 governmental organizations and associations,
5 and other private sector entities;

6 “(G) describes how all necessary technical
7 assistance will be provided to each producer
8 participating in the project or initiative, includ-
9 ing cost estimates for technical assistance and
10 whether such assistance will be provided by
11 technical service providers;

12 “(H) describes how the administrative
13 costs of the project or initiative will be mini-
14 mized;

15 “(I) addresses a local, State, regional, or
16 national environmental priority or priorities,
17 with particular emphasis on any priority for
18 which there is an existing State or federally ap-
19 proved plan in place for addressing that pri-
20 ority;

21 “(J) includes a plan to evaluate progress,
22 measure results, and meet the purposes of the
23 agreement;

24 “(K) clearly demonstrates that enrollment
25 of producers in covered programs will be con-

1 sistent with the purposes and policies of each
2 individual program, as established in statute,
3 rules and regulations, and program guidance
4 promulgated by implementing agencies;

5 “(L) links resource and environmental ob-
6 jectives with community development or
7 agritourism objectives that can be improved as
8 a result of addressing the resources of concern;

9 “(M) demonstrates innovation in linking
10 environmental and community development ob-
11 jectives; and

12 “(N) addresses the needs of beginning
13 farmers and ranchers, socially disadvantaged
14 farmers and ranchers, and limited resource
15 farmers and ranchers.

16 “(f) PRIORITIES.—To the maximum extent prac-
17 ticable, consistent with the requirements of subsection (d),
18 the Secretary shall ensure that, each fiscal year, grants
19 are awarded and agreements are entered into under this
20 section to support projects and initiatives that collectively
21 address the resource concerns facing producers, ranchers,
22 and nonindustrial private forest landowners, including
23 specifically projects and initiatives that are designed—

24 “(1) to achieve improvements in water quality
25 in watersheds impacted by agriculture, particularly

1 by increasing the participation of producers in im-
2 plementing best management practices in a water-
3 shed or developing environmentally and economically
4 viable alternative uses for manure and litter;

5 “(2) to achieve improvements in air quality in
6 a geographical area where agricultural operations
7 impact air quality;

8 “(3) to support State activities to efficiently
9 manage and utilize their water resources in regions,
10 States or local areas where water quantity is a con-
11 cern;

12 “(4) to assist in carrying out a State Wildlife
13 Habitat Incentives Program plan or other State, re-
14 gional, or national conservation initiative.

15 “(5) to control invasive species on rangeland or
16 other agricultural land through the cooperative ef-
17 forts of multiple producers in a geographical area;

18 “(6) to address a specific resource of concern or
19 set of concerns on private, non-industrial forest land;

20 “(7) to reduce losses of pesticides to the envi-
21 ronment by engaging multiple producers in a geo-
22 graphic area in adoption of integrated pest manage-
23 ment practices and approaches;

1 “(8) to protect farmland and ranch land facing
2 development pressures from being converted to non-
3 agricultural use; or

4 “(9) to assist producers in carrying out good
5 management practices to enhance food safety.

6 “(g) DUTIES OF PARTNERS.—Eligible partners
7 shall—

8 “(1) identify conservation issues affecting pro-
9 duction agriculture on local, regional, or State levels
10 that could be addressed through special projects and
11 initiatives;

12 “(2) enter into agreements or obtain grants
13 from the Secretary to carry out special projects and
14 initiatives;

15 “(3) identify through outreach efforts producers
16 that can participate in the special project or initia-
17 tive of the eligible entity if the producer is otherwise
18 eligible to be enrolled, as determined by the Sec-
19 retary, or has already enrolled, in the applicable pro-
20 gram described in subsection (b); and

21 “(4) carry out the special project and initiative.

22 “(h) DUTIES OF THE SECRETARY.—

23 “(1) ADDITIONAL DUTIES.—In addition to the
24 normal administration of the programs described in
25 subsection (b), the Secretary shall be responsible for

1 basic administrative and oversight functions relating
2 to the special projects and initiatives, including—

3 “(A) rules and procedures relating to con-
4 servation standards and specifications;

5 “(B) conservation compliance;

6 “(C) appeals;

7 “(D) adjusted gross income limitations;

8 “(E) direct attribution; and

9 “(F) such other similar functions as the
10 Secretary might designate.

11 “(2) FLEXIBILITY.—The Secretary may adjust
12 eligibility criteria, approved practices, practice stand-
13 ards, innovative conservation practices, and other
14 elements of the programs described in subsection (b)
15 to better reflect unique local circumstances and pur-
16 poses if the Secretary determines such adjustments
17 would—

18 “(A) improve environmental enhancement
19 and long-term sustainability of the natural re-
20 source base; and

21 “(B) be consistent with the purposes of the
22 program and the special project and initiative.

23 “(3) PREFERENTIAL ENROLLMENT.—Subject to
24 the limitations under subsection (j), the Secretary

1 shall provide preferential enrollment to producers
2 that are eligible—

3 “(A) for the applicable program described
4 in subsection (b); and

5 “(B) to participate in the special project
6 and initiative of an eligible partner.

7 “(i) COST SHARE.—The Secretary shall not require
8 more than 25 percent of the cost of a project or initiative
9 supported under a grant or agreement entered into under
10 this section to come from non-Federal sources. However,
11 the Secretary may give higher priority to projects or initia-
12 tives offering to cover a higher percentage of the cost of
13 the project or initiative from non-Federal sources.

14 “(j) INCENTIVE AND BONUS PAYMENTS.—

15 “(1) AVAILABILITY.—Applications submitted
16 under subsection (d)(2) may include proposals for
17 special incentive and bonus payments, consistent
18 with the statutory purposes of the programs in-
19 volved, to producers that—

20 “(A) restore land, water, or habitat as a
21 community development asset; or

22 “(B) provide public access to enrolled land.

23 “(2) CRITERIA.—The Secretary shall develop
24 and publish criteria for providing special incentive or
25 bonus payments to producers under paragraph (1).

1 “(k) FUNDING.—

2 “(1) SET-ASIDE.—Of the funds provided for
3 each of fiscal years 2008 through 2012 to implement
4 the programs specified in subsection (b), the Sec-
5 retary shall reserve 10 percent to ensure an ade-
6 quate source of funds for grants, agreements, finan-
7 cial assistance to producers under this section.

8 “(2) ALLOCATION TO STATES.—The Secretary
9 shall allocate to States 90 percent of the funds re-
10 served under paragraph (1) for a fiscal year to allow
11 State Conservationists, with the advice of State tech-
12 nical committees, to select projects and initiatives
13 for funding under this section at the State level. The
14 Secretary shall develop criteria for this allocation
15 made on a similar basis as to the program priorities
16 under subsection (f).

17 “(3) UNUSED FUNDING.—Any funds reserved
18 for a fiscal year under paragraph (1) that are not
19 obligated by April 1 of that fiscal year may be used
20 to carry out other activities under conservation pro-
21 grams under subtitle D during the remainder of that
22 fiscal year.

23 “(4) ADMINISTRATIVE COSTS FUNDING CAP.—
24 Of the funds made available under this section for
25 a particular project or initiative, not more than 5

1 percent may be expended by the eligible entity on
2 the administrative costs of the project or initiative.”.

3 **SEC. 2404. REGIONAL EQUITY AND FLEXIBILITY.**

4 Section 1241(d) of the Food Security Act of 1985
5 (16 U.S.C. 3841(d)) is amended by striking
6 “\$12,000,000” and inserting “\$15,000,000”.

7 **SEC. 2405. ADMINISTRATIVE REQUIREMENTS FOR CON-**
8 **SERVATION PROGRAMS.**

9 (a) INCENTIVES FOR CERTAIN PRODUCERS.—Section
10 1244(a) of the Food Security Act of 1985 (16 U.S.C.
11 3844(a)) is amended—

12 (1) in the subsection heading, by striking “BE-

13 GINNING” and inserting “INCENTIVES FOR CER-

14 TAIN”;

15 (2) by inserting “, socially disadvantaged farm-

16 ers and ranchers, limited resource farmers and

17 ranchers,” after “beginning farmers and ranchers”;

18 and

19 (3) by striking “and limited resource agricul-

20 tural producers”.

21 (b) SINGLE, SIMPLIFIED APPLICATION PROCESS FOR

22 CONSERVATION PROGRAMS.—Section 1244 of the Food

23 Security Act of 1985 (16 U.S.C. 3844), as amended by

24 section 2403, is amended by adding at the end the fol-

25 lowing new subsection:

1 “(f) SINGLE, SIMPLIFIED APPLICATION PROCESS.—

2 “(1) ESTABLISHMENT.—In carrying out any of
3 the conservation programs under this title adminis-
4 tered by the Natural Resources Conservation Serv-
5 ice, the Secretary shall establish and make available
6 to producers and landowners a single, simplified ap-
7 plication process to be used by producers and land-
8 owners in initially requesting assistance under such
9 programs. The Secretary shall ensure that—

10 “(A) conservation program applicants are
11 not required to provide information that dupli-
12 cates information and resources already avail-
13 able to the Secretary regarding that applicant
14 and for that specific operation; and

15 “(B) the application process is streamlined
16 to minimize complexity and redundancy.

17 “(2) REVIEW OF APPLICATION PROCESS.—The
18 Secretary shall review the conservation application
19 process and the forms and related mechanisms used
20 to receive assistance requests from producers and
21 landowners. The purpose of the review shall be to
22 determine what information the applicant is actually
23 required to submit during the application process,
24 including—

1 “(A) identification information for the ap-
2 plicant;

3 “(B) identification and location informa-
4 tion for the land parcel or tract of concern;

5 “(C) a general statement of the applicant’s
6 resource concern or concerns for the land parcel
7 or tract; and

8 “(D) the minimum amount of other infor-
9 mation the Secretary considers essential for the
10 applicant to provide.

11 “(3) REVISION AND STREAMLINING.—The Sec-
12 retary shall carry out a revision of the application
13 forms and processes for conservation programs cov-
14 ered in this subsection to enable utilization of infor-
15 mation technology as an avenue to incorporate ap-
16 propriate data and information concerning the con-
17 servation needs and solutions appropriate for the
18 land area identified by the applicant. The revision
19 shall seek to streamline the application process to
20 minimize the burden placed on the applicant.

21 “(4) CONSERVATION PROGRAM APPLICATION.—
22 When the needs of an applicant are adequately as-
23 sessed by the Secretary, directly or through a third-
24 party provider under section 1242, in order to deter-
25 mine the conservation programs under this title that

1 best match the needs of the applicant, with the ap-
2 proval of the applicant, the Secretary may convert
3 the initial application into a specific application for
4 assistance for a specific program. To the maximum
5 extent practical, the specific application for con-
6 servation program assistance shall be carried out by
7 the Secretary by requesting only that specific further
8 information from the applicant that is not already
9 available to the Secretary.

10 “(5) IMPLEMENTATION AND NOTIFICATION.—
11 Not later than one year after the date of the enact-
12 ment of the Farm, Nutrition, and Bioenergy Act of
13 2007, the Secretary shall complete the requirements
14 of this subsection and shall submit to Congress a
15 written notification of such completion.”.

16 **SEC. 2406. ANNUAL REPORT ON PARTICIPATION BY SPE-**
17 **CIALTY CROP PRODUCERS IN CONSERVA-**
18 **TION PROGRAMS.**

19 (a) REPORT REQUIRED.—Subtitle F of title XII of
20 the Food Security Act of 1985 is amended by inserting
21 after section 1251 (16 U.S.C. 2005a) the following new
22 section:

1 **“SEC. 1252. ANNUAL REPORT ON PARTICIPATION BY SPE-**
2 **CIALTY CROP PRODUCERS IN CONSERVA-**
3 **TION PROGRAMS.**

4 “(a) REPORT REQUIRED.—The Secretary of Agri-
5 culture shall submit to the Committee on Agriculture of
6 the House of Representatives and the Committee on Agri-
7 culture, Nutrition, and Forestry of the Senate an annual
8 report that—

9 “(1) documents and analyzes the participation
10 by producers of specialty crops in conservation pro-
11 grams under subtitle D, including the conservation
12 security program and the environmental quality in-
13 centives program;

14 “(2) tracks such participation by crop and live-
15 stock type; and

16 “(3) describes the results of implementing the
17 plan required by subsection (b), as well as any modi-
18 fications to the plan that the Secretary finds nec-
19 essary to increase its effectiveness.

20 “(b) ACCESS PLAN.—As part of each report sub-
21 mitted under subsection (a), the Secretary shall set forth
22 a plan to improve the access of producers of specialty
23 crops to, and their participation in, conservation programs
24 under subtitle D. In developing the plan, the Secretary
25 shall consult with organizations representing producers of
26 specialty crops.

1 “(c) SPECIALTY CROP DEFINED.—In this section,
2 the term ‘specialty crop’ has the meaning given such term
3 by section 3(1) of the Specialty Crops Competitiveness Act
4 of 2004 (Public Law 108–465; 7 U.S.C. 1621 note).”.

5 (b) INITIAL REPORT.—The first report required
6 under section 1252 of the Food Security Act of 1985, as
7 added by subsection (a), shall be submitted not later than
8 180 days after the date of the enactment of this Act. Sub-
9 section (a)(2) of such section shall not apply with respect
10 to the first report.

11 **SEC. 2407. PROMOTION OF MARKET-BASED APPROACHES**
12 **TO CONSERVATION.**

13 (a) FINDINGS.—Congress finds the following:

14 (1) Many of the conservation and environmental
15 benefits produced on farms, ranches, and private
16 forest lands in the United States do not have an as-
17 signed value in the market place or lack a private
18 market altogether.

19 (2) While private markets for environmental
20 goods and services are emerging, their viability has
21 been hampered by several barriers.

22 (3) The Federal Government can help overcome
23 these barriers and promote the establishment of
24 markets for agricultural and forestry conservation
25 activities.

1 (4) Generating substantial private-sector de-
2 mand for environmental goods and services hinges
3 on the ability to use environmental credits generated
4 by agricultural and forest conservation activities.

5 (b) MARKET-BASED APPROACHES.—Subtitle E of
6 title XII of the Food Security Act of 1985 is amended
7 by inserting after section 1244 (16 U.S.C. 3844) the fol-
8 lowing new section:

9 **“SEC. 1245. MARKET-BASED APPROACHES TO CONSERVA-**
10 **TION.**

11 “(a) IMPLEMENTATION.—To facilitate the develop-
12 ment and effective operation of private sector market-
13 based approaches for environmental goods and services
14 produced by farmers, ranchers, and owners of private for-
15 est land, the Secretary may conduct research and analysis,
16 enter into contracts and cooperative agreements, and
17 award grants for the purpose of—

18 “(1) promoting the development of consistent
19 standards and processes for quantifying environ-
20 mental benefits, including the creation of perform-
21 ance standards or baselines;

22 “(2) promoting the establishment of reporting
23 and credit registries, including third-party
24 verification and certification; and

1 “(3) promoting actions that facilitate the devel-
2 opment and functioning of private-sector market-
3 based approaches for environmental goods and serv-
4 ices involving agriculture and forestry.

5 “(b) ENVIRONMENTAL SERVICES STANDARDS
6 BOARD.—

7 “(1) ESTABLISHMENT.—There is to be estab-
8 lished an Environmental Services Standards Board
9 to develop consistent performance standards for
10 quantifying environmental services from land man-
11 agement and agricultural activities in order to facili-
12 tate the development of credit markets for conserva-
13 tion and land management activities that are agri-
14 culture or forest based.

15 “(2) CHAIRPERSON.—The Secretary of Agri-
16 culture shall serve as chair of the Environmental
17 Services Standards Board.

18 “(3) MEMBERSHIP.—The Environmental Serv-
19 ices Standards Board shall be comprised of the Sec-
20 retary of Agriculture, the Secretary of the Interior,
21 the Secretary of Energy, the Secretary of Com-
22 merce, the Secretary of Transportation, the Admin-
23 istrator of the Environmental Protection Agency, the
24 Commander of the Army Corps of Engineers, and

1 such other representatives as determined by the
2 President.

3 “(4) SUBCOMMITTEES.—The Environmental
4 Services Standards Board may form subcommittees
5 to address specific issues.

6 “(c) DISSEMINATION OF PERFORMANCE STAND-
7 ARDS.—Federal agencies are authorized to adopt perform-
8 ance standards developed by the Environmental Services
9 Standards Board for quantifying environmental services
10 that establish credits to meet requirements of environ-
11 mental and conservation programs.

12 “(d) FUNDING .—There is authorized to be appro-
13 priated \$50,000,000 to carry out this section. Amounts
14 so appropriated shall remain available until expended.

15 “(e) DEFINITIONS.—In this section:

16 “(1) BASELINE.—The term ‘baseline’ means a
17 level of effort or performance that is expected to be
18 met before an entity can generate marketable cred-
19 its.

20 “(2) PERFORMANCE STANDARD.—The term
21 ‘performance standard’ means a defined level of en-
22 vironmental performance, expressed as a narrative
23 or measurable number, which specifies the minimum
24 acceptable environmental performance of an oper-
25 ation or practice.”.

1 **SEC. 2408. ESTABLISHMENT OF STATE TECHNICAL COM-**
2 **MITTEES AND THEIR RESPONSIBILITIES.**

3 Subtitle G of title XII of the Farm Security Act of
4 1985 (16 U.S.C. 3861, 3862) is amended to read as fol-
5 lows:

6 **“Subtitle G—State Technical**
7 **Committees**

8 **“SEC. 1261. ESTABLISHMENT OF STATE TECHNICAL COM-**
9 **MITTEES.**

10 “(a) ESTABLISHMENT.—The Secretary shall estab-
11 lish a technical committee in each State to assist the Sec-
12 retary in the considerations relating to implementation
13 and technical aspects of the conservation programs under
14 this title.

15 “(b) COMPOSITION.—Each State technical committee
16 shall be composed of agricultural producers and other pro-
17 fessionals that represent a variety of disciplines in the soil,
18 water, wetland, and wildlife sciences. The technical com-
19 mittee for a State shall include representatives from
20 among the following:

21 “(1) The Natural Resources Conservation Serv-
22 ice.

23 “(2) The Farm Service Agency.

24 “(3) The Forest Service.

25 “(4) The Cooperative State Research, Edu-
26 cation, and Extension Service.

1 “(5) The State fish and wildlife agency.

2 “(6) The State forester or equivalent State offi-
3 cial.

4 “(7) The State water resources agency.

5 “(8) The State department of agriculture.

6 “(9) The State association of soil and water
7 conservation districts.

8 “(10) At least 12 agricultural producers rep-
9 resenting the variety of crops and livestock or poul-
10 try grown within the State.

11 “(11) Nonprofit organizations within the mean-
12 ing of section 501(c)(3) of the Internal Revenue
13 Code of 1986 with demonstrable conservation exper-
14 tise and experience working with agriculture pro-
15 ducers in the State.

16 “(12) Agribusiness.

17 “(c) SUBCOMMITTEES.—A State technical committee
18 shall convene one or more subcommittees to provide tech-
19 nical guidance and implementation recommendations. The
20 topics that a subcommittee shall address shall include, at
21 a minimum, the following:

22 “(1) Establishing priorities and criteria for
23 State initiatives under the programs in this title, in-
24 cluding the review of whether local working groups
25 are addressing those priorities.

1 “(2) Issues related to private forestlands pro-
2 tection and enhancement.

3 “(3) Issues related to water quality and water
4 quantity.

5 “(4) In those States where applicable, issues re-
6 lated to air quality.

7 “(5) Issues related to wildlife habitat, including
8 the protection of nesting wildlife.

9 “(6) Issues related to wetland protection, res-
10 toration, and mitigation requirements.

11 “(7) Other issues as the Secretary determines
12 would be useful.

13 **“SEC. 1262. RESPONSIBILITIES.**

14 “(a) IN GENERAL.—Each State technical committee
15 established under section 1261 shall meet regularly to pro-
16 vide information, analysis, and recommendations to appro-
17 priate officials of the Department of Agriculture who are
18 charged with implementing the conservation provisions of
19 this title.

20 “(b) PUBLIC NOTICE AND ATTENDANCE.—Each
21 State technical committee shall provide public notice of,
22 and permit public attendance at, meetings considering
23 issues of concern related to carrying out this title.

24 “(c) ADVISORY ROLE.—The role of a State technical
25 committee is advisory in nature, and the committee shall

1 have no implementation or enforcement authority. How-
2 ever, the Secretary shall give strong consideration to the
3 recommendations of the committee in administering the
4 programs under this title.

5 “(d) FACA REQUIREMENTS.—Except as provided in
6 subsection (b), a State technical committee, including any
7 subcommittee of State technical committee, is exempt
8 from the Federal Advisory Committee Act (5 U.S.C.
9 App.).”.

10 **SEC. 2409. PAYMENT LIMITATIONS.**

11 (a) IN GENERAL.—The Food Security Act of 1985
12 is amended by inserting after section 1245, as added by
13 section 2407, the following new section:

14 **“SEC. 1246. PAYMENT LIMITATIONS.**

15 “(a) PAYMENTS FOR CONSERVATION PRACTICES.—
16 The total amount of payments that a person or a legal
17 entity (except a joint venture or a general partnership)
18 may receive, directly or indirectly, in any fiscal year shall
19 not exceed—

20 “(1) \$60,000 from any single program under
21 this title or as agricultural management assistance
22 under section 524(b) of the Federal Crop Insurance
23 Act (7 U.S.C. 524(b)); or

24 “(2) \$125,000 from more than one program
25 under this title and as agricultural management as-

1 sistance under section 524(b) of the Federal Crop
2 Insurance Act.

3 “(b) EXCEPTIONS.—The limitations under subsection
4 (a) shall not apply with respect to the following:

5 “(1) The wetlands reserve program under sub-
6 chapter C of chapter 1 of subtitle D.

7 “(2) The farm and ranchland protection pro-
8 gram under subchapter B of chapter 2 of such sub-
9 title.

10 “(3) The grassland reserve program under sub-
11 chapter C of chapter 2 of such subtitle.

12 “(c) DIRECT CONTRIBUTION.—

13 “(1) IN GENERAL.—In implementing the pay-
14 ment limitations in subsection (a), the Secretary
15 shall issue such regulations as are necessary to en-
16 sure that the total amount of payments are attrib-
17 uted to a person by taking into account the direct
18 and indirect ownership interests of the person in a
19 legal entity that is eligible to receive such payments.

20 “(2) PAYMENTS TO A PERSON.—Every payment
21 made directly to a person shall be combined with the
22 person’s pro rata interest in payments received by a
23 legal entity in which the person has a direct or indi-
24 rect ownership interest.

25 “(3) PAYMENTS TO A LEGAL ENTITY.—

1 “(A) IN GENERAL.—Every payment made
2 to a legal entity shall be attributed to those per-
3 sons who have a direct or indirect ownership in-
4 terest in the legal entity.

5 “(B) ATTRIBUTION OF PAYMENTS.—

6 “(i) PAYMENT LIMITS.—Except as
7 provided in clause (ii), payments made to
8 a legal entity shall not exceed the amounts
9 specified in subsection (a).

10 “(ii) EXCEPTION.—Payments made to
11 a joint venture or a general partnership
12 shall not exceed, for each payment speci-
13 fied in subsection (a), the amount deter-
14 mined by multiplying the maximum pay-
15 ment amount specified in subsection (a) by
16 the number of persons and legal entities
17 (other than joint ventures and general
18 partnerships) that comprise the ownership
19 of the joint venture or general partner-
20 ship.”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) EXISTING PAYMENT LIMITATIONS IN CON-
23 SERVATION PROGRAMS.—Title XII of the Food Se-
24 curity Act of 1985 is amended—

1 (A) in section 1234 (16 U.S.C. 3834) by
2 striking subsection (f);

3 (B) in section 1238C (16 U.S.C. 3838e),
4 as amended by section 2103, by striking sub-
5 sections (d) and (e); and

6 (C) by striking section 1240G (16 U.S.C.
7 3839aa-7).

8 (2) AGRICULTURAL MANAGEMENT ASSIST-
9 ANCE.—Section 524(b) of the Federal Crop Insur-
10 ance Act (7 U.S.C. 524) is amended by striking
11 paragraph (3).

12 **Subtitle E—Miscellaneous** 13 **Provisions**

14 **SEC. 2501. INCLUSION OF INCOME FROM AFFILIATED**
15 **PACKING AND HANDLING OPERATIONS AS IN-**
16 **COME DERIVED FROM FARMING FOR APPLI-**
17 **CATION OF ADJUSTED GROSS INCOME LIMI-**
18 **TATION ON ELIGIBILITY FOR CONSERVATION**
19 **PROGRAMS.**

20 Section 1001D(b)(1) of the Food Security Act of
21 1985 (7 U.S.C. 1308-3a(b)(1)) is amended by inserting
22 “(including, for purposes of paragraph (2)(C), affiliated
23 packing and handling operations)” after “derived from
24 farming”.

1 **SEC. 2502. ENCOURAGEMENT OF VOLUNTARY SUSTAIN-**
2 **ABILITY PRACTICES GUIDELINES.**

3 In administering this title and the amendments made
4 by this title, the Secretary of Agriculture may encourage
5 the development of voluntary sustainable practices guide-
6 lines for producers and processors of specialty crops.

7 **SEC. 2503. FARMLAND RESOURCE INFORMATION.**

8 (a) DEVELOPMENT AND DISSEMINATION OF FARM-
9 LAND RESOURCE INFORMATION.—The Secretary of Agri-
10 culture shall design and implement educational programs
11 and materials emphasizing the importance of productive
12 farmland to the Nation’s well-being and distribute edu-
13 cational materials through communications media,
14 schools, groups, and other Federal agencies. The Sec-
15 retary shall carry out this subsection through existing
16 agencies or interagency groups and in cooperation with
17 nonprofit organizations and the cooperative extension
18 services of States.

19 (b) FARMLAND INFORMATION CENTERS.—The Sec-
20 retary shall designate 1 or more farmland information
21 centers to provide technical assistance and serve as central
22 depositories and distribution points for information on
23 farmland issues. Information provided by a center shall
24 include online access to data on land cover and use
25 changes and trends and literature, laws, historical ar-
26 chives, policies, programs, and innovative actions or pro-

1 posals by local and State governments or nonprofit organi-
2 zations related to farmland protection.

3 (c) FUNDING.—Funds for the farmland information
4 centers designated under subsection (b) shall be provided
5 using funds made available for the farm and ranchland
6 protection program established under subchapter B of
7 chapter 2 of subtitle D of title XII of the Food Security
8 Act of 1985 (16 U.S.C. 3838h et seq.). Such funding for
9 a fiscal year shall not exceed one-half of 1 percent of the
10 funds made available for the farm and ranchland protec-
11 tion program for that fiscal year, but no less than
12 \$400,000 annually.

13 (d) MATCHING FUNDS.—Federal funding for a farm-
14 land information center designated under subsection (b)
15 shall be matched with non-Federal funds, through cash
16 or in-kind contributions.

17 **SEC. 2504. PILOT PROGRAM FOR FOUR-YEAR CROP ROTA-**
18 **TION FOR PEANUTS.**

19 (a) CONTRACT AUTHORITY.—The Secretary of Agri-
20 culture shall enter into a contract with a peanut producer
21 under which the producer will implement a four-year crop
22 rotation for peanuts.

23 (b) CONTRACT PAYMENTS.—Under the contract, the
24 Secretary shall pay to the producer a contract implemen-

1 tation payment, in an amount determined to be appro-
 2 priate by the Secretary.

3 (c) FUNDING.—For each of fiscal years 2008 through
 4 2012, the Secretary shall use the funds, facilities, and au-
 5 thorities of the Commodity Credit Corporation to carry
 6 out the provisions under this section, except that funding
 7 of the pilot program may not exceed \$10,000,000 in each
 8 of such fiscal years.

9 **TITLE III—TRADE**

Sec. 3001. Agricultural Trade Development and Assistance Act of 1954.

Sec. 3002. Export credit guarantee program.

Sec. 3003. Market access program.

Sec. 3004. Food for Progress Act of 1985.

Sec. 3005. Reauthorization of McGovern-Dole International Food for Education
 and Child Nutrition Program.

Sec. 3006. Bill Emerson Humanitarian Trust.

Sec. 3007. Technical assistance for specialty crops.

Sec. 3008. Technical assistance for the resolution of trade disputes.

Sec. 3009. Representation by the United States at international standard-set-
 ting bodies.

Sec. 3010. Foreign market development cooperator program.

Sec. 3011. Emerging markets.

Sec. 3012. Export Enhancement Program.

Sec. 3013. Minimum level of nonemergency food assistance.

Sec. 3014. Germplasm conservation.

Sec. 3015. Report on efforts to improve procurement planning.

Sec. 3016. International disaster assistance under the Foreign Assistance Act
 of 1961.

10 **SEC. 3001. AGRICULTURAL TRADE DEVELOPMENT AND AS-** 11 **SISTANCE ACT OF 1954.**

12 (a) PURPOSE OF PROGRAM.—Section 201 of the Ag-
 13 ricultural Trade Development and Assistance Act of 1954
 14 (7 U.S.C. 1721) is amended so that paragraph (1) reads
 15 as follows:

1 “(1) address famine and food crises and re-
2 spond to emergency food needs arising from man-
3 made disasters, and natural disasters.”.

4 (b) SUPPORT FOR ELIGIBLE ORGANIZATIONS.—Sec-
5 tion 202(e)(1) of the Agricultural Trade Development and
6 Assistance Act of 1954 (7 U.S.C. 1722(e)(1)) is amend-
7 ed—

8 (1) by striking “not less than 5 percent nor
9 more than 10 percent of the funds” and inserting
10 “not less than 7 percent nor more than 12 percent
11 of the funds”;

12 (2) striking “and” at the end of subparagraph
13 (A);

14 (3) striking the period at the end of subpara-
15 graph (B) and inserting “; and”; and

16 (4) inserting after subparagraph (B) the fol-
17 lowing:

18 “(C) developing, implementing and improv-
19 ing monitoring systems of programs receiving
20 funds under this title.”.

21 (c) GENERATION AND USE OF CURRENCIES BY PRI-
22 VATE VOLUNTARY ORGANIZATIONS AND COOPERA-
23 TIVES.— Subsection (b) of section 203 of the Agricultural
24 Trade Development and Assistance Act of 1954 (7 U.S.C.

1 1723) is amended by striking “1 or more recipient coun-
2 tries” and inserting “in 1 or more recipient countries”.

3 (d) LEVELS OF ASSISTANCE.—Section 204(a) of the
4 Agricultural Trade Development and Assistance Act of
5 1954 (7 U.S.C. 1724(a)) is amended—

6 (1) in paragraph (1) by striking “2002 through
7 2007” and inserting “2008 through 2012”; and

8 (2) in paragraph (2) by striking “2002 through
9 2007” and inserting “2008 through 2012”.

10 (e) FOOD AID CONSULTATIVE GROUP.—

11 (1) REPORT TO CONGRESS.—Section 205 of the
12 Agricultural Trade Development and Assistance Act
13 of 1954 (7 U.S.C. 1725) is amended—

14 (A) by redesignating subsection (f) as sub-
15 section (g); and

16 (B) by inserting after subsection (e) the
17 following new subsection:

18 “(f) REPORT TO CONGRESS.—

19 “(1) IN GENERAL.—Not later than 180 days
20 after the date of the enactment of the Farm, Nutri-
21 tion, and Bioenergy Act of 2007, and annually
22 thereafter until December 31, 2012, the Adminis-
23 trator of the United States Agency for International
24 Development, in close consultation with the Group,
25 shall submit to the appropriate congressional com-

1 mittees a report on efforts taken by the United
2 States Agency for International Development and
3 the Department of Agriculture to develop a strategy
4 under this section to achieve an integrated and effec-
5 tive food assistance program.

6 “(2) APPROPRIATE CONGRESSIONAL COMMIT-
7 TEES DEFINED.—In this subsection, the term ‘ap-
8 propriate congressional committees’ means—

9 “(A) the Committee on Foreign Affairs
10 and the Committee on Agriculture of the House
11 of Representatives; and

12 “(B) the Committee on Agriculture, Nutri-
13 tion, and Forestry of the Senate.”.

14 (2) TERMINATION.—Such section is further
15 amended in subsection (g) (as redesignated by para-
16 graph (1)(A)) by striking “2007” and inserting
17 “2012”.

18 (f) DENIAL OF PROPOSALS.—Paragraph (3) of sec-
19 tion 207(a) of the Agricultural Trade Development and
20 Assistance Act of 1954 (7 U.S.C. 1726a(a)) is amended
21 to read as follows:

22 “(3) DENIAL.—If a proposal under paragraph
23 (1) is denied, the response shall specify the reasons
24 for denial.”.

1 (g) PROGRAM OVERSIGHT, MONITORING, AND EVAL-
2 UATION.—Section 207 of the Agricultural Trade Develop-
3 ment and Assistance Act of 1954 (7 U.S.C. 1726a) is
4 amended by adding at the end the following:

5 “(f) PROGRAM OVERSIGHT, MONITORING, AND EVAL-
6 UATION.—

7 “(1) IN GENERAL.—The Administrator, in con-
8 sultation with the Secretary, shall establish systems
9 to improve, monitor, and evaluate the effectiveness
10 and efficiency of assistance provided under this title
11 in order to maximize the impact of such assistance.
12 Such systems shall include the following:

13 “(A) program monitors in countries receiv-
14 ing assistance under this title;

15 “(B) country and regional food aid impact
16 evaluations;

17 “(C) evaluations of best practices for food
18 aid programs;

19 “(D) evaluation of monetization programs;

20 “(E) early warning assessments to prevent
21 famines; and

22 “(F) upgraded information technology sys-
23 tems.

24 “(2) IMPLEMENTATION REPORT.—Not later
25 than 180 days after the date of enactment of the

1 Farm, Nutrition, and Bioenergy Act of 2007, the
2 Administrator shall submit to the appropriate con-
3 gressional committees a report on efforts undertaken
4 to implement paragraph (1).

5 “(3) GOVERNMENT ACCOUNTABILITY OFFICE.—
6 Not later than 270 days after the date of the sub-
7 mission of the report under paragraph (2), the
8 Comptroller General of the United States shall sub-
9 mit to the appropriate congressional committees a
10 report that—

11 “(A) reviews and comments on the report
12 under paragraph (2); and

13 “(B) provides recommendations regarding
14 any additional actions necessary to improve the
15 monitoring and evaluation of assistance pro-
16 vided under this title.

17 “(4) ANNUAL REPORT.—Not later than Feb-
18 ruary 1 of each year, the Administrator shall submit
19 to the appropriate congressional committees a report
20 assessing the systems implemented under paragraph
21 (1) and their impact on the effectiveness and effi-
22 ciency of assistance provided under this title.

23 “(5) FUNDING.—In addition to other funds
24 made available for the Administrator to perform
25 monitoring of emergency food assistance, the Admin-

1 istrator may implement this subsection using up to
2 \$15,000,000 of funds made available under this title
3 for each of the fiscal years 2008 through 2012, ex-
4 cept for paragraph (1)(F), for which only
5 \$2,500,000 shall be made available during fiscal
6 year 2008.

7 “(6) APPROPRIATE CONGRESSIONAL COMMIT-
8 TEES DEFINED.—In this subsection, the term ‘ap-
9 propriate congressional committees’ means—

10 “(A) the Committee on Foreign Affairs
11 and the Committee on Agriculture of the House
12 of Representatives; and

13 “(B) the Committee on Agriculture, Nutri-
14 tion, and Forestry of the Senate.”.

15 (h) SHELF-STABLE PREPACKAGED FOODS.—Section
16 208(f) of the Agricultural Trade Development and Assist-
17 ance Act of 1954 (7 U.S.C. 1726b(f)) is amended—

18 (1) by striking “2007” and insert “2012”; and

19 (2) by striking “\$3,000,000” and inserting
20 “\$7,000,000”

21 (i) PREPOSITIONING.—Section 407(c)(4) of the Agri-
22 cultural Trade Development and Assistance Act of 1954
23 (7 U.S.C. 1736a(c)(4)) is amended—

24 (1) by striking “Funds” and inserting “(A) IN
25 GENERAL.—Funds”;

1 (2) by striking “2007” and inserting “2012”;

2 (3) by striking “\$2,000,000” and inserting
3 “\$8,000,000”; and

4 (4) by adding at the end the following new sub-
5 paragraph:

6 (B) ADDITIONAL PREPOSITIONING
7 SITES.—

8 (i) FEASIBILITY ASSESSMENT.—On
9 or after the date of the enactment of the
10 Farm, Nutrition, and Bioenergy Act of
11 2007, the Administrator is authorized to
12 carry out assessments for the establish-
13 ment of not less than two sites to deter-
14 mine the feasibility of and costs associated
15 with using such sites for the purpose of
16 storing and handling agricultural commod-
17 ities for prepositioning in foreign countries.

18 (ii) ESTABLISHMENT OF SITES.—
19 Based on the results of the assessments
20 carried out under clause (i), the Adminis-
21 trator is authorized to establish additional
22 sites for pre-positioning in foreign coun-
23 tries.

24 (iii) AUTHORIZATION OF APPROPRIA-
25 TIONS.—To carry out this subparagraph,

1 there are authorized to be appropriated to
2 the Administrator such sums as may be
3 necessary for each of the fiscal years 2008
4 through 2012.”.

5 (j) ANNUAL REPORTS.—Section 407(f) of the Agri-
6 cultural Trade Development and Assistance Act of 1954
7 (7 U.S.C. 1736a(f)) is amended—

8 (1) in paragraph (2)—

9 (A) in subparagraph (B), by adding at the
10 end before the semicolon the following: “, and
11 the amount of funds, tonnage levels, and types
12 of activities for non-emergency food assistance
13 programs under title II of this Act”;

14 (B) in subparagraph (C), by adding at the
15 end before the semicolon the following: “, and
16 a general description of the projects and activi-
17 ties implemented”; and

18 (C) so that subparagraph (D) reads as fol-
19 lows:

20 “(D) an assessment of the progress toward
21 reducing food insecurity in the populations re-
22 ceiving food assistance from the United
23 States.”; and

24 (2) in paragraph (3), by striking “January 15”
25 and inserting “March 1”.

1 (k) EXPIRATION OF ASSISTANCE.—Section 408 of
2 the Agricultural Trade Development and Assistance Act
3 of 1954 (7 U.S.C. 1736b) is amended by striking “2007”
4 and inserting “2012”.

5 (l) AUTHORIZATION OF APPROPRIATIONS.—Sub-
6 section (a) of section 412 of the Agricultural Trade Devel-
7 opment and Assistance Act of 1954 (7 U.S.C. 1736f) is
8 amended to read as follows:

9 “(a) AUTHORIZATION OF APPROPRIATIONS.—For
10 each of the fiscal years 2008 through 2012, there are au-
11 thorized to be appropriated to the President—

12 “(1) such sums as may be necessary to carry
13 out the concessional credit sales program established
14 under title I,

15 “(2) \$2,500,000,000 to carry out the emer-
16 gency and non-emergency food assistance programs
17 under title II, and

18 “(3) such sums as may be necessary to carry
19 out the grant program established under title III,
20 including such amounts as may be required to make pay-
21 ments to the Commodity Credit Corporation to the extent
22 the Commodity Credit Corporation is not reimbursed
23 under the programs under this Act for the actual costs
24 incurred or to be incurred by such Corporation in carrying
25 out such programs.”.

1 (m) MICRONUTRIENT FORTIFICATION PROGRAMS.—

2 (1) PURPOSE.—Subsection (a)(2)(C) of section
3 415 of the Agricultural Trade Development and As-
4 sistance Act of 1954 (7 U.S.C. 1736g–2) is amend-
5 ed—

6 (A) by striking “using the same mecha-
7 nism that was used to assess the micronutrient
8 fortification program in” and inserting “uti-
9 lizing recommendations from”; and

10 (B) by striking “with funds from the Bu-
11 reau for Humanitarian Response of the United
12 States Agency for International Development”
13 and inserting “with implementation by an inde-
14 pendent entity with proven impartiality and a
15 mechanism that incorporates the range of
16 stakeholders implementing programs under title
17 II of this Act as well as other food assistance
18 industry experts”.

19 (2) TERMINATION OF AUTHORITY.—Subsection
20 (d) of such section is amended by striking “2007”
21 and inserting “2012”.

22 (n) JOHN OGWONSKI AND DOUG BEREUTER FARM-
23 ER-TO-FARMER PROGRAM.—

1 (1) MINIMUM FUNDING.—Section 501(d) of the
2 Agricultural Trade Development and Assistance Act
3 of 1954 (7 U.S.C. 1737(d)) is amended—

4 (A) by inserting “or \$10,000,000, which-
5 ever amount is greater,” after “not less than
6 0.5 percent”; and

7 (B) by striking “2002 through 2007” and
8 inserting “2008 through 2012”.

9 (2) AUTHORIZATION OF APPROPRIATIONS.—
10 Section 501(e) of the Agricultural Trade Develop-
11 ment and Assistance Act of 1954 (7 U.S.C. 1737(e))
12 is amended by striking paragraph (1) and inserting
13 the following new paragraph:

14 “(1) IN GENERAL.—To carry out programs
15 under this section, there is authorized to be appro-
16 priated for each of fiscal years 2008 through 2012
17 the following amounts:

18 “(A) \$10,000,000 for sub-Saharan African
19 and Caribbean Basin countries.

20 “(B) \$5,000,000 for all other countries not
21 included in subparagraph (A).”.

22 (o) REFERENCES TO COMMITTEE.—The Agricultural
23 Trade Development and Assistance Act of 1954 (7 U.S.C.
24 1691 et seq.) is amended by striking “Committee on Inter-

1 national Relations” each place it appears and inserting
2 “Committee on Foreign Affairs”.

3 **SEC. 3002. EXPORT CREDIT GUARANTEE PROGRAM.**

4 (a) REPEAL OF SUPPLIER CREDIT GUARANTEE PRO-
5 GRAM AND INTERMEDIATE EXPORT CREDIT GUARANTEE
6 PROGRAM.—

7 (1) REPEALS.—Section 202 of the Agricultural
8 Trade Act of 1978 (7 U.S.C. 5622) is amended—

9 (A) in subsection (a)—

10 (i) in paragraph (1), by striking “(1)”
11 and all that follows through “The Com-
12 modity” and inserting “The Commodity”;

13 (ii) in paragraph (1), by striking “3-
14 year period” and inserting “6-month pe-
15 riod”; and

16 (iii) by striking paragraphs (2) and
17 (3);

18 (B) by striking subsections (b) and (c);

19 and

20 (C) by redesignating subsections (d)
21 through (l) as subsections (b) through (j), re-
22 spectively.

23 (2) CONFORMING AMENDMENTS.—The Agricul-
24 tural Trade Act of 1978 is amended—

25 (A) in section 202 (7 U.S.C. 5622)—

1 (i) in subsection (b)(4) (as redesignig-
2 nated by paragraph (1)(C)), by striking “,
3 consistent with the provisions of subsection
4 (c)”;

5 (ii) in subsection (d) (as redesignated
6 by paragraph (1)(C))—

7 (I) by striking “(1)” and all that
8 follows through “The Commodity”
9 and inserting “The Commodity”; and

10 (II) by striking paragraph (2);

11 and

12 (iii) in subsection (g)(2) (as redesignig-
13 nated by paragraph (1)(C)), by striking
14 “subsections (a) and (b)” and inserting
15 “subsection (a)”;

16 (B) in section 211 (7 U.S.C. 5641), by
17 striking subsection (b) and inserting the fol-
18 lowing:

19 “(b) EXPORT CREDIT GUARANTEE PROGRAMS.—(1)

20 The Commodity Credit Corporation shall make available
21 for each of fiscal years 2008 through 2012 not less than
22 \$5,500,000,000 in credit guarantees under section 202(a).

23 “(2) Section 202(k)(1) of the Agricultural Trade Act
24 of 1978 (7 U.S.C. 5622(k)(1)) is amended by striking
25 ‘2007’ and inserting ‘2012’.”

1 **SEC. 3003. MARKET ACCESS PROGRAM.**

2 (a) ORGANIC COMMODITIES.—Section 203(a) of the
3 Agricultural Trade Act of 1978 (7 U.S.C. 5623(a)) is
4 amended by inserting after “agricultural commodities” the
5 following: “(including commodities that are organically
6 produced (as defined in section 2103 of the Organic Foods
7 Production Act of 1990 (7 U.S.C. 6502))”.

8 (b) FUNDING.—Section 211(c)(1)(A) of the Agricul-
9 tural Trade Act of 1978 (7 U.S.C. 5641(c)(1)(A)) is
10 amended by striking “, and \$200,000,000 for each of fis-
11 cal years 2006 and 2007” and inserting “\$200,000,000
12 for each of fiscal years 2006 and 2007, and \$225,000,000
13 for each of fiscal years 2008 through 2012”.

14 **SEC. 3004. FOOD FOR PROGRESS ACT OF 1985.**

15 The Food for Progress Act of 1985 (7 U.S.C. 1736o)
16 is amended by striking “2007” each place it appears and
17 inserting “2012”.

18 **SEC. 3005. REAUTHORIZATION OF MCGOVERN-DOLE INTER-**
19 **NATIONAL FOOD FOR EDUCATION AND**
20 **CHILD NUTRITION PROGRAM.**

21 (a) ADMINISTRATION OF PROGRAM.—Section 3107
22 of the Farm Security and Rural Investment Act of 2002
23 (7 U.S.C. 1736o–1) is amended—

24 (1) in subsection (d), in the matter preceding
25 paragraph (1), by striking “The President shall des-

1 designate 1 or more Federal agencies to” and inserting
2 “The Secretary shall”;

3 (2) in subsection (f)(2), in the matter preceding
4 subparagraph (A), by striking “implementing agen-
5 cy” and inserting “Secretary”; and

6 (3) in subsections (c)(2)(B), (f)(1), (h)(1) and
7 (2), and (i), by striking “President” each place it
8 appears and inserting “Secretary”.

9 (b) FUNDING.—Section 3107(l) of the Farm Security
10 and Rural Investment Act of 2002 (7 U.S.C. 1736o-1(l))
11 is amended—

12 (1) by striking paragraphs (1) and (2) and in-
13 serting the following:

14 “(1) USE OF COMMODITY CREDIT CORPORATION
15 FUNDS.—Of the funds of the Commodity Credit
16 Corporation, the Secretary shall use to carry out this
17 section—

18 “(A) \$0 for fiscal year 2008;

19 “(B) \$140,000,000 for fiscal year 2009;

20 “(C) \$170,000,000 for fiscal year 2010;

21 “(D) \$230,000,000 for fiscal year 2011;

22 “(E) \$300,000,000 for fiscal year 2012;

23 and

24 “(F) \$0 for fiscal year 2013.”;

1 (2) by redesignating paragraph (3) as para-
2 graph (2); and

3 (3) in paragraph (2) (as redesignated by para-
4 graph (2)), by striking “any Federal agency imple-
5 menting or assisting” and inserting “the Depart-
6 ment of Agriculture or any other Federal agency as-
7 sisting”.

8 **SEC. 3006. BILL EMERSON HUMANITARIAN TRUST.**

9 Section 302 of the Bill Emerson Humanitarian Trust
10 Act (7 U.S.C. 1736f–1) is amended by striking “2007”
11 each place it appears in subsection (b)(2)(B)(i) and para-
12 graphs (1) and (2) of subsection (h) and inserting “2012”.

13 **SEC. 3007. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

14 Section 3205 of the Farm Security and Rural Invest-
15 ment Act of 2002 (7 U.S.C. 5680) is amended so that
16 subsection (d) reads as follows:

17 “(d) FUNDING.—

18 “(1) COMMODITY CREDIT CORPORATION.—The
19 Secretary shall use the funds, facilities, and authori-
20 ties of the Commodity Credit Corporation to carry
21 out this section.

22 “(2) FUNDING AMOUNT.—The Secretary shall
23 use the funds of, or an equal value of commodities
24 owned by, the Commodity Credit Corporation to
25 carry out this section—

1 “(A) \$4,000,000 for fiscal year 2008;
2 “(B) \$6,000,000 for fiscal year 2009;
3 “(C) \$8,000,000 for fiscal year 2010;
4 “(D) \$10,000,000 for each of fiscal years
5 2011 through 2012.”.

6 **SEC. 3008. TECHNICAL ASSISTANCE FOR THE RESOLUTION**
7 **OF TRADE DISPUTES.**

8 (a) IN GENERAL.—The Secretary of Agriculture may
9 provide monitoring, analytic support, and other technical
10 assistance to limited resource persons and organizations
11 associated with agricultural trade (as determined by the
12 Secretary) to address unfair trade practices of foreign
13 countries and to reduce trade barriers.

14 (b) AUTHORIZATION OF APPROPRIATIONS.—There
15 are authorized such sums as necessary to carry out sub-
16 section (a).

17 **SEC. 3009. REPRESENTATION BY THE UNITED STATES AT**
18 **INTERNATIONAL STANDARD-SETTING BOD-**
19 **IES.**

20 (a) IN GENERAL.—Pursuant to the authority of the
21 Secretary provided by section 1458(a)(3) of the Food and
22 Agriculture Act of 1977 (7 U.S.C. 3291(a)(3)), the Sec-
23 retary is authorized to enhance United States support for
24 international organizations, including the Food and Agri-
25 culture Organization, the Codex Alimentarius Commis-

1 sion, the International Plant Protection Convention, and
2 the World Organization for Animal Health, that establish
3 international standards regarding food, food safety,
4 plants, and animals, respectively, by funding additional
5 positions of Associate Professional Officers to address san-
6 itary and phytosanitary priorities of the United States
7 within applicable international organizations.

8 (b) AUTHORIZATION OF APPROPRIATIONS.—There
9 are authorized to be appropriated such sums as necessary
10 to carry out this section for each of fiscal years 2007–
11 2012.

12 **SEC. 3010. FOREIGN MARKET DEVELOPMENT COOPERATOR**
13 **PROGRAM.**

14 (a) FOREIGN MARKET DEVELOPMENT COOPERATOR
15 PROGRAM.—Subsection (c) of section 702 of the Agricul-
16 tural Trade Act of 1978 (7 U.S.C. 5722) is amended by
17 striking “Committee on International Relations” and in-
18 serting “Committee on Foreign Affairs”.

19 (b) FUNDING.—Subsection (a) of section 703 of such
20 Act (7 U.S.C. 5723) is amended by striking “2002
21 through 2007” and inserting “2008 through 2012”.

22 **SEC. 3011. EMERGING MARKETS.**

23 The Food, Agriculture, Conservation, and Trade Act
24 of 1990 (7 U.S.C. 5622 note; Public Law 101–624) is

1 amended in each of subsections (a) and (d)(1)(A)(i) by
2 striking “2007” and inserting “2012.

3 **SEC. 3012. EXPORT ENHANCEMENT PROGRAM.**

4 Section 301(e)(1)(G) of the Agricultural Trade Act
5 of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by striking
6 “2007” and inserting “2012”.

7 **SEC. 3013. MINIMUM LEVEL OF NONEMERGENCY FOOD AS-**
8 **SISTANCE.**

9 Section 412 of the Agricultural Trade Development
10 and Assistance Act of 1954 (7 U.S.C. 1736f) is amended
11 by inserting at the end the following new subsection:

12 “(e) MINIMUM LEVEL OF NONEMERGENCY FOOD AS-

13 SISTANCE.—
14 “(1) FUNDS.—Of the amounts made available
15 to carry out emergency and nonemergency food as-
16 sistance programs under title II, not less than
17 \$450,000,000 for each of fiscal years 2008 through
18 2012 shall be expended for nonemergency food as-
19 sistance programs under title II.

20 “(2) EXCEPTION.—The Administrator may use
21 less than the amount specified in paragraph (1) for
22 a fiscal year for nonemergency food assistance pro-
23 grams under title II if—

24 “(A) the Administrator submits to the
25 Committees on Foreign Affairs, Agriculture,

1 and Appropriations of the House of Representa-
2 tives and the Committees on Appropriations
3 and Agriculture, Nutrition, and Forestry of the
4 Senate a report requesting the reduction and
5 containing the reasons for the reduction; and

6 “(B) following submission of the report,
7 Congress enacts a law approving the Adminis-
8 trator’s request.”.

9 **SEC. 3014. GERMPLASM CONSERVATION.**

10 (a) CONTRIBUTION.—The Administrator of the
11 United States Agency for International Development shall
12 contribute funds to endow the Global Crop Diversity Trust
13 (in this section referred to as the “Trust”) to assist in
14 the conservation of genetic diversity in food crops through
15 the collection and storage of the germplasm of such crops
16 in a manner that provides for—

17 (1) the maintenance and storage of seed collec-
18 tions;

19 (2) the documentation and cataloguing of the
20 genetics and characteristics of conserved seeds to en-
21 sure efficient reference for researchers, plant breed-
22 ers, and the public;

23 (3) building the capacity of seed collection in
24 developing countries;

1 (4) making information regarding crop genetic
2 data publicly available for researchers, plant breed-
3 ers, and the public (for example, through the provi-
4 sion of an accessible Internet site);

5 (5) the operation and maintenance of a back-up
6 facility wherein is stored duplicate samples of seeds,
7 as a hedge against natural or man-made disasters;
8 and

9 (6) oversight designed to ensure international
10 coordination of these actions and efficient, public ac-
11 cessibility to this diversity through a cost-effective
12 system.

13 (b) UNITED STATES CONTRIBUTION LIMIT.—The
14 aggregate contributions of United States Government
15 funds provided to the Trust shall not exceed 25 percent
16 of the total of the funds contributed to the Trust from
17 all sources.

18 (c) AUTHORIZATION.—There are authorized to be ap-
19 propriated to carry out this section a total of \$60,000,000
20 over the period of fiscal year 2008 through fiscal year
21 2012.

22 **SEC. 3015. REPORT ON EFFORTS TO IMPROVE PROCURE-**
23 **MENT PLANNING.**

24 (a) REPORT REQUIRED.—Not later than 90 days
25 after the date of the enactment of this Act, the Adminis-

1 trator of the United States Agency for International De-
2 velopment and the Secretary of Agriculture shall submit
3 to the appropriate congressional committees a report on
4 efforts taken by both the United States Agency for Inter-
5 national Development and the Department of Agriculture
6 to improve planning for food and transportation procure-
7 ment, including efforts to eliminate bunching of food pur-
8 chases.

9 (b) CONTENTS.—The report required under sub-
10 section (a) should include, among other things, a descrip-
11 tion of efforts taken to—

12 (1) improve coordination of food purchases by
13 the United States Agency for International Develop-
14 ment and the Department of Agriculture;

15 (2) increase flexibility in procurement sched-
16 ules;

17 (3) increase utilization of historical analyses
18 and forecasting; and

19 (4) improve and streamline legal claims proc-
20 esses for resolving transportation disputes.

21 (c) APPROPRIATE CONGRESSIONAL COMMITTEES DE-
22 FINED.—In this section, the term “appropriate congres-
23 sional committees” means—

1 (1) the Committee on Foreign Affairs and the
2 Committee on Agriculture of the House of Rep-
3 resentatives; and

4 (2) the Committee on Agriculture, Nutrition,
5 and Forestry of the Senate.

6 **SEC. 3016. INTERNATIONAL DISASTER ASSISTANCE UNDER**
7 **THE FOREIGN ASSISTANCE ACT OF 1961.**

8 For each of the fiscal years 2008 through 2012, of
9 the amounts made available to carry out section 491 of
10 the Foreign Assistance Act of 1961 (22 U.S.C. 2292), not
11 less than \$40,000,000 for each such fiscal year is author-
12 ized be made available for the purposes of famine preven-
13 tion and relief under such section.

14 **TITLE IV—NUTRITION**
15 **PROGRAMS**

 Subtitle A—Food Stamp Program

- Sec. 4001. Renaming the food stamp program.
- Sec. 4002. Definition of drug addiction or alcoholic treatment and rehabilita-
 tion program.
- Sec. 4003. Nutrition education.
- Sec. 4004. Food distribution on Indian reservations.
- Sec. 4005. Excluding combat related pay from countable income.
- Sec. 4006. Increasing the standard deduction.
- Sec. 4007. Excluding dependent care expenses.
- Sec. 4008. Adjusting countable resources for inflation.
- Sec. 4009. Excluding education accounts from countable income.
- Sec. 4010. Excluding retirement accounts from countable income.
- Sec. 4011. Deobligate food stamp coupons.
- Sec. 4012. Allow for the accrual of benefits.
- Sec. 4013. Increasing the minimum benefit.
- Sec. 4014. State option for telephonic signature.
- Sec. 4015. Review of major changes in program design.
- Sec. 4016. Grants for simple application and eligibility determination systems
 and improved access to benefits.
- Sec. 4017. Civil money penalties and disqualification of retail food stores and
 wholesale food concerns.

- Sec. 4018. Major systems failures.
- Sec. 4019. Funding of employment and training programs.
- Sec. 4020. Reductions in payments for administrative costs.
- Sec. 4021. Cash payment pilot projects.
- Sec. 4022. Findings of Congress regarding Secure Supplemental Nutrition Assistance program nutrition education.
- Sec. 4023. Nutrition education and promotion initiative to address obesity.
- Sec. 4024. Authorization of appropriations.
- Sec. 4025. Consolidated block grants for Puerto Rico and American Samoa.
- Sec. 4026. Study on comparable access to Secure Supplemental Nutrition Assistance Program benefits for Puerto Rico.
- Sec. 4027. Reauthorization of community food project competitive grants.
- Sec. 4028. Emergency food assistance program.

Subtitle B—Commodity Distribution

- Sec. 4201. Authorization of appropriations.
- Sec. 4202. Distribution of surplus commodities; special nutrition projects.
- Sec. 4203. Commodity distribution program.

Subtitle C—Child Nutrition and Related Programs

- Sec. 4301. Purchase of fresh fruits and vegetables for distribution to schools and service institutions.
- Sec. 4302. Buy American requirements.
- Sec. 4303. Expansion of fresh fruit and vegetable program.
- Sec. 4304. Purchases of locally produced foods.

Subtitle D—Miscellaneous

- Sec. 4401. Seniors farmers' market nutrition program.
- Sec. 4402. Congressional Hunger Center.
- Sec. 4403. Joint nutrition monitoring and related research activities.
- Sec. 4404. Sense of the Congress.

1 **Subtitle A—Food Stamp Program**

2 **SEC. 4001. RENAMING THE FOOD STAMP PROGRAM.**

3 (a) AMENDMENTS TO THE FOOD STAMP ACT OF
4 1977.—

5 (1) REFERENCES AMENDED.—The provisions of
6 the Food Stamp Act of 1977 (7 U.S.C. 2011 et
7 seq.)—

8 (A) specified in paragraph (2)(A) are
9 amended in the section heading by striking
10 “**FOOD STAMP**” each place it appears and in-

1 serting “**SECURE SUPPLEMENTAL NUTRI-**
2 **TION ASSISTANCE**”;

3 (B) specified in paragraph (2)(B) are
4 amended in the subsection heading by striking
5 “FOOD STAMP” each place it appears and in-
6 serting “SECURE SUPPLEMENTAL NUTRITION
7 ASSISTANCE”;

8 (C) specified in paragraph (2)(C) are
9 amended by striking each place it appears “food
10 stamp recipient” and inserting “member of a
11 household that receives Secure Supplemental
12 Nutrition Assistance Program benefits”,

13 (D) specified in paragraph (2)(D) are
14 amended by striking “food stamp recipients”
15 each place it appears and inserting “members
16 of households that receive Secure Supplemental
17 Nutrition Assistance Program benefits”,

18 (E) specified in paragraph (2)(E) are
19 amended by striking “food stamp households”
20 each place it appears and inserting “households
21 that receive Secure Supplemental Nutrition As-
22 sistance Program benefits”;

23 (F) specified in paragraph (2)(F) are
24 amended by striking “Simplified Food Stamp
25 Program” each place it appears and inserting

1 “Simplified Secure Supplemental Nutrition As-
2 sistance Program”;

3 (G) specified in paragraph (2)(H) are
4 amended by striking “food stamp participants”
5 each place it appears and inserting “partici-
6 pants in the Secure Supplemental Nutrition As-
7 sistance Program”;

8 (H) specified in paragraph (2)(I) are
9 amended by striking “food stamp informational
10 activities” each place it appears and inserting
11 “informational activities relating to the Secure
12 Supplemental Nutrition Assistance Program”;

13 (I) specified in paragraph (2)(J) are
14 amended by striking “food stamp caseload”
15 each place it appears and inserting “caseload
16 under the Secure Supplemental Nutrition As-
17 sistance Program”;

18 (J) specified in paragraph (2)(K) are
19 amended by striking “State’s food stamp house-
20 holds” each place it appears and inserting “the
21 number of households in the State receiving Se-
22 cure Supplemental Nutrition Assistance Pro-
23 gram benefits”;

24 (K) specified in paragraph (2)(L) are
25 amended in the section heading by striking

1 **“FOOD STAMP PORTION”** each place it ap-
2 pears and inserting **“SECURE SUPPLE-**
3 **MENTAL NUTRITION ASSISTANCE PRO-**
4 **GRAM BENEFITS”**;

5 (L) specified in paragraph (2)(M) are
6 amended by striking “food stamps” each place
7 it appears and inserting “Secure Supplemental
8 Assistance Nutrition Program benefits”;

9 (M) specified in paragraph (2)(N) are
10 amended by striking “Food stamp program”
11 each place it appears and inserting “Secure
12 Supplemental Nutrition Assistance Program”;

13 (N) specified in paragraph (2)(o) are
14 amended by striking “food stamp program ben-
15 efits” each place it appears and inserting “Se-
16 cure Supplemental Nutrition Program bene-
17 fits”; and

18 (O) specified in paragraph (2)(O) are
19 amended by striking “food stamp program”
20 each place it appears and inserting “Secure
21 Supplemental Nutrition Assistance Nutrition
22 Program”.

23 (2) PROVISIONS REFERRED TO.—The provi-
24 sions of the of the Food Stamp Act of 1977 referred
25 to in paragraph (1) are the following:

- 1 (A) Sections 4 and 26.
- 2 (B) Section 6(j).
- 3 (C) Section 6(o)(6)(A)(ii).
- 4 (D)(i) Subparagraphs (D) and (E) of sec-
- 5 tion 6(o)(6);
- 6 (ii) sections 16(h)(1)(E)(i) and 12(a); and
- 7 (iii) paragraphs (1)(B)(ii)(II) and (3)(B)
- 8 of section 17(b).
- 9 (E) Sections 7(h)(3)(B)(ii), 9(b)(1), 12(a),
- 10 and 17(b)(1)(B)(ii)(I).
- 11 (F) Sections 11(e)(25) and 26(b).
- 12 (G) Section 11(f)(2)(B).
- 13 (H) Section 16(a).
- 14 (I) Section 16(e)(9)(C).
- 15 (J) Section 17(b)(1)(B)(iii)(I).
- 16 (K) Section 22.
- 17 (L)(i) Subsections (d)(3) and (o)(6)(A)(i)
- 18 of section 6;
- 19 (ii) paragraphs (2)(B)(v)(II) and (14) of
- 20 section 11(e); and
- 21 (iii) sections 12(e)(16), 17(b)(3)(C), and
- 22 18(a)(3)(A)(ii).
- 23 (M) Section 3(h).
- 24 (N)(i) In section 6—
- 25 (I) subsection (h); and

- 1 (II) in subsection (o)—
2 (aa) paragraph (2); and
3 (bb) subclauses (IV) and (V) of
4 paragraph (6)(A)(ii).
- 5 (ii) Section 7(k)(2).
- 6 (iii) In section 11—
7 (I) subsection (e)(25)(A);
8 (II) paragraphs (1), (2), and (3) of
9 subsection (s); and
10 (III) subsection (t)(1)(B).
- 11 (iv) In section 17—
12 (I) subsection (a)(2);
13 (II) paragraphs (1)(A), (2), and
14 (3)(D) of subsection (b);
15 (III) paragraphs (1)(B), (2)(C)(ii),
16 and (3)(E) of subsection (d); and
17 (IV) subsections (e) and (f).
- 18 (v) Section 21(d)(3).
- 19 (O)(i) Sections 2, 3(h), and 4.
- 20 (ii) In section 5—
21 (I) subsections (a), (b), (c), and (d);
22 (II) clauses (ii)(III) and (iv)(IV) of
23 subsection (e)(6)(C);
24 (III) paragraphs (1), (3), and
25 (6)(B)(iv) of subsection (g); and

- 1 (IV) subsections (h)(2)(A) and
2 (k)(4)(B).
- 3 (iii) In section 6—
- 4 (I) subsections (a) and (b);
- 5 (II) in subsection (d)(1)—
- 6 (aa) subparagraphs (A) and (B);
- 7 (bb) clauses (i), (ii), and (iii) of
8 subparagraph (C); and
- 9 (cc) clauses (v) and (vi) of sub-
10 paragraph (D);
- 11 (III) paragraphs (2)(C), (3), and
12 (4)(A)(i) of subsection (d);
- 13 (IV) subsections (e), (f), and (h);
- 14 (V) paragraphs (1) and (2) of sub-
15 section (i); and
- 16 (VI) subsections (j), (k), (l)(1),
17 (m)(1), (n), (o)(5)(A);
- 18 (iv) In section 7—
- 19 (I) subsections (a), (b), and (g);
- 20 (II) paragraphs (1) and (2)(B) of
21 subsection (j); and
- 22 (III) in subsection (k)—
- 23 (aa) paragraph (3); and
- 24 (bb) subparagraphs (B)(ii) and
25 (C) of paragraph (4).

- 1 (v) In section 8—
2 (I) subsections (a), (c)(2), and (d)(2);
3 (II) in subsection (f)—
4 (aa) clauses (i)(II)(aa), (ii)(I),
5 and (iv) of paragraph (1)(D); and
6 (bb) paragraph (3)(B)(ii)(II)(bb).
- 7 (vi) In section 9—
8 (I) paragraphs (1) and (3) of sub-
9 section (a); and
10 (II) subsections (b)(1), (d), (e), and
11 (g).
- 12 (vii) In section 11—
13 (I) subsections (c) and (d);
14 (II) in subsection (e)—
15 (aa) paragraph (1)(A);
16 (bb) clauses (i) and (iv) of para-
17 graph (2)(B); and
18 (cc) paragraphs (10), (17),
19 (20)(B), and (22);
20 (III) subsections (f)(1), (g), (i), and
21 (j)(1);
22 (IV) paragraphs (1), (2), (3), and (4)
23 of subsection (o);
24 (V) subsections (p) and (q); and

- 1 (VI) paragraphs (2)(A) and (B)(4)(A)
2 of subsection (t).
3 (viii) Sections 12(a) and 14(a)(1).
4 (ix) Subsections (b)(1) and (c) of section
5 15.
6 (x) In section 16—
7 (I) subsection (a);
8 (II) paragraph (1), (2), and (3) of
9 subsection (b);
10 (III) in subsection (c)—
11 (aa) the matter preceding sub-
12 paragraph (A);
13 (bb) subparagraphs (D)(i)(II)
14 and (F)(iii)(I) of paragraph (1); and
15 (cc) subparagraphs (A), (B), and
16 (C) of paragraph (9);
17 (IV) subsections (e), (g), and (i)(1);
18 and
19 (V) in subsection (k)—
20 (aa) subparagraphs (A) and (B)
21 of paragraph (2);
22 (bb) subparagraphs (A) and
23 (B)(i) of paragraph (3); and
24 (cc) subparagraphs (A)(ii) and
25 (B)(iv)(II) of paragraph (5).

- 1 (xi) In section 17—
2 (I) subsection (a)(1);
3 (II) in subsection (b)—
4 (aa) subparagraphs (A) and
5 (B)(i) of paragraph (1); and
6 (bb) subparagraph (2);
7 (III) subsection (c);
8 (IV) subparagraphs (A) and (C) of
9 subsection (d) (2); and
10 (V) subsections (e), (g), and (h)(2).
11 (xii) Subsections (a)(3)(D), (b), (d), and
12 (e) of section 18.
13 (xiii) Subsections (a)(1) and (f) of section
14 20.
15 (xiv) In section 21—
16 (I) subsection (a);
17 (II) in subsection (b)—
18 (aa) in paragraph (2)—
19 (AA) clause (i) and (ii) of
20 subparagraph (A);
21 (BB) subparagraphs (B)
22 and (C)(i);
23 (CC) clause (ii), and sub-
24 clauses (II), (III), and (IV) of

1 clause (iii), of subparagraph (F);
2 and
3 (DD) subparagraph (G)(i);
4 (bb) paragraph (3);
5 (cc) in paragraph (4)—
6 (AA) subparagraphs (A) and
7 (B); and
8 (BB) the flush text at the
9 end;
10 (dd) paragraphs (5) and (7);
11 (III) subsection (C)(2)(B);
12 (IV) paragraphs (1)(A), (2), and (3)
13 of subsection (d); and
14 (V) paragraphs (1) and (2) of sub-
15 section (f).
16 (xv) In section 22—
17 (I) subsection (a)(1);
18 (II) in subsection (b)—
19 (aa) paragraph (2);
20 (bb) in paragraph (3)—
21 (AA) subparagraphs (A) and
22 (B)(ii);
23 (BB) clauses (ii) and (iii) of
24 subparagraph (C);

1 (CC) subparagraph (D)(ii);
2 and
3 (DD) clauses (i), (ii), and
4 (iv) of subparagraph (E);
5 (ee) paragraph (5);
6 (dd) subparagraphs (B) and (C)
7 of paragraph (6);
8 (ee) subparagraphs (A) and (B)
9 of paragraph (7);
10 (ff) paragraphs (8) and (9);
11 (gg) in paragraph (10)—
12 (AA) subparagraph (A)
13 (BB) clauses (i) and (ii) of
14 subparagraph (B); and
15 (CC) subparagraph (C); and
16 (hh) paragraphs (11), (12), and
17 (13);
18 (III) in subsection (d)—
19 (aa) paragraph (1)(B)(i); and
20 (bb) paragraph (3); and
21 (IV) subsections (g)1 and (h).
22 (xvi) Section 23(c).
23 (xvii) In section 26—
24 (I) subparagraphs (B) and (C) of sub-
25 section (c)(4); and

1 (II) subsection (f)(1).

2 (b) REFERENCES IN OTHER LAWS, DOCUMENT, AND
3 RECORDS OF THE UNITED STATES.—In any law (exclud-
4 ing the Food Stamp Act of 1977), regulation, rule, docu-
5 ment, or record of the United States—

6 (1) a reference to food stamp recipients shall be
7 deemed to be a reference to recipients of Secure
8 Supplemental Nutrition Assistance Program bene-
9 fits;

10 (2) a reference to food stamp households shall
11 be deemed to be a reference to households that re-
12 ceive Secure Supplemental Nutrition Assistance Pro-
13 gram benefits;

14 (3) a reference to the Simplified Food Stamp
15 Program shall be deemed to be a reference to the
16 Simplified Secure Supplemental Nutrition Assistance
17 Program;

18 (4) a reference to food stamp participants shall
19 be deemed to be a reference to participants in the
20 Secure Supplemental Nutrition Assistance Program;

21 (5) a reference to food stamp informational ac-
22 tivities shall be deemed to be a reference to informa-
23 tional activities relating to the Secure Supplemental
24 Nutrition Assistance Program;

1 (6) a reference to food stamp caseload shall be
2 deemed to be a reference to caseload under the Se-
3 cure Supplemental Nutrition Assistance Program;

4 (7) a reference to food stamps shall be deemed
5 to be a reference to Secure Supplemental Nutrition
6 Assistance Program benefits; and

7 (8) a reference to the food stamp program shall
8 be deemed to be a reference to Secure Supplemental
9 Nutrition Assistance Program.

10 **SEC. 4002. DEFINITION OF DRUG ADDICTION OR ALCO-**
11 **HOLIC TREATMENT AND REHABILITATION**
12 **PROGRAM.**

13 Section 3(f) of the Food Stamp Act of 1977 (7
14 U.S.C. 2012(f)) is amended by striking “ center, under
15 part B of title XIX of the Public Health Service Act (42
16 U.S.C. 300x et seq.)” and inserting “center, that is—

17 “(1) tax exempt; and

18 “(2) certified by the State title XIX agency,
19 under part B of title XIX of the Public Health Serv-
20 ice Act (42 U.S.C. 300x et seq.), as receiving fund-
21 ing under part B, eligible to receive funding under
22 part B even if no funds are being received, or oper-
23 ating to further the purposes of part B, except that
24 nothing in this paragraph shall be construed to re-

1 quire State or Federal licensure to meet these re-
2 quirements;”.

3 **SEC. 4003. NUTRITION EDUCATION.**

4 (a) **AUTHORITY TO PROVIDE NUTRITION EDU-**
5 **CATION.**—Section 4(a) of the Food Stamp Act of 1977
6 (7 U.S.C. 2013(a)) is amended in the first sentence by
7 inserting “and through an approved State plan, nutrition
8 education” after “an allotment”.

9 (b) **IMPLEMENTATION.**—Section 11(f) of the Food
10 Stamp Act of 1977 (7 U.S.C. 2020(f)) is amended to read
11 as follows:

12 “(f) **NUTRITION EDUCATION.**—

13 “(1) **IN GENERAL.**—State agencies may imple-
14 ment a nutrition education program for individuals
15 eligible for Secure Supplemental Nutrition Assist-
16 ance Program benefits that promotes healthy food
17 choices consistent with current Dietary Guidelines.

18 “(2) **DELIVERY OF NUTRITION EDUCATION.**—
19 State agencies may deliver nutrition education di-
20 rectly to eligible persons or through agreements with
21 the Cooperative State Research, Education and Ex-
22 tension Service, including through the expanded food
23 and nutrition education under section 3(d) of the
24 Act of May 8, 1914 (7 U.S.C. 343(d)), and other

1 State and community health and nutrition providers
2 and organizations.

3 “(3) NUTRITION EDUCATION STATE PLANS.—
4 State agencies wishing to provide nutrition education
5 under this subsection shall submit a Nutrition Edu-
6 cation State Plan to the Food and Nutrition Service
7 for approval. The plan shall identify the uses of the
8 funding for local projects and conform to standards
9 set forth by the Secretary in regulations or guid-
10 ance. State costs for providing nutrition education
11 under this subsection shall be reimbursed pursuant
12 to section 16(a).

13 “(4) NOTIFICATION.—Whenever practicable,
14 State agencies shall notify applicants, participants,
15 and eligible program participants of the availability
16 of nutrition education under this subsection.”.

17 **SEC. 4004. FOOD DISTRIBUTION ON INDIAN RESERVATIONS.**

18 (a) IN GENERAL.—Section 4 of the Food Stamp Act
19 of 1977 (7 U.S.C. 2013) is amended by striking sub-
20 section (b) and inserting the following:

21 “(b) FOOD DISTRIBUTION PROGRAM ON INDIAN
22 RESERVATIONS.—

23 “(1) IN GENERAL.—Distribution of commod-
24 ities, with or without the Secure Supplemental Nu-
25 trition Assistance Program, shall be made whenever

1 a request for concurrent or separate food program
2 operations, respectively, is made by a tribal organi-
3 zation.

4 “(2) ADMINISTRATION.—

5 “(A) IN GENERAL.—Subject to subpara-
6 graphs (B) and (C), in the event of a distribu-
7 tion on all or part of an Indian reservation, the
8 appropriate agency of the State government in
9 the area involved shall be responsible for the
10 distribution.

11 “(B) ADMINISTRATION BY TRIBAL ORGANI-
12 ZATION.—If the Secretary determines that a
13 tribal organization is capable of effectively and
14 efficiently administering a distribution de-
15 scribed in subparagraph (A), then the tribal or-
16 ganization shall administer the distribution.

17 “(C) PROHIBITION.—The Secretary shall
18 not approve any plan for a distribution de-
19 scribed in subparagraph (A) that permits any
20 household on any Indian reservation to partici-
21 pate simultaneously in the Secure Supplemental
22 Nutrition Assistance Program and the distribu-
23 tion of federally donated foods.

24 “(3) DISQUALIFIED PARTICIPANTS.—The Sec-
25 retary shall ensure that an individual who is dis-

1 qualified from participation in the Food Distribution
2 Program on Indian Reservations under this sub-
3 section is not eligible to participate in the Secure
4 Supplemental Nutrition Assistance Program under
5 this Act.

6 “(4) ADMINISTRATIVE COSTS.—The Secretary
7 is authorized to pay such amounts for administrative
8 costs of such distribution on Indian reservations as
9 the Secretary finds necessary for effective adminis-
10 tration of such distribution by a State agency or
11 tribal organization.

12 “(5) TRADITIONAL AND LOCAL FOODS FUND.—

13 “(A) IN GENERAL.—The Secretary shall
14 establish a fund to purchase traditional and lo-
15 cally-grown food, designated by region, for re-
16 cipients of food distributed under this sub-
17 section.

18 “(B) NATIVE AMERICAN PRODUCERS.—
19 For recipients of food distributed under sub-
20 paragraph (A), at least 50 percent shall be pro-
21 duced by Native American farmers, ranchers,
22 and producers.

23 “(C) DEFINITION OF TRADITIONAL AND
24 LOCALLY GROWN.—The Secretary, in conjunc-
25 tion with the Indian Tribal Organizations, will

1 determine the definition of traditional and lo-
2 cally-grown.

3 “(D) AUTHORIZATION OF APPROPRIA-
4 TIONS.—There is authorized to be appropriated
5 to the Secretary \$5,000,000 for each of the fis-
6 cal years 2008 through 2012 to carry out sub-
7 paragraph (A).”.

8 (b) FDPIR FOOD PACKAGE.—Not later than 180
9 days after the date of enactment of this Act, the Secretary
10 of Agriculture shall submit to the Committee on Agri-
11 culture of the House of Representatives and the Com-
12 mittee on Agriculture, Nutrition, and Forestry of the Sen-
13 ate a report that describes—

14 (1) how the Secretary derives the process for
15 determining the food package under the Food Dis-
16 tribution Program on Indian Reservations estab-
17 lished under section 4(b) of the Food Stamp Act of
18 1977 (7 U.S.C. 2013(b)) (referred to in this sub-
19 section as the “food package”);

20 (2) the extent to which the food package—

21 (A) conforms (or fails to conform) to the
22 2005 Dietary Guidelines for Americans pub-
23 lished under section 301 of the National Nutri-
24 tion Monitoring and Related Research Act of
25 1990 (7 U.S.C. 5341);

1 (B) addresses (or fails to address) the nu-
2 tritional and health challenges that are specific
3 to Native Americans; and

4 (C) addresses (or fails to address) the nu-
5 tritional needs of low-income Native Americans,
6 compared to the Secure Supplemental Nutrition
7 Assistance Program;

8 (3) any plans of the Secretary to revise and up-
9 date the food package to conform with the most re-
10 cent Dietary Guidelines for Americans, including
11 any costs associated with the planned changes; and

12 (4) if the Secretary does not plan changes to
13 the food package, the rationale of the Secretary for
14 retaining the food package.

15 **SEC. 4005. EXCLUDING COMBAT RELATED PAY FROM**
16 **COUNTABLE INCOME.**

17 Section (5)(d) of the Food Stamp Act of 1977 (7
18 U.S.C. 2014(d)) is amended—

19 (1) by striking “and (18)”, and inserting
20 “(18)”, and

21 (2) by inserting before the period at the end the
22 following: “and (19) any additional payment received
23 under Chapter 5 of title 37, United States Code, by
24 (or as an allotment to or transfer from) a member
25 of the United States Armed Forces deployed to a

1 designated combat zone for the duration of the
2 member's deployment to or service in a combat zone
3 if the additional pay was not received immediately
4 prior to serving in that or another combat zone.”.

5 **SEC. 4006. INCREASING THE STANDARD DEDUCTION.**

6 Section (5)(e)(1) of the Food Stamp Act of 1977 (7
7 U.S.C. 2014(e)(1)) is amended—

8 (1) in subparagraph (A)(ii) by striking “not
9 less than \$134” and all that follows through the pe-
10 riod at the end, and inserting the following: “not
11 less than \$145, \$248, \$205, and \$128, respectively.
12 On October 1, 2008, and each October 1 thereafter,
13 such standard deduction shall be an amount that is
14 equal to the amount from the previous fiscal year
15 adjusted to the nearest lower dollar increment to re-
16 flect changes in the Consumer Price Index for All
17 Urban Consumers published by the Bureau of Labor
18 Statistics, for items other than food, for the 12
19 months ending the preceding June 30.”; and

20 (2) in subparagraph (B)(ii) by striking “not
21 less than \$269.” and inserting the following: “not
22 less than \$291. On October 1, 2008, and each Octo-
23 ber 1 thereafter, such standard deduction shall be
24 an amount that is equal to the amount of the pre-
25 vious fiscal year adjusted to the nearest dollar incre-

1 ment to reflect changes in the Consumer Price Index
 2 for All Urban Consumers published by the Bureau
 3 of Labor Statistics, for items other than food, for
 4 the 12 months ending the preceding June 30.”.

5 **SEC. 4007. EXCLUDING DEPENDENT CARE EXPENSES.**

6 Section (5)(e)(3)(A) of the Food Stamp Act of 1977
 7 (7 U.S.C. 2014(e)(3)(A)) is amended by striking “, the
 8 maximum allowable level of which shall be \$200 per month
 9 for each dependent child under 2 years of age and \$175
 10 per month for each other dependent,”.

11 **SEC. 4008. ADJUSTING COUNTABLE RESOURCES FOR IN-**
 12 **FLATION.**

13 Section (5)(g) of the Food Stamp Act of 1977 (7
 14 U.S.C. 2014(g)) is amended—

15 (1) by striking “(g)(1) The Secretary” and in-
 16 serting the following:

17 “(g) ALLOWABLE FINANCIAL RESOURCES.—

18 “(1) TOTAL AMOUNT.—

19 “(A) IN GENERAL.—The Secretary”.

20 (2) in subparagraph (A) (as so designated by
 21 paragraph (1))—

22 (A) by inserting “(as adjusted in accord-
 23 ance with subparagraph (B))” after “\$2,000”;

24 and

1 (B) by inserting “(as adjusted in accord-
2 ance with subparagraph (B))” after “\$3,000”;
3 and

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

5 “(B) ADJUSTMENT FOR INFLATION.—

6 “(i) IN GENERAL.—Beginning on Oc-
7 tober 1, 2007, and each October 1 there-
8 after, the amounts in subparagraph (A)
9 shall be adjusted to the nearest \$100 in-
10 crement to reflect changes for the 12-
11 month period ending the preceding June in
12 the Consumer Price Index for All Urban
13 Consumers published by the Bureau of
14 Labor Statistics of the Department of
15 Labor.

16 “(ii) REQUIREMENT.—Each adjust-
17 ment under clause (i) shall be based on the
18 unrounded amount for the prior 12-month
19 period.”.

20 **SEC. 4009. EXCLUDING EDUCATION ACCOUNTS FROM**
21 **COUNTABLE INCOME.**

22 Section (5)(g) of the Food Stamp Act of 1977 (7
23 U.S.C. 2014(g)) is amended by adding at the end the fol-
24 lowing:

1 “(7) EXCLUSION OF EDUCATION ACCOUNTS
2 FROM COUNTABLE RESOURCES.—

3 “(A) MANDATORY EXCLUSIONS.—The Sec-
4 retary shall exclude from financial resources
5 under this subsection the value of any funds in
6 a qualified tuition program described in section
7 529 of the Internal Revenue Code of 1986 or
8 in a Coverdell education savings account under
9 section 530 of that Code.

10 “(B) DISCRETIONARY EXCLUSIONS.—The
11 Secretary may also exclude from financial re-
12 sources under this subsection the value of any
13 program or account included in any successor
14 or similar provision that is enacted and deter-
15 mined to be exempt from taxation under the In-
16 ternal Revenue Code of 1986.”.

17 **SEC. 4010. EXCLUDING RETIREMENT ACCOUNTS FROM**
18 **COUNTABLE INCOME.**

19 Section (5)(g) of the of the Food Stamp Act of 1977
20 (7 U.S.C. 2014(g)), as amended by section 4009, is
21 amended—

22 (1) in subsection (g)(2)(B)(v) by striking “or
23 retirement account (including an individual ac-
24 count)” and inserting “account”; and

25 (2) adding at the end the following:

1 “(8) EXCLUSION OF RETIREMENT ACCOUNTS
2 FROM COUNTABLE RESOURCES.—

3 “(A) MANDATORY EXCLUSIONS.—The Sec-
4 retary shall exclude from financial resources
5 under this subsection the value of any funds in
6 a plan, contract, or account as described in sec-
7 tion 401(a), 403(a), 403(b), 408, 408A, 457(b),
8 or 501(c)(18) of the Internal Revenue Code of
9 1986 and the value of funds in a Federal Thrift
10 Savings Plan account as provided section 8439
11 of title 5, United States Code.

12 “(B) DISCRETIONARY EXCLUSIONS.—

13 “(i) The Secretary may exclude from
14 financial resources under this subsection
15 any other retirement plans, contracts, or
16 accounts that have been determined to be
17 tax qualified retirement plans, contracts,
18 or accounts, under the Internal Revenue
19 Code of 1986.

20 “(ii) The Secretary may also exclude
21 from financial resources under this sub-
22 section the value of any program or ac-
23 count included in any successor or similar
24 provision that is enacted and determined to

1 be exempt from taxation under the Inter-
2 nal Revenue Code of 1986.”.

3 **SEC. 4011. DEOBLIGATE FOOD STAMP COUPONS.**

4 (a) IN GENERAL.—Section 7 of the Food Stamp Act
5 of 1977 (7 U.S.C. 2016) is amended—

6 (1) by striking the section designation and
7 heading and all that follows through “subsection (j))
8 shall be” and inserting the following:

9 **“SEC. 7. ISSUANCE AND USE OF BENEFITS.**

10 “(a) IN GENERAL.—Except as provided in subsection
11 (j), EBT cards shall be”.

12 (2) in subsection (b)—

13 (A) by striking “(b) Coupons” and insert-
14 ing the following:

15 “(b) USE.—Benefits”; and

16 (B) by striking “: *Provided further*” and all
17 that follows through “denominations issued”;

18 (3) in subsection (c)—

19 (A) by striking “(c) Coupons” and insert-
20 ing the following:

21 “(c) DESIGN.—

22 “(1) IN GENERAL.—EBT cards”;

23 (B) in the 1st sentence by striking “and
24 define their denomination”; and

1 (C) by striking the 2d sentence and insert-
2 ing the following:

3 “(2) PROHIBITION.—The name of any public
4 official shall not appear on any EBT card.”;

5 (4) by striking subsection (d);

6 (5) in subsection (e)—

7 (A) by striking “coupons” each place it ap-
8 pears and inserting “benefits”; and

9 (B) by striking “coupon issuers” each
10 place it appears and inserting “benefit issuers”;

11 (6) in subsection (f)—

12 (A) by striking “coupons” each place it ap-
13 pears and inserting “benefits”;

14 (B) by striking “coupon issuer” and insert-
15 ing “benefit issuer”; and

16 (C) by striking “section 11(e)(20)” and all
17 that follows through the period and inserting
18 “section 11(e)(19).”;

19 (7) by amending subsection (g) to read as fol-
20 lows:

21 “(g) BENEFIT SYSTEM.—

22 “(1) COST.—The cost of documents or systems
23 that may be required by subsection (i) may not be
24 imposed upon a retail food store participating in the
25 Secure Supplemental Nutrition Assistance Program.

1 “(2) DEVALUATION AND TERMINATION OF
2 ISSUANCE OF PAPER COUPONS.—

3 “(A) COUPON ISSUANCE.—Beginning on
4 the effective date of this subsection, no State
5 shall issue any coupon, stamp, certificate, or
6 authorization card to a household that receives
7 benefits under this Act.

8 “(B) EBT CARDS.—Beginning 1 year after
9 the effective date of this subsection, only an
10 EBT card issued under subsection (i) shall be
11 eligible for exchange at any retail food store.

12 “(C) DE-OBLIGATION OF COUPONS.—Cou-
13 pons not redeemed in the 1-year period begin-
14 ning on the effective date of this subsection will
15 no longer be an obligation of the Federal Gov-
16 ernment and shall not be redeemable.”.

17 (8) in subsection (h)(1) by striking “coupons”
18 and inserting “benefits”;

19 (9) in subsection (j)—

20 (A) in paragraph (2)(A)(ii) by striking
21 “printing, shipping, and redeeming coupons”
22 and inserting “issuing and redeeming benefits”;
23 and

24 (B) in paragraph (5) by striking “coupon”
25 and inserting “benefit”; and

1 (10) in subsection (k)—

2 (A) by striking “coupons in the form of”
3 each place it appears and inserting “benefits in
4 the form of”; and

5 (B) by striking “a coupon issued in the
6 form of” each place it appears and inserting
7 “benefits in the form of”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 3 of the Food Stamp Act of 1977
10 (7 U.S.C. 2012) is amended—

11 (A) in subsection (a) by striking “coupons”
12 and inserting “benefits”;

13 (B) by amending subsection (b) to read as
14 follows:

15 “(b) ‘Benefit’ means the value of assistance provided
16 under this Act to a household by means of an electronic
17 benefit transfer under section 7(i), or other means of pro-
18 viding assistance, as determined by the Secretary.”;

19 (C) in the 1st sentence of subsection (c) by
20 striking “authorization cards” and inserting
21 “benefits”;

22 (D) in subsection (d) by striking “or ac-
23 cess device” and all that follows through “num-
24 ber”;

25 (E) in subsection (e)—

1 (i) by striking “coupon issuer” and in-
2 serting “benefit issuer”; and

3 (ii) by striking “coupons” and insert-
4 ing “benefits”;

5 (F) by inserting after subsection (f) the
6 following:

7 “(f-1) EBT CARD.—The term ‘EBT card’ means an
8 electronic benefit transfer card issued under section 7(i).”;

9 (G) in subsection (i)(5)(D) by striking
10 “coupons” and inserting “benefits”; and

11 (H) in subsection (t) by inserting “includ-
12 ing point of sale devices,” after “other means of
13 access”.

14 (2) Section 4(a) of the Food Stamp Act of
15 1977 (7 U.S.C. 2013(a)) is amended—

16 (A) by striking “coupons” each place it ap-
17 pears and inserting “benefits”; and

18 (B) by striking “coupons issued” and in-
19 serting “benefits issued”.

20 (3) Section 5(i)(2)(E) of the Food Stamp Act
21 of 1977 (7 U.S.C. 2014(i)(2)(E)) is amended by
22 striking “, as defined in section 3(i) of this Act,”.

23 (4) Section 6(b)(1) of the Food Stamp Act of
24 1977 (7 U.S.C. 2015(b)(1)) is amended—

1 (A) in subparagraph (B) by striking “cou-
2 pons or authorization cards” and inserting
3 “benefits”; and

4 (B) by striking “coupons” each place it ap-
5 pears and inserting “benefits”.

6 (5) Section 7(j)(5) is amended by striking “cou-
7 pon” and inserting “benefit”.

8 (6) Section 8(b) of the Food Stamp Act of
9 1977 (7 U.S.C. 2017(b)) is amended by striking “,
10 whether through coupons, access devices, or other-
11 wise”.

12 (7) Section 9 of the Food Stamp Act of 1977
13 (7 U.S.C. 2018) is amended—

14 (A) by striking “coupons” each place it ap-
15 pears and inserting “benefits”; and

16 (B) in subsection (a)—

17 (i) in paragraph (1) by striking “cou-
18 pon” and inserting “benefit”; and

19 (ii) in paragraph (3) by striking “cou-
20 pons, or to redeem”.

21 (8) Section 10 of the Food Stamp Act of 1977
22 (7 U.S.C. 2019) is amended—

23 (A) by striking the section designation and
24 heading and all that follows through “Regula-
25 tions” and inserting the following:

1 **“SEC. 10. REDEMPTION OF BENEFITS.**

2 “Regulations”; and

3 (B) by striking “coupons” each place it ap-
4 pears and inserting “benefits”.

5 (9) Section 11 of the Food Stamp Act of 1977
6 (7 U.S.C. 2020) is amended—

7 (A) in subsection (e)—

8 (i) in paragraph (15) by striking
9 “when using its authorization card in order
10 to receive its coupons” and inserting
11 “when receiving benefits”; and

12 (ii) in paragraph (19) by striking
13 “that,” and all that follows through “para-
14 graph;” and inserting “that eligible house-
15 holds may be required to present photo-
16 graphic identification cards in order to re-
17 ceive their benefits.”;

18 (B) in subsection (h) by striking “coupon
19 or coupons” and inserting “benefits”;

20 (C) by striking “coupon” each place it ap-
21 pears and inserting “benefit”; and

22 (D) by striking “coupons” each place it
23 appears and inserting “benefits”.

24 (10) Section 13 of the Food Stamp Act of 1977
25 (7 U.S.C. 2022) is amended by striking “coupons”
26 each place it appears and inserting “benefits”.

1 (11) Section 15 of the Food Stamp Act of 1977
2 (7 U.S.C. 2024) is amended—

3 (A) in subsection (a) by striking “coupons”
4 and inserting “benefits”;

5 (B) in subsection (b)(1)—

6 (i) by striking “coupons” each place it
7 appears and inserting “benefits”;

8 (ii) by striking “coupons or authoriza-
9 tion cards” and inserting “benefits”; and

10 (iii) by striking “access device” each
11 place it appears and inserting “benefit”;

12 (C) in subsection (c) by striking “coupons”
13 each place it appears and inserting “benefits”;

14 (D) in subsection (d) by striking “Cou-
15 pons” and inserting “Benefits”;

16 (E) in subsections (e) and (f) by striking
17 “coupon” each place it appears and inserting
18 “benefit”; and

19 (F) in subsection (g) by striking “coupon,
20 authorization cards or access devices” and in-
21 serting “benefits”; and

22 (12) Section 16(a) of the Food Stamp Act of
23 1977 (7 U.S.C. 2025(a)) is amended by striking
24 “coupons” each place it appears and inserting “ben-
25 efits”.

1 (13) Section 17 of the Food Stamp Act of 1977
2 (7 U.S.C. 2026) is amended—

3 (A) in subsection (a)(2) by striking “cou-
4 pon” and inserting “benefit”;

5 (B) in subsection (b)(1)—

6 (i) in subparagraph (B)(v)—

7 (I) by striking “countersigned
8 food coupons or similar”; and

9 (II) by striking “food coupons”
10 and inserting “EBT cards”; and

11 (ii) in subparagraph (C)(i)(I) by strik-
12 ing “coupons” and inserting “EBT cards”;

13 and

14 (C) in subsection (j) by striking “coupon”
15 and inserting “benefit”.

16 (14) Section 21 of the Food Stamp Act of 1977
17 (7 U.S.C. 2030) is amended—

18 (A) in subsection (d)(3)—

19 (i) by striking “food coupons” and in-
20 serting “benefits”; and

21 (ii) by striking “food stamp benefits”
22 and inserting “benefits”.

23 (15) Section 22 of the Food Stamp Act of 1977
24 (7 U.S.C. 2031) is amended—

1 (A) by striking “food coupons” each place
2 it appears and inserting “benefits”;

3 (B) by striking “coupons” each place it ap-
4 pears and inserting “benefits”; and

5 (C) in subsection (g)(1)(A) by striking
6 “coupon” and inserting “benefit”.

7 (c) REFERENCES IN OTHER LAWS, DOCUMENTS,
8 AND RECORDS OF THE UNITED STATES.—In any law (ex-
9 cluding the Food Stamp Act of 1977), regulation, rule,
10 document, or record of the United States, a reference to
11 “coupon”, “authorization card”, or “other access device”
12 as used in the Food Stamp Act of 1977 as in effect before
13 the date of the enactment of this Act shall be deemed to
14 be a reference to “benefit” as defined in such Act as in
15 effect after the date of the enactment of this Act.

16 **SEC. 4012. ALLOW FOR THE ACCRUAL OF BENEFITS.**

17 Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C.
18 2016(i)) is amended by adding at the end the following:

19 “(12) RECOVERING ELECTRONIC BENEFITS.—

20 “(A) A State agency may recover benefits
21 from a household’s electronic benefits account
22 because of inactivity in the account after the
23 household has not accessed the account the
24 lesser of—

1 “(i) 3 months during which the ac-
2 count has continuously had a balance in
3 excess of \$1,000, adjusted for changes in
4 the thrifty food plan since June 2007; or
5 “(ii) 12 months.

6 “(B) A household whose benefits are recov-
7 ered under subparagraph (A) shall receive no-
8 tice and shall have the benefits made available
9 again upon a request made during a period of
10 not less than 12 months after the recovery.”.

11 **SEC. 4013. INCREASING THE MINIMUM BENEFIT.**

12 Section 8(a) of the Food Stamp Act of 1977 (7
13 U.S.C. 2017(a)) is amended by striking “\$10 per month”
14 and inserting “10 percent of the thrifty food plan for a
15 household containing 1 member, as determined by the Sec-
16 retary under section 3(o)”.

17 **SEC. 4014. STATE OPTION FOR TELEPHONIC SIGNATURE.**

18 Section 11(e)(2)(C) of the Food Stamp Act of 1977
19 (7 U.S.C. 2020(e)(2)(C)) is amended—

20 (1) by inserting “(i)” after “(C)”; and

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

22 “(ii) A State agency may establish a sys-
23 tem by which an applicant household may sign
24 an application through a recorded verbal assent
25 over the telephone. Any such system shall—

1 “(I) record for future reference the
2 household member’s verbal assent and the
3 information to which assent was given;

4 “(II) include effective safeguards
5 against impersonation, identity theft, or in-
6 vasions of privacy;

7 “(III) not deny or interfere with the
8 right of the household to apply in writing;

9 “(IV) promptly send the household
10 member a written copy of the application,
11 with instructions on a simple procedure for
12 correcting any errors or omissions;

13 “(V) comply with paragraph (1)(B);

14 “(VI) satisfy all requirements for a
15 signature on an application under this Act
16 and other laws applicable to the Secure
17 Supplemental Nutrition Assistance Pro-
18 gram, with the date on which the house-
19 hold member provides verbal assent effec-
20 tive as the date of application for all pur-
21 poses; and

22 “(VII) comply with such other stand-
23 ards as the Secretary may establish.”.

1 **SEC. 4015. REVIEW OF MAJOR CHANGES IN PROGRAM DE-**
2 **SIGN.**

3 (a) PROHIBITION.—Section 11(e)(6) of the Food
4 Stamp Act of 1977 (7 U.S.C. 2020(e)(6)) is amended—

5 (1) in subparagraph (A) by striking “and” at
6 the end;

7 (2) by striking subparagraph (B) and inserting
8 the following:

9 “(B) except as provided in section 5(h)(4),
10 only State employees employed in accordance
11 with the current standards for a Merit System
12 of Personnel Administration, or any standards
13 later prescribed by the Office of Personnel
14 Management pursuant to section 208 of the
15 Intergovernmental Personnel Act of 1970 (42
16 U.S.C. 4728) modifying or superseding such
17 standards relating to the establishment and
18 maintenance of personnel standards on a merit
19 basis, shall undertake such certifications and
20 shall—

21 “(i) represent the State agency in any
22 official communications with a prospective
23 applicant, applicant, or recipient household
24 regarding their application or participa-
25 tion, except that a nonprofit organization
26 may assist a household under paragraph

1 (1) through activities allowable under sec-
2 tion 16(a)(4);

3 “(ii) participate in making any deter-
4 minations relating to a household’s sub-
5 stantive or procedural compliance with the
6 requirements of this Act or implementing
7 regulations, including the adequacy of the
8 household’s application or of verification or
9 other information the household has sub-
10 mitted in support of that application; or

11 “(iii) participate in making any other
12 determinations required under this sub-
13 section;

14 except that nothing in this subparagraph shall
15 prevent a State agency from contracting for
16 automated systems, issuance services or pro-
17 gram information activities reimbursed under
18 paragraph (2), (3), (4), or (6) of section 16(a)
19 or under section 16(g) or for assisting in the
20 verification of an applicant’s identity; and

21 “(C) the State agency shall not use any
22 Federal funds—

23 “(i) to implement, to perform, or to
24 carry out any contract that does not com-

1 ply with the requirements in effect under
2 subparagraph (B); or

3 “(ii) to pay any cost associated with
4 the termination, breach, or full or partial
5 abrogation, of any contract that does not
6 comply with the requirements in effect
7 under such subparagraph;”.

8 (b) WAIVERS.—Section 17(b)(1)(B)(iv)(III)(ff) of the
9 Food Stamp Act of 1977 (7 U.S.C.
10 2026(b)(1)(B)(iv)(III)(ff)) is amended by inserting “or
11 11(e)(6)(B)” before the semicolon at the end.

12 (c) PROJECTS.—Section 26(f)(3)(E) of the Food
13 Stamp Act of 1977 (7 U.S.C. 2035(f)(3)(E)) is amended
14 by inserting “(6)(B),” after “paragraphs”.

15 (d) DISASTERS.—Section 5(h) of the Food Stamp
16 Act of 1977 (7 U.S.C. 2014(h)) is amended by inserting
17 at the end:

18 “(4) The Secretary may authorize a state agen-
19 cy, on a temporary basis, to use employees or indi-
20 viduals that do not meet the standards prescribed
21 under section 11(e)(6)(B) in order to determine eli-
22 gibility for a disaster food stamp program under this
23 subsection.”.

24 (e) DISALLOWANCE OF FUNDS.—No funds shall be
25 available under any appropriations act for implementing

1 or continuing any contract that does not comply with sec-
2 tion 11(e)(6)(B) of the Food Stamp Act of 1977 (7 U.S.C.
3 2020(e)(6)(B)) as amended by subsection (a) nor for any
4 costs associated with the termination or full or partial ab-
5 rogation of such contract.

6 (f) **TRANSITION PERIOD.**—Subsection (e) shall not
7 apply to the costs of implementing, continuing, or renego-
8 tiating any contract concluded before January 1, 2007,
9 (but shall apply to any costs associated with the termi-
10 nation or full or partial abrogation of such contract) until
11 the first day of the first month beginning at least 120
12 days after the date of enactment of this Act.

13 **SEC. 4016. GRANTS FOR SIMPLE APPLICATION AND ELIGI-**
14 **BILITY DETERMINATION SYSTEMS AND IM-**
15 **PROVED ACCESS TO BENEFITS.**

16 Section 11(t)(1) of the Food Stamp Act of 1977 (7
17 U.S.C. 2020(t)(1)) is amended by striking “2007” and in-
18 serting “2012”.

19 **SEC. 4017. CIVIL MONEY PENALTIES AND DISQUALIFICA-**
20 **TION OF RETAIL FOOD STORES AND WHOLE-**
21 **SALE FOOD CONCERNS.**

22 Section 12 of the Food Stamp Act of 1977 (7 U.S.C.
23 2021) is amended—

1 (1) by striking the section heading and all that
2 follows through “(a) Any approved”, and inserting
3 the following:

4 **“SEC. 12. CIVIL MONEY PENALTIES AND DISQUALIFICATION**
5 **OF RETAIL FOOD STORES AND WHOLESALE**
6 **FOOD CONCERNS.**

7 “(a) DISQUALIFICATION.—

8 “(1) IN GENERAL.—An approved”;

9 (2) in subsection (a)—

10 (A) in the 1st sentence by striking
11 “\$10,000 for each violation” and all that fol-
12 lows through the period at the end, and insert-
13 ing “\$100,000 for each violation.”; and

14 (B) in the 2d sentence—

15 (i) by striking “Regulations” and in-
16 sserting the following:

17 “(2) REGULATIONS.—Regulations”;

18 (ii) by striking “finding of a violation
19 and the” and inserting “finding of a viola-
20 tion,”;

21 (iii) by inserting a comma after “dis-
22 qualification of”; and

23 (iv) by striking “a retail store” and
24 inserting “and the assessment of a civil
25 money penalty against, a retail store”;

1 (3) in subsection (b)—

2 (A) by striking “(b) Disqualification” and
3 all that follows through “shall be—”, and in-
4 serting the following:

5 “(b) PERIOD OF DISQUALIFICATION.—Subject to
6 subsection (c), a disqualification shall be—”;

7 (B) in paragraph (1) by striking “of no
8 less than six months nor more than five years”
9 and inserting “not to exceed 5 years”;

10 (C) in paragraph (2) by striking “of no
11 less than twelve months nor more than ten
12 years” and inserting “not to exceed 10 years”;

13 (D) in paragraph (3)—

14 (i) in subparagraph (B)—

15 (I) by striking “coupons or traf-
16 ficking in coupons or authorization
17 cards” each place it appears, and in-
18 serting “program access devices or
19 benefit instruments or trafficking in
20 program access devices or benefit in-
21 struments”; and

22 (II) by inserting “or a finding of
23 the unauthorized redemption, use,
24 transfer, acquisition, alteration, or
25 possession of benefits or access de-

1 vices” after “concern” the 1st place it
2 appears;

3 (4) in paragraph (3)(C) by striking “and” at
4 the end;

5 (5) in subsection (c)—

6 (A) by striking “(c) The action” and in-
7 serting the following:

8 “(c) TREATMENT OF DISQUALIFICATION AND PEN-
9 ALTY DETERMINATIONS.—The action”; and

10 (B) by striking “coupons” and inserting
11 “benefits”;

12 (6) in subsection (d) by striking “coupons” in
13 each place it appears and inserting “benefits”;

14 (7) in subsection (f) by striking “food coupons”
15 and inserting “benefits”;

16 (8) by redesignating subsections (c) through (g)
17 as subsections (d) through (h), respectively;

18 (9) inserting after subsection (b) the following:

19 “(c) In addition to a disqualification under subsection
20 (b), the Secretary may assess a civil monetary penalty of
21 up to \$100,000;”; and

22 (10) by adding at the end:

23 “(i) The Secretary shall, in consultation with the In-
24 spector General of the Department of Agriculture, provide
25 for procedures by which the processing of benefit redemp-

1 tions for certain retail food stores and wholesale food con-
2 cerns may be immediately suspended pending administra-
3 tive action to disqualify such a store or concern. Under
4 the procedures prescribed pursuant to this subsection, if
5 the Secretary, in consultation with the Inspector General,
6 determines that a retail food store or wholesale food con-
7 cern is engaged in flagrant violations of this Act or the
8 regulations issued pursuant to this Act, unsettled benefits
9 that have been redeemed by the retail food store or whole-
10 sale food concern may be suspended and, if the suspension
11 is upheld, subject to forfeiture pursuant to section 12(g).
12 If the disqualification action is not upheld, suspended
13 funds held by the Secretary shall be released to such store
14 or such concern. The Secretary shall not be liable for the
15 value of any interest on funds suspended under this sub-
16 section.”.

17 **SEC. 4018. MAJOR SYSTEMS FAILURES.**

18 Section 13(b) of the Food Stamp Act of 1977 (7
19 U.S.C. 2022(b)) is amended by adding at the end the fol-
20 lowing:

21 “(5) OVER ISSUANCES CAUSED BY SYSTEMIC
22 STATE ERRORS.—

23 “(A) IN GENERAL.—If the Secretary deter-
24 mines that a State agency over issued benefits
25 to a substantial number of households in a fis-

1 cal year as a result of a major systemic error
2 by the State agency, as determined by the Sec-
3 retary, the Secretary may prohibit the State
4 agency from collecting these over issuances
5 from some or all households.

6 “(B) PROCEDURES.—

7 “(i) INFORMATION REPORTING BY
8 STATES.—Every State agency shall provide
9 to the Secretary all information requested
10 by the Secretary concerning the issuance of
11 benefits to households by the State agency
12 in the applicable fiscal year.

13 “(ii) FINAL DETERMINATION.—After
14 reviewing relevant information provided by
15 a State agency, the Secretary shall make a
16 final determination—

17 “(I) whether the State agency
18 over issued benefits to a substantial
19 number of households as a result of a
20 systemic error in the applicable fiscal
21 year; and

22 “(II) as to the amount of the
23 over issuance in the applicable fiscal
24 year for which the State agency is lia-
25 ble.

1 “(iii) ESTABLISHING A CLAIM.—Upon
2 determining under clause (ii) that a State
3 agency has over issued benefits to house-
4 holds due to a major systemic error deter-
5 mined under subparagraph (A), the Sec-
6 retary shall establish a claim against the
7 State agency equal to the value of the over
8 issuance caused by the systemic error.

9 “(iv) ADMINISTRATIVE AND JUDICIAL
10 REVIEW.—Administrative and judicial re-
11 view, as provided in section 14, shall apply
12 to the final determinations by the Sec-
13 retary under clause (ii).

14 “(v) REMISSION TO THE SEC-
15 RETARY.—

16 “(I) DETERMINATION NOT AP-
17 PEALED.—If the determination of the
18 Secretary under clause (ii) is not ap-
19 pealed, the State agency shall, as soon
20 as practicable, remit to the Secretary
21 the dollar amount specified in the
22 claim under clause (iii).

23 “(II) DETERMINATION AP-
24 PEALED.—If the determination of the
25 Secretary under clause (ii) is ap-

1 pealed, upon completion of adminis-
2 trative and judicial review under
3 clause (iv), and a finding of liability
4 on the part of the State, the appealing
5 State agency shall, as soon as prac-
6 ticable, remit to the Secretary a dollar
7 amount subject to the finding of the
8 administrative and judicial review.

9 “(vi) ALTERNATIVE METHOD OF COL-
10 LECTION.—

11 “(I) IN GENERAL.—If a State
12 agency fails to make a payment under
13 clause (v) within a reasonable period
14 of time, as determined by the Sec-
15 retary, the Secretary may reduce any
16 amount due to the State agency under
17 any other provision of this Act by the
18 amount due.

19 “(II) ACCRUAL OF INTEREST.—
20 During the period of time determined
21 by the Secretary to be reasonable
22 under subclause (I), interest in the
23 amount owed shall not accrue.

24 “(vii) LIMITATION.—Any liability
25 amount established under section

1 16(c)(1)(C) shall be reduced by the
2 amount of the claim established under this
3 subparagraph.”.

4 **SEC. 4019. FUNDING OF EMPLOYMENT AND TRAINING PRO-**
5 **GRAMS.**

6 Section 16(h)(1) of the Food Stamp Act of 1977 (7
7 U.S.C. 2025(h)(1)) is amended—

8 (1) in subparagraph (A)(vii) by striking “fiscal
9 years 2002 through 2007” and inserting “fiscal
10 years 2008 through 2012”; and

11 (2) in subparagraph (E)(i) by striking “fiscal
12 years 2002 through 2007” and inserting “fiscal
13 years 2008 through 2012”.

14 **SEC. 4020. REDUCTIONS IN PAYMENTS FOR ADMINISTRA-**
15 **TIVE COSTS.**

16 Section 16(k)(3) of the Food Stamp Act of 1977 (7
17 U.S.C. 2025(k)(3)) is amended—

18 (1) in subparagraph (A) by striking “2007”
19 and inserting “2012”; and

20 (2) in subparagraph (B)(ii) by striking “2007”
21 and inserting “2012”.

22 **SEC. 4021. CASH PAYMENT PILOT PROJECTS.**

23 Section 17(b)(1)(B)(vi) of the Food Stamp Act of
24 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking
25 “2007” and inserting “2012”.

1 **SEC. 4022. FINDINGS OF CONGRESS REGARDING SECURE**
2 **SUPPLEMENTAL NUTRITION ASSISTANCE**
3 **PROGRAM NUTRITION EDUCATION.**

4 (a) FINDINGS.—The Congress finds the following:

5 (1) Nutrition education under the Food Stamp
6 Act of 1977 plays an essential role in improving the
7 dietary and physical activity practices of low-income
8 Americans, helping to reduce food insecurity, pre-
9 vent obesity, and reduce the risks of chronic disease.

10 (2) Expert bodies, such as the Institute of Med-
11 icine, indicate that dietary and physical activity be-
12 havior change is more likely to result from the com-
13 bined application of public health approaches and
14 education than from individual education alone.

15 (3) State programs are currently implementing
16 such nutrition education using effective strategies,
17 including direct education, group activities, and so-
18 cial marketing.

19 (b) SUPPORT NUTRITION EDUCATION.—The Sec-
20 retary of Agriculture should support and encourage the
21 most effective interventions for nutrition education under
22 the Food Stamp Act of 1977, including public health ap-
23 proaches as well as traditional education, to increase the
24 likelihood that recipients of Secure Supplemental Nutri-
25 tion Assistance benefits and those who are potentially eli-
26 gible for such benefits will choose diets and physical activ-

1 ity practices consistent with the Dietary Guidelines for
2 Americans. To promote the most effective implementation
3 of publicly funded programs, State nutrition education ac-
4 tivities under the Food Stamp Act of 1977 should be co-
5 ordinated with other federally funded food assistance and
6 public health programs and should leverage public/private
7 partnerships to maximize resources and impact.

8 **SEC. 4023. NUTRITION EDUCATION AND PROMOTION INI-**
9 **TIATIVE TO ADDRESS OBESITY.**

10 Section 17 of the Food Stamp Act of 1977 (7 U.S.C.
11 2026) is amended by adding at the end the following:

12 “(k) NUTRITION EDUCATION AND PROMOTION INI-
13 TIATIVE TO ADDRESS OBESITY.—

14 “(1) IN GENERAL.—The Secretary shall estab-
15 lish a demonstration program, to be known as the
16 ‘Initiative to Address Obesity Among Low-Income
17 Americans’ (referred to in this subsection as the
18 ‘Initiative’), to develop and implement solutions to
19 reduce obesity in the United States.

20 “(A) SELECTION.—The Secretary shall so-
21 licit and competitively select demonstration pro-
22 posals for strategies to address obesity among
23 low-income Americans.

24 “(B) EVALUATION.—The effectiveness of
25 these strategies shall be rigorously evaluated to

1 assess the impact on overweight and obesity
2 among low-income persons and particularly chil-
3 dren, as well as the feasibility of replicating
4 these programs in other locations.

5 “(C) DISSEMINATION.—Evaluation results
6 shall be shared broadly to inform policy makers,
7 service providers, other partners, and the public
8 in order to promote wide use of successful
9 strategies.

10 “(2) GRANTS.—

11 “(A) IN GENERAL.—In carrying out the
12 Initiative, the Secretary may enter into com-
13 petitively awarded contracts or cooperative
14 agreements with, or grants to, public or private
15 organizations or agencies as defined by the Sec-
16 retary, for use in accordance with projects that
17 meet the strategy goals of the Initiative.

18 “(B) APPLICATION.—To be eligible to re-
19 ceive a contract, cooperative agreement, or
20 grant under this paragraph, an organization
21 shall submit to the Secretary an application at
22 such time, in such manner, and containing such
23 information as the Secretary may require.

1 “(C) SELECTION CRITERIA.—Demonstra-
2 tion proposals shall be evaluated against pub-
3 licly disseminated criteria that include—

4 “(i) identification of a low-income tar-
5 get audience that corresponds to individ-
6 uals living in households with incomes at
7 or below 185 percent of the poverty level;

8 “(ii) incorporation of a scientifically-
9 based strategy that is designed to improve
10 diet quality through more healthful food
11 purchases, preparation, or consumption;

12 “(iii) a commitment to a demonstra-
13 tion plan that allows for a rigorous out-
14 come evaluation, including data collection;

15 “(iv) strategies to improve the nutri-
16 tional value of food served during school
17 hours and during after-school hours;

18 “(v) innovative ways to provide sig-
19 nificant improvement to the health and
20 wellness of children;

21 “(vi) other criteria, as determined by
22 the Secretary.

23 “(D) USE OF FUNDS.—

1 “(i) PROHIBITION.—Funds shall not
2 be used for projects that limit the use of
3 benefits.

4 “(ii) MONITORING AND EVALUA-
5 TION.—The Secretary may use funds pro-
6 vided for the Initiative to pay costs associ-
7 ated with monitoring, evaluation, and dis-
8 semination of the Initiative’s findings.

9 “(3) AUTHORIZATION OF APPROPRIATIONS.—
10 There is authorized to be appropriated to carry out
11 this subsection \$10,000,000 for each of the fiscal
12 years 2008 through 2012, except that no new grants
13 may be made under this subsection after September
14 30, 2012.”.

15 **SEC. 4024. AUTHORIZATION OF APPROPRIATIONS.**

16 Section 18(a)(1) of the Food Stamp Act of 1977 (7
17 U.S.C. 2027(a)(1)) is amended by striking “2003 through
18 2007” and inserting “2008 through 2012”.

19 **SEC. 4025. CONSOLIDATED BLOCK GRANTS FOR PUERTO**
20 **RICO AND AMERICAN SAMOA.**

21 Section 19(a)(2)(A)(ii) of the Food Stamp Act of
22 1977 (7 U.S.C. 2028(a)(2)(A)(ii)) is amended in subpara-
23 graph (A)(ii) by striking “2007” and inserting “2012”.

1 **SEC. 4026. STUDY ON COMPARABLE ACCESS TO SECURE**
2 **SUPPLEMENTAL NUTRITION ASSISTANCE**
3 **PROGRAM BENEFITS FOR PUERTO RICO.**

4 Section 19 of the Food Stamp Act of 1977 (7 U.S.C.
5 2028) is amended by adding at the end the following:

6 “(e) **STUDY.**—The Secretary shall conduct a study of
7 the feasibility and effects of including the Commonwealth
8 of Puerto Rico under section 3(m), in lieu of providing
9 the block grant under this section. The study shall in-
10 clude—

11 “(1) an assessment of the administrative, finan-
12 cial management, and other changes that would be
13 required by the Commonwealth to establish a com-
14 parable Secure Supplemental Nutrition Assistance
15 Program;

16 “(2) a discussion of the appropriate program
17 rules under the other sections of the Act, such as
18 benefit levels under section 3(o), income eligibility
19 standards under sections 5 and 6, and deduction lev-
20 els under section 5(e), for the Commonwealth to es-
21 tablish a comparable Secure Supplemental Nutrition
22 Assistance Program;

23 “(3) an estimate of the impact on Federal and
24 Commonwealth benefit and administrative costs;

25 “(4) an estimate of the impact of the Secure
26 Supplemental Nutrition Assistance Program on hun-

1 ger and food insecurity among low-income Puerto
2 Ricans, and

3 “(5) such other findings as the Secretary deems
4 appropriate.”.

5 **SEC. 4027. REAUTHORIZATION OF COMMUNITY FOOD**
6 **PROJECT COMPETITIVE GRANTS.**

7 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
8 25 of the Food Stamp Act of 1977 (U.S.C. 2034) is
9 amended—

10 (1) in subsections (c), (d), (e)(1), and (f)(1) by
11 striking “subsection (b)” each place it appears and
12 inserting “subsection (g)”;

13 (2) by striking subsection (b);

14 (3) by redesignating subsections (c) through (g)
15 as subsections (b) through (f), respectively; and

16 (4) by inserting after subsection (f) the fol-
17 lowing:

18 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
19 is authorized to be appropriated to the Secretary to make
20 grants available to assist eligible private nonprofit entities
21 to establish and carry out community food projects
22 \$30,000,000 for each of the fiscal years 2008 through
23 2012.”.

24 (b) PREFERENCES FOR CERTAIN PROJECTS.—Sub-
25 section (c) of section 25 of the Food Stamp Act of 1977

1 (7 U.S.C. 2034), as so redesignated by subsection (a) of
2 this section, is amended—

3 (1) in paragraph (3) by striking “or” at the
4 end;

5 (2) in paragraph (4) by striking the period at
6 the end and inserting “; or”; and

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

8 “(5) serve special needs in areas of—

9 “(A) transportation and processing for ex-
10 panding institutional and emergency food serv-
11 ice demand for local food;

12 “(B) retail access to healthy foods in un-
13 derserved markets;

14 “(C) integration of urban and metro-area
15 food production in food projects; and

16 “(D) technical assistance for youth, so-
17 cially disadvantaged individuals, and limited re-
18 source groups.”.

19 (c) MATCHING FUND REQUIREMENTS.—Subsection
20 (d)(1) of section 25 of the Food Stamp Act of 1977 (7
21 U.S.C. 2034), as so redesignated by subsection (a) of this
22 section, is amended by striking “50” and inserting “75”.

23 (d) TERM OF GRANT.—Subsection (e)(2) of section
24 25 of the Food Stamp Act of 1977 (7 U.S.C. 2034(e)(2)),

1 as so redesignated by subsection (a) of this section, is
2 amended by striking “3” and inserting “5”.

3 (e) FUNDING FOR INNOVATIVE PROGRAMS.—Sub-
4 section (h)(4) of section 25 of the Food Stamp Act of
5 1977 (7 U.S.C. 2034), as so redesignated by subsection
6 (a) of this section, is amended—

7 (1) by striking “fiscal years 2003 though 2007”
8 and inserting “fiscal years 2008 through 2012”; and

9 (2) by striking “200,000” and inserting
10 “\$500,000”.

11 **SEC. 4028. EMERGENCY FOOD ASSISTANCE PROGRAM.**

12 Section 27(a) of the Food Stamp Act of 1977 (7
13 U.S.C. 2036(a)) is amended by—

14 (1) by striking “(a) PURCHASE OF COMMOD-
15 ITIES” and all that follows through 2007’ and in-
16 serting the following:

17 “(a) PURCHASE OF COMMODITIES.—

18 “(1) IN GENERAL.—As provided in paragraph
19 (2), for each of the fiscal years 2008 through 2012”;

20 (2) by striking “\$140,000,000 of”; and

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

22 “(2) AMOUNTS.—The following amounts are
23 made available to carry out this subsection:

24 “(A) for fiscal year 2008, \$250,000,000;

25 and

1 “(B) for each of the fiscal years 2009
2 through 2012, the dollar amount of commod-
3 ities specified in subparagraph (A) adjusted by
4 the percentage by which the thrifty food plan
5 has been adjusted under section 3(o)(4) be-
6 tween June 30, 2007 and June 30 of the imme-
7 diately preceding fiscal year.”.

8 **Subtitle B—Commodity** 9 **Distribution**

10 **SEC. 4201. AUTHORIZATION OF APPROPRIATIONS.**

11 Section 204(a)(1) of the Emergency Food Assistance
12 Act of 1983 (7 U.S.C. 7508(a)(1)) is amended by striking
13 “\$60,000,000 for each of the fiscal years 2003 through
14 2007” and inserting “ \$100,000,000 for each of the fiscal
15 years 2008 through 2012”.

16 **SEC. 4202. DISTRIBUTION OF SURPLUS COMMODITIES; SPE-** 17 **CIAL NUTRITION PROJECTS.**

18 Section 1114(a)(2)(A) of the Agriculture and Food
19 Act of 1981 (7 U.S.C. 1431e(a)(2)(A)) is amended by
20 striking “2007” and inserting “2012”.

21 **SEC. 4203. COMMODITY DISTRIBUTION PROGRAM.**

22 (a) COMMODITY DISTRIBUTION PROGRAM.—Section
23 4 of the Agriculture and Consumer Protection Act of 1973
24 (7 U.S.C. 612c note) is amended by striking “2007” and
25 inserting “2012”.

1 (b) COMMODITY SUPPLEMENTAL FOOD PROGRAM.—
2 Section 5 of the Agriculture and Consumer Protection Act
3 (7 U.S.C. 612c note) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (1) by striking “fiscal
6 years 2003 through 2007” and inserting “for
7 fiscal year 2008 and each fiscal year there-
8 after”; and

9 (B) in paragraph (2)(B)—

10 (i) in the heading by striking in
11 “2007” and inserting “2012”; and

12 (ii) by striking “2007” and inserting
13 “2012”;

14 (2) in subsection (d)(2) by inserting “, and for
15 each fiscal year thereafter,” after “2007”;

16 (3) by amending subsection (g) to read as fol-
17 lows:

18 “(g) USE OF RESOURCES.—Each local agency shall
19 use funds made available to the agency to provide assist-
20 ance under the program to low-income elderly individuals,
21 women, infants, and children in need for food assistance
22 in accordance with such regulations as the Secretary may
23 prescribe.”;

1 (4) in paragraphs (2) and (3) of subsection (h)
2 by inserting “elderly individuals,” before “preg-
3 nant”; and

4 (5) by adding at the end the following:

5 “(m) INCOME ELIGIBILITY STANDARDS.—The Sec-
6 retary shall establish maximum income eligibility stand-
7 ards to be used in conjunction with such other risk criteria
8 as may be appropriate in determining eligibility for the
9 program. Such income standards shall be the same for all
10 pregnant, postpartum, and breastfeeding women, for in-
11 fants, for children, and for elderly individuals qualifying
12 for the program, and shall not exceed the maximum in-
13 come limit prescribed under section 17(d)(2)(A)(i) of the
14 Child Nutrition Act of 1966 (42 U.S.C.
15 1786(d)(2)(A)(i)).”.

16 **Subtitle C—Child Nutrition and** 17 **Related Programs**

18 **SEC. 4301. PURCHASE OF FRESH FRUITS AND VEGETABLES** 19 **FOR DISTRIBUTION TO SCHOOLS AND SERV-** 20 **ICE INSTITUTIONS.**

21 Section 10603 of the Farm Security and Rural In-
22 vestment Act of 2002 (7 U.S.C. 612c-4) is amended by
23 striking subsection (b) and inserting the following new
24 subsection:

1 “(b) PURCHASE OF FRESH FRUITS AND VEGETA-
2 BLES FOR DISTRIBUTION TO SCHOOLS AND SERVICE IN-
3 STITUTIONS.—

4 “(1) PURCHASE AUTHORITY.—The Secretary of
5 Agriculture shall purchase fresh fruits and vegeta-
6 bles for distribution to schools and service institu-
7 tions in accordance with section 6(a) of the Richard
8 B. Russell National School Lunch Act (42 U.S.C.
9 1755(a)), using, of the amount specified in sub-
10 section (a)—

11 “(A) not less than \$50,000,000 for each of
12 fiscal years 2008 and 2009; and

13 “(B) not less than \$75,000,000 for each of
14 fiscal years 2010 through 2012.

15 “(2) SERVICING AGENCY.—The Secretary of
16 Agriculture may provide for the Secretary of De-
17 fense to serve as the servicing agency for the pro-
18 curement of the fresh fruits and vegetables under
19 this subsection on the same terms and conditions as
20 provided in the memorandum of agreement entered
21 into between the Agricultural Marketing Service, the
22 Food and Consumer Service, and the Defense Per-
23 sonnel Support Center during August 1995 (or any
24 successor memorandum of agreement).”.

1 **SEC. 4302. BUY AMERICAN REQUIREMENTS.**

2 (a) FINDINGS.—The Congress finds the following:

3 (1) Federal law requires that commodities and
4 products purchased with Federal funds be, to the ex-
5 tent practicable, of domestic origin.

6 (2) Federal Buy American statutory require-
7 ments seek to ensure that purchases made with Fed-
8 eral funds benefit domestic producers.

9 (3) The Richard B. Russell National School
10 Lunch Act requires the use of domestic food prod-
11 ucts for all meals served under the program, includ-
12 ing foods products purchased with local funds.

13 (b) BUY AMERICAN STATUTORY REQUIREMENTS.—
14 The Department of Agriculture should undertake training,
15 guidance, and enforcement of the various current Buy
16 American statutory requirements and regulations, includ-
17 ing those of the National School Lunch Act and the DOD
18 Fresh program.

19 **SEC. 4303. EXPANSION OF FRESH FRUIT AND VEGETABLE**
20 **PROGRAM.**

21 Section 18 of the Richard B. Russell National School
22 Lunch Act (42 U.S.C. 1769) is amended in subsection

23 (g)—

24 (1) in paragraph (1)—

1 (A) in the matter preceding subparagraph
2 (A), by striking “July 2004” and inserting
3 “July 2007”; and

4 (B) in paragraph (1) by amending sub-
5 paragraphs (A) and (B) to read as follows:

6 “(A) 35 elementary or secondary schools in
7 each State;

8 “(B) additional elementary or secondary
9 schools in each State in proportion to the stu-
10 dent population of the State; and”;

11 (2) in paragraph (3)(A)—

12 (A) in the matter preceding clause (i) by
13 striking “paragraph (1)(B)” and inserting
14 “paragraph (1)”;

15 (B) in clause (iii) by striking “and” at the
16 end;

17 (C) in clause (iv) by striking the period at
18 the end and inserting “; and”; and

19 (D) by adding at the end the following:

20 “(v) encourage plans for implementa-
21 tion that include locally grown foods, where
22 geographically available, in accordance
23 with section 9(j).”.

1 (3) in paragraph (5) in each of subparagraphs
2 (A) and (B), by striking “2008” and inserting
3 “2012”; and

4 (4) in paragraph (6)(B)—

5 (A) in clause (i)—

6 (i) by striking “October 1, 2004, and
7 on each October 1 thereafter,” and insert-
8 ing “October 1, 2007, and on each October
9 1 thereafter,”; and

10 (ii) by striking “\$9,000,000” and in-
11 serting “\$70,000,000”; and

12 (B) by adding at the end the following:

13 “(iii) ADMINISTRATIVE EXPENSES.—
14 For fiscal year 2009 and each fiscal year
15 thereafter, of the amount available to carry
16 out this subsection, the Secretary may re-
17 serve not more than 1 percent of that
18 amount for administrative expenses in car-
19 rying out this subsection.

20 “(iv) STATE ADMINISTRATIVE
21 COSTS.—For fiscal year 2009 and each fis-
22 cal year thereafter, of the amount received
23 by a State to carry out this subsection, the
24 State may use not more than 5 percent of
25 that amount for administrative expenses in

1 carrying out this subsection. To be eligible
2 to use such funds for such expenses, the
3 State must submit to the Secretary a plan
4 indicating how the State intends to use
5 such funds.

6 “(v) FEDERAL REQUIREMENTS.—The
7 Secretary shall establish requirements to
8 be followed by States in administering this
9 subsection. The initial set of requirements
10 shall be established not later than 1 year
11 after the date of the enactment of this
12 clause.”.

13 **SEC. 4304. PURCHASES OF LOCALLY PRODUCED FOODS.**

14 Section 9(j) of the Richard B. Russell National
15 School Lunch Act (42 U.S.C. 1758(j)) is amended to read
16 as follows:

17 “(j) PURCHASES OF LOCALLY PRODUCED FOODS.—
18 The Secretary shall—

19 “(1) encourage institutions receiving funds
20 under this Act and the Child Nutrition Act of 1966
21 (42 U.S.C. 1771 et seq.) to purchase locally pro-
22 duced foods, to the maximum extent practicable and
23 appropriate;

24 “(2) advise institutions participating in a pro-
25 gram described in paragraph (1) of the policy de-

1 scribed in that paragraph and post information con-
2 cerning the policy on the website maintained by the
3 Secretary; and

4 “(3) allow institutions receiving funds under
5 this Act and the Child Nutrition Act of 1966 (42
6 U.S.C. 1771 et seq.), including the Department of
7 Defense Fresh Fruit and Vegetable Program, to use
8 a geographic preference for the procurement of lo-
9 cally produced foods.”.

10 **Subtitle D—Miscellaneous**

11 **SEC. 4401. SENIORS FARMERS’ MARKET NUTRITION PRO-** 12 **GRAM.**

13 Section 4402 of the Farm Security and Rural Invest-
14 ment Act of 2002 (7 U.S.C. 3007) is amended—

15 (1) by amending subsection (a) to read as fol-
16 lows:

17 “(a) AUTHORIZATION.—

18 “(1) The Secretary of Agriculture shall use
19 \$15,000,000 for each of fiscal years 2008 through
20 2012 of the funds available to the Commodity Credit
21 Corporation to carry out and expand the seniors
22 farmers’ market nutrition program.

23 “(2) There are authorized to be appropriated
24 \$20,000,000 for fiscal year 2008, \$30,000,000 for
25 fiscal year 2009, \$45,000,000 for fiscal year 2010,

1 \$60,000,000 for fiscal year 2011, and \$75,000,000
2 for fiscal year 2012 to carry out and expand the
3 seniors farmers' market nutrition program.”;

4 (2) in subsection (b)(1) by inserting “honey,”
5 after “vegetables,”;

6 (3) by amending subsection (c) to read as fol-
7 lows:

8 “(c) EXCLUSION OF BENEFITS IN DETERMINING
9 ELIGIBILITY FOR OTHER PROGRAMS.—The value of any
10 benefit provided to any eligible seniors farmers' market
11 nutrition program recipient under this section shall not
12 be considered to be income or resources for any purposes
13 under any Federal, State, or local law.”; and

14 (4) by adding at the end the following:

15 “(d) PROHIBITION ON COLLECTION OF SALES
16 TAX.—The State shall ensure that no State or local taxes
17 are collected within the State on purchases of food with
18 coupons distributed under the seniors farmers' market nu-
19 trition program.

20 “(e) REGULATIONS.—The Secretary may issue such
21 regulations as the Secretary considers necessary to carry
22 out the seniors farmers' market nutrition program.”.

1 **SEC. 4402. CONGRESSIONAL HUNGER CENTER.**

2 Section 4404 of the Farm Security and Rural Invest-
3 ment Act of 2002 (7 U.S.C. 1621 note) is amended to
4 read as follows:

5 **“SEC. 4404. BILL EMERSON NATIONAL HUNGER FELLOWS**
6 **AND MICKEY LELAND INTERNATIONAL HUN-**
7 **GER FELLOWS.**

8 “(a) **SHORT TITLE.**—This section may be cited as the
9 ‘Bill Emerson National Hunger Fellows and Mickey Le-
10 land International Hunger Fellows Program Act of 2007’.

11 “(b) **FINDINGS.**—The Congress finds as follows:

12 “(1) There is a critical need for compassionate
13 individuals who are committed to assisting people
14 who suffer from hunger to initiate and administer
15 solutions to the hunger problem.

16 “(2) Bill Emerson, the distinguished late Rep-
17 resentative from the 8th District of Missouri, dem-
18 onstrated his commitment to solving the problem of
19 hunger in a bipartisan manner, his commitment to
20 public service, and his great affection for the institu-
21 tion and ideals of the Congress of the United States.

22 “(3) George T. (Mickey) Leland, the distin-
23 guished late Representative from the 18th District
24 of Texas, demonstrated his compassion for those in
25 need, his high regard for public service, and his live-
26 ly exercise of political talents.

1 “(4) The special concern that Mr. Emerson and
2 Mr. Leland demonstrated during their lives for the
3 hungry and poor was an inspiration for others to
4 work toward the goals of equality and justice for all.

5 “(5) These two outstanding leaders maintained
6 a special bond of friendship regardless of political af-
7 filiation and worked together to encourage future
8 leaders to recognize and provide service to others,
9 and therefore it is especially appropriate to honor
10 the memory of Mr. Emerson and Mr. Leland by cre-
11 ating a fellowship program to develop and train the
12 future leaders of the United States to pursue careers
13 in humanitarian service.

14 “(c) DEFINITIONS.—In this section:

15 “(1) ADMINISTRATOR.—The term ‘Adminis-
16 trator’ means—

17 “(A) if the Secretary of Agriculture enters
18 into a contract described in subsection (d)(3),
19 the head of the Congressional Hunger Center;
20 or

21 “(B) if the Secretary does not enter into
22 such a contract, the Secretary.

23 “(2) FELLOW.—The term ‘fellow’ means—

24 “(A) a Bill Emerson Hunger Fellow; or

25 “(B) a Mickey Leland Hunger Fellow

1 “(3) FELLOWSHIP PROGRAMS.—The term ‘Fel-
2 lowship Programs’ means the Bill Emerson National
3 Hunger Fellowship Program and the Mickey Leland
4 International Hunger Fellowship Program estab-
5 lished by subsection (d).

6 “(d) FELLOWSHIP PROGRAM.—There is established
7 in the Department of Agriculture the Bill Emerson Na-
8 tional Hunger Fellowship Program and the Mickey Leland
9 International Hunger Fellowship Program.

10 “(1) PURPOSES.—The purposes of the Fellow-
11 ship Programs are—

12 “(A) to encourage future leaders of the
13 United States to pursue careers in humani-
14 tarian and public service, to recognize the needs
15 of low-income people and hungry people, and to
16 provide assistance to people in need; and

17 “(B) to seek public policy solutions to the
18 challenges of hunger and poverty, to provide
19 training and development opportunities for such
20 leaders through placement in programs oper-
21 ated by appropriate organizations or entities.

22 “(2) FOCUS OF PROGRAMS.—

23 “(A) FOCUS OF BILL EMERSON HUNGER
24 FELLOWSHIP PROGRAM.—The Bill Emerson

1 Hunger Fellowship Program shall address hun-
2 ger and poverty in the United States.

3 “(B) FOCUS OF MICKEY LELAND HUNGER
4 FELLOWSHIP PROGRAM.—The Mickey Leland
5 Hunger Fellowship Program shall address
6 international hunger and other humanitarian
7 needs.

8 “(3) ADMINISTRATION.—

9 “(A) IN GENERAL.—Subject to subpara-
10 graph (B), the Secretary shall offer to enter
11 into a contract with the Congressional Hunger
12 Center to administer the Fellowship Programs.

13 “(B) REQUIREMENT.—As a condition of a
14 contract described in subparagraph (A), the
15 Congressional Hunger Center shall agree to
16 submit to Congress each year the results of an
17 independent financial audit that demonstrates
18 that the Congressional Hunger Center uses ac-
19 counting procedures that conform to generally
20 accepted accounting principles and auditing
21 procedures that conform to chapter 75 of title
22 31, United States Code (commonly known as
23 the ‘Single Audit Act of 1984’).

24 “(e) FELLOWSHIPS.—

1 “(1) IN GENERAL.—The Administrator shall
2 make available Bill Emerson Hunger Fellowships
3 and Mickey Leland Hunger Fellowships in accord-
4 ance with this subsection.

5 “(2) CURRICULUM.—

6 “(A) IN GENERAL.—The fellowship pro-
7 grams shall provide experience and training to
8 develop the skills necessary to train fellows to
9 carry out the purposes described in subsection
10 (d)(1), including—

11 “(i) training in direct service pro-
12 grams for the hungry and other anti-hun-
13 ger programs in conjunction with commu-
14 nity-based organizations through a pro-
15 gram of field placement; and

16 “(ii) providing experience in policy de-
17 velopment through placement in a govern-
18 mental entity or nongovernmental, non-
19 profit, or private sector organization.

20 “(B) WORK PLAN.—To carry out subpara-
21 graph (A) and assist in the evaluation of the
22 fellowships under paragraph (6), the Adminis-
23 trator shall, for each fellow, approve a work
24 plan that identifies the target objectives for the

1 fellow in the fellowship, including specific duties
2 and responsibilities relating to those objectives.

3 “(3) PERIOD OF FELLOWSHIP.—

4 “(A) EMERSON FELLOW.—A Bill Emerson
5 Hunger Fellowship awarded under this sub-
6 section shall be for not more than 15 months.

7 “(B) LELAND FELLOW.—A Mickey Leland
8 Hunger Fellowship awarded under this sub-
9 section shall be for not more than 2 years.

10 “(4) SELECTION OF FELLOWS.—

11 “(A) IN GENERAL.—Fellowships shall be
12 awarded pursuant to a nationwide competition
13 established by the Administrator.

14 “(B) QUALIFICATIONS.—A successful pro-
15 gram applicant shall be an individual who has
16 demonstrated—

17 “(i) an intent to pursue a career in
18 humanitarian service and outstanding po-
19 tential for such a career;

20 “(ii) leadership potential or actual
21 leadership experience;

22 “(iii) diverse life experience;

23 “(iv) proficient writing and speaking
24 skills;

1 “(v) an ability to live in poor or di-
2 verse communities; and

3 “(vi) such other attributes as are con-
4 sidered to be appropriate by the Adminis-
5 trator.

6 “(5) AMOUNT OF AWARD.—

7 “(A) IN GENERAL.—A fellow shall receive
8 a living allowance during the term of the Fel-
9 lowship and, subject to subparagraph (B), an
10 end-of-service award.

11 “(B) REQUIREMENT FOR SUCCESSFUL
12 COMPLETION OF FELLOWSHIP.—Each fellow
13 shall be entitled to receive an end-of-service
14 award at an appropriate rate for each month of
15 satisfactory service completed, as determined by
16 the Administrator.

17 “(C) TERMS OF FELLOWSHIP.—A fellow
18 shall not be considered an employee of—

19 “(i) the Department of Agriculture;

20 “(ii) the Congressional Hunger Cen-
21 ter; or

22 “(iii) a host agency in the field or pol-
23 icy placement of the fellow.

24 “(D) RECOGNITION OF FELLOWSHIP
25 AWARD.—

1 “(i) EMERSON FELLOW.—An indi-
2 vidual awarded a fellowship from the Bill
3 Emerson Hunger Fellowship shall be
4 known as an ‘Emerson Fellow’.

5 “(ii) LELAND FELLOW.—An indi-
6 vidual awarded a fellowship from the Mick-
7 ey Leland Hunger Fellowship shall be
8 known as a ‘Leland Fellow’.

9 “(6) EVALUATION.—The Administrator shall
10 conduct periodic evaluations of the Fellowship Pro-
11 grams.

12 “(f) AUTHORITY.—

13 “(1) IN GENERAL.—Subject to paragraph (2),
14 in carrying out this section, the Administrator may
15 solicit, accept, use, and dispose of gifts, bequests, or
16 devises of services or property, both real and per-
17 sonal, for the purpose of facilitating the work of the
18 Fellowship Programs.

19 “(2) LIMITATION.—Gifts, bequests, or devises
20 of money and proceeds from sales of other property
21 received as gifts, bequests, or devises shall be used
22 exclusively for the purposes of the Fellowship Pro-
23 grams.

24 “(g) REPORT.—Each year, the Administrator shall
25 submit to the Committee on Agriculture of the House of

1 Representatives and the Committee on Agriculture, Nutri-
2 tion, and Forestry of the Senate a report that describes
3 the activities and expenditures of the Fellowship Programs
4 during the preceding fiscal year.

5 “(h) FUNDING.—There is authorized to be appro-
6 priated to the Secretary to carry out this section
7 \$3,000,000 for each of the fiscal years 2008 through
8 2012.”.

9 **SEC. 4403. JOINT NUTRITION MONITORING AND RELATED**
10 **RESEARCH ACTIVITIES.**

11 Subtitle D of title IV of the Farm Security and Rural
12 Investment Act of 2002 (Public Law 107–171; 116 Stat.
13 333) is amended—

14 (1) by redesignating section 4405 (2 U.S.C.
15 1161 note; Public Law 107–171) as section 4406;
16 and

17 (2) by inserting after section 4404 the fol-
18 lowing:

19 **“SEC. 4405. JOINT NUTRITION MONITORING AND RELATED**
20 **RESEARCH ACTIVITIES.**

21 “The Secretary of Agriculture and the Secretary of
22 Health and Human Services shall continue to provide
23 jointly for national nutrition monitoring and related re-
24 search activities carried out as of the date of enactment
25 of this section—

1 “(1) to collect continuous dietary, health, phys-
2 ical activity, and diet and health knowledge data on
3 a nationally representative sample;

4 “(2) to periodically collect data on special at-
5 risk populations, as identified by the Secretaries;

6 “(3) to distribute information on health, nutri-
7 tion, the environment, and physical activity to the
8 public in a timely fashion;

9 “(4) to analyze new data that becomes avail-
10 able;

11 “(5) to continuously update food composition
12 tables; and

13 “(6) to research and develop data collection
14 methods and standards.”.

15 **SEC. 4404 SENSE OF THE CONGRESS.**

16 It is the sense of the Congress that food items pro-
17 vided pursuant to the Federal school breakfast and school
18 lunch program should be selected so as to reduce the inci-
19 dence of juvenile obesity and to maximize nutritional
20 value.

21 **TITLE V—CREDIT**

Subtitle A—Farm Ownership Loans

Sec. 5001. Conservation loan guarantee program.

Sec. 5002. Limitations on amount of ownership loans.

Sec. 5003. Down payment loan program.

Sec. 5004. Beginning farmer and rancher contract land sales program.

Sec. 5005. Loans to purchasers of highly fractioned lands.

Subtitle B—Operating Loans

Sec. 5011. Limitations on amount of operating loans.

Sec. 5012. Suspension of limitation on period for which borrowers are eligible for guaranteed assistance.

Subtitle C—Administrative Provisions

Sec. 5021. Inventory sales preferences.

Sec. 5022. Loan fund set-asides.

Sec. 5023. Transition to private commercial or other sources of credit.

Sec. 5024. Extension of the right of first refusal to reacquire homestead property to immediate family members of borrower-owner.

Sec. 5025. Rural development and farm loan program activities.

Subtitle D—Farm Credit

Sec. 5031. Bank for cooperatives voting stock.

Sec. 5032. Rural utility loans.

Sec. 5033. Farm Credit System Insurance Corporation.

Sec. 5034. Risk-based capital levels.

1 **Subtitle A—Farm Ownership Loans**

2 **SEC. 5001. CONSERVATION LOAN GUARANTEE PROGRAM.**

3 Section 304 of the Consolidated Farm and Rural De-
4 velopment Act (7 U.S.C. 1924) is amended to read as fol-
5 lows:

6 **“SEC. 304. CONSERVATION LOAN GUARANTEE PROGRAM.**

7 “(a) IN GENERAL.—The Secretary may provide a
8 loan guarantee, an interest subsidy, or both, to enable an
9 eligible borrower to obtain a qualified conservation loan.

10 “(b) PRIORITY.—In providing loan guarantees under
11 this section, the Secretary shall give priority to—

12 “(1) qualified beginning farmers or ranchers;

13 “(2) socially disadvantaged farmers or ranchers
14 (as defined in section 355(e)(2));

15 “(3) owners or tenants who use the loans to
16 covert to sustainable or organic agricultural produc-
17 tion systems; and

1 “(4) producers who use the loans to build con-
2 servation structures or establish conservation prac-
3 tices to comply with section 1212 of the Food Secu-
4 rity Act of 1985.

5 “(c) DEFINITIONS.—In this section:

6 “(1) ELIGIBLE BORROWER.—The term ‘eligible
7 borrower’ means a farmer, rancher, farm coopera-
8 tive, private domestic corporation, partnership, joint
9 operation, trust, or limited liability company, that is
10 engaged primarily and directly in agricultural pro-
11 duction in the United States.

12 “(2) QUALIFIED CONSERVATION LOAN.—The
13 term ‘qualified conservation loan’ means a loan that
14 meets the following requirements:

15 “(A) PURPOSE.—The loan proceeds are re-
16 quired to be used to cover the costs to the bor-
17 rower of carrying out a qualified conservation
18 project.

19 “(B) PRINCIPAL AMOUNT.—The principal
20 amount of the loan is not more than
21 \$1,000,000,000.

22 “(C) REPAYMENT PERIOD.—The loan re-
23 payment period shall not exceed 10 years.

24 “(D) LIMITED PROCESSING FEE.—The
25 total of all processing fees charged with respect

1 to the loan does not exceed such amount as
2 shall be prescribed by the Secretary.

3 “(3) QUALIFIED CONSERVATION PROJECT.—

4 The term ‘qualified conservation project’ means,
5 with respect to an eligible borrower, conservation
6 measures that address provisions of a conservation
7 plan of the borrower.

8 “(4) CONSERVATION PLAN.—The term ‘con-
9 servation plan’ means a plan, approved by the Sec-
10 retary, that, for a farming or ranching operation,
11 identifies the conservation activities that will be ad-
12 dressed with guaranteed loan funds provided under
13 this section, including—

14 “(A) the installation of conservation struc-
15 tures;

16 “(B) the establishment of forest cover for
17 sustained yield timber management, erosion
18 control, or shelter belt purposes;

19 “(C) the installation of water conservation
20 measures;

21 “(D) the installation of waste management
22 systems;

23 “(E) the establishment or improvement of
24 permanent pasture;

1 “(F) compliance with section 1212 of the
2 Food Security Act of 1985;

3 “(G) other purposes consistent with the
4 plan; and

5 “(H) any other emerging or existing con-
6 servation practices, techniques, or technologies
7 approved by the Secretary.

8 “(d) LIMITATIONS APPLICABLE TO LOAN GUARAN-
9 TEES.—

10 “(1) LIMITATION ON AMOUNT OF GUAR-
11 ANTEE.—The portion of a loan that the Secretary
12 may guarantee under this section shall be not less
13 than 80 percent and not more than 90 percent of
14 the principal amount of the loan.

15 “(2) LIMITATION ON TOTAL AMOUNT OUT-
16 STANDING.—The aggregate principal amount of out-
17 standing loans guaranteed by the Secretary under
18 this section shall not exceed \$1,000,000.

19 “(e) LIMITATION ON AMOUNT OF INTEREST SUB-
20 SIDY.—The interest subsidy which the Secretary may pro-
21 vide under this section with respect to a loan shall result
22 in a reduction of the interest rate agreed upon by the bor-
23 rower and the lender (but to not less than zero) by—

24 “(1) 500 basis points, if the principal amount
25 of the loan is less than \$100,000;

1 “(2) 400 basis points, if the principal amount
2 of the loan is not less than \$100,000 and is less
3 than \$500,000; and

4 “(3) 300 basis points, in any other case.

5 “(f) ADMINISTRATIVE PROVISIONS.—

6 “(1) AUTHORITY TO COLLECT PROCESSING
7 FEE.—The Secretary may assess a fee to cover the
8 cost of processing an application under this section
9 equal to not more than 1 percent of the principal
10 amount of the loan sought by the applicant, as de-
11 scribed in the application.

12 “(2) APPROVAL OF APPLICATION.—The Sec-
13 retary shall not approve an application submitted
14 pursuant to this section, unless the Secretary has
15 determined that—

16 “(A) the loan sought by the applicant, as
17 described in the application, would be a quali-
18 fied conservation loan; and

19 “(B) the project for which the loan is
20 sought is likely to result in a net benefit to the
21 environment.

22 “(3) EQUITABLE DISTRIBUTION OF LOAN
23 GUARANTEES AND INTEREST SUBSIDIES.—The Sec-
24 retary shall ensure that loan guarantees and interest
25 subsidies under this section are equitably distributed

1 among agricultural producers according to the scale
2 of the operations.

3 “(g) RELATIONSHIP WITH OTHER CONSERVATION
4 PROGRAMS.—Neither the application for, nor the receipt
5 of, a loan guarantee or an interest subsidy under this sec-
6 tion shall affect the eligibility of the recipient for assist-
7 ance under title XII of the Food Security Act of 1985
8 or the Watershed Protection and Flood Prevention Act.

9 “(h) AUTHORIZATION OF APPROPRIATIONS.—For
10 each of fiscal years 2008 through 2012, there are author-
11 ized to be appropriated to the Secretary such funds as are
12 necessary to carry out this section.”.

13 **SEC. 5002. LIMITATIONS ON AMOUNT OF OWNERSHIP**
14 **LOANS.**

15 Section 305 of the Consolidated Farm and Rural De-
16 velopment Act (7 U.S.C. 1925) is amended—

17 (1) in subsection (a)(2), by striking “\$200,000”
18 and inserting “\$300,000”; and

19 (2) by redesignating subsections (b) and (c) as
20 subsections (c) and (d), respectively, and inserting
21 after subsection (a) the following:

22 “(b) GRADUATION PLAN.—The Secretary shall estab-
23 lish a plan, in coordination with activities under sections
24 359, 360, 361, and 362, to encourage each borrower with

1 an outstanding loan under this subtitle to graduate to pri-
2 vate commercial or other sources of credit.”.

3 **SEC. 5003. DOWN PAYMENT LOAN PROGRAM.**

4 Section 310E of the Consolidated Farm and Rural
5 Development Act (7 U.S.C. 1935) is amended—

6 (1) in subsection (a)(1), by striking “and
7 ranchers” and inserting “or ranchers and socially
8 disadvantaged farmers or ranchers”;

9 (2) in subsection (b)—

10 (A) by striking paragraph (1) and insert-
11 ing the following;

12 “(1) PRINCIPAL.—Each loan made under this
13 section shall be in an amount that does not exceed
14 45 percent of the least of—

15 “(A) the purchase price of the farm or
16 ranch to be acquired;

17 “(B) the appraised value of the farm or
18 ranch to be acquired; or

19 “(C) \$500,000.

20 “(2) INTEREST RATE.—The interest rate on
21 any loan made by the Secretary under this section
22 shall be a rate equal to the greater of—

23 “(A) the difference obtained by subtracting
24 4 percent from the interest rate for farm own-
25 ership loans under this subtitle; or

1 “(B) 1 percent.”; and

2 (B) in paragraph (3), by striking “15” and
3 inserting “20”;

4 (3) in subsection (c)—

5 (A) in paragraph (1), by striking “10” and
6 inserting “5”;

7 (B) by striking paragraph (2) and redesignating
8 paragraph (3) as paragraph (2); and

9 (C) in paragraph (2)(B) (as so redesignated),
10 by striking “15-year” and inserting
11 “20-year”; and

12 (4) in subsection (d)—

13 (A) in paragraph (3)—

14 (i) by inserting “and socially disadvantaged
15 farmers and ranchers (as defined in section
16 355(e)(2))” after “ranchers”; and
17

18 (ii) by striking “and” at the end;

19 (B) in paragraph (4), by striking “ranchers.”
20 and inserting “ranchers and socially disadvantaged
21 farmers and ranchers (as defined in
22 section 355(e)(2)); and”; and

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

24 “(5) establish annual performance goals to pro-
25 mote the use of the down payment loan program and

1 other joint financing participation loans as the pre-
2 ferred choice for direct real estate loans made by
3 any lender to a qualified beginning farmer or ranch-
4 er or socially disadvantaged farmer or rancher (as so
5 defined).”.

6 **SEC. 5004. BEGINNING FARMER AND RANCHER CONTRACT**
7 **LAND SALES PROGRAM.**

8 Section 310F of the Consolidated Farm and Rural
9 Development Act (7 U.S.C. 1936) is amended to read as
10 follows:

11 **“SEC. 310F. BEGINNING FARMER AND RANCHER AND SO-**
12 **cially Disadvantaged Farmer and**
13 **RANCHER CONTRACT LAND SALES PROGRAM.**

14 “(a) **IN GENERAL.**—The Secretary shall, in accord-
15 ance with this section, guarantee a loan made by a private
16 seller of a farm or ranch to a qualified beginning farmer
17 or rancher or socially disadvantaged farmer or rancher (as
18 defined in section 355(e)(2)) on a contract land sales
19 basis.

20 “(b) **ELIGIBILITY.**—In order to be eligible for a loan
21 guarantee under subsection (a)—

22 “(1) the qualified beginning farmer or rancher
23 or socially disadvantaged farmer or rancher shall—

24 “(A) on the date the contract land sale
25 that is subject of the loan is complete, own or

1 operate the farm or ranch that is the subject of
2 the contract land sale;

3 “(B) have a credit history that—

4 “(i) includes a record of satisfactory
5 debt repayment, as determined by the Sec-
6 retary; and

7 “(ii) is acceptable to the Secretary;
8 and

9 “(C) demonstrate to the Secretary that the
10 farmer or rancher, as the case may be, is un-
11 able to obtain sufficient credit without a guar-
12 antee to finance any actual need of the farmer
13 or rancher, as the case may be, at a reasonable
14 rate or term;

15 “(2) the loan shall meet applicable underwriting
16 criteria, as determined by the Secretary; and

17 “(3) to carry out the loan—

18 “(A) a commercial lending institution shall
19 agree to serve as an escrow agent; or

20 “(B) the private seller, in cooperation with
21 the farmer or rancher, shall use an appropriate
22 alternate arrangement, as determined by the
23 Secretary.

24 “(c) LIMITATIONS.—

1 “(1) DOWN PAYMENT.—The Secretary shall not
2 provide a loan guarantee under subsection (a) if the
3 contribution of the qualified beginning farmer or
4 rancher or socially disadvantaged farmer or rancher
5 to the down payment for the farm or ranch that is
6 the subject of the contract land sale would be less
7 than 5 percent of the purchase price of the farm or
8 ranch.

9 “(2) MAXIMUM PURCHASE PRICE.—The Sec-
10 retary shall not provide a loan guarantee under sub-
11 section (a) if the purchase price or the appraisal
12 value of the farm or ranch that is the subject of the
13 contract land sale is greater than \$500,000.

14 “(d) PERIOD OF GUARANTEE.—The period during
15 which a loan guarantee under this section is in effect shall
16 be the 10-year period beginning with the date the guar-
17 antee is provided.

18 “(e) GUARANTEE PLAN.—A private seller of a farm
19 or ranch who makes a loan that is guaranteed by the Sec-
20 retary under subsection (a) may select—

21 “(1) a prompt payment guarantee plan, which
22 shall cover—

23 “(A) 3 amortized annual installments; or

24 “(B) an amount equal to 3 annual install-
25 ments (including an amount equal to the total

1 cost of any tax and insurance incurred during
2 the period covered by the annual installments);

3 or

4 “(2) a standard guarantee plan, which shall
5 cover an amount equal to 90 percent of the out-
6 standing principal of the loan.”.

7 **SEC. 5005. LOANS TO PURCHASERS OF HIGHLY**
8 **FRACTIONED LANDS.**

9 Section 1 of Public Law 91–229 (25 U.S.C. 488) is
10 amended by adding at the end the following: “The Sec-
11 retary of Agriculture may make and insure loans as pro-
12 vided in section 309 of the Consolidated Farm and Rural
13 Development Act to eligible purchasers of highly
14 fractionated land pursuant to section 204(c) of the Indian
15 Land Consolidation Act. Section 4 of this Act shall not
16 apply to trust or restricted tribal or tribal corporation
17 property mortgaged pursuant to the preceding sentence.”.

18 **Subtitle B—Operating Loans**

19 **SEC. 5011. LIMITATIONS ON AMOUNT OF OPERATING**
20 **LOANS.**

21 Section 313(a)(1) of the Consolidated Farm and
22 Rural Development Act (7 U.S.C. 1943(a)(1)) is amended
23 by striking “\$200,000” and inserting “\$300,000”.

1 **SEC. 5012. SUSPENSION OF LIMITATION ON PERIOD FOR**
2 **WHICH BORROWERS ARE ELIGIBLE FOR**
3 **GUARANTEED ASSISTANCE.**

4 Section 5102 of the Farm Security And Rural Invest-
5 ment Act of 2002 (7 U.S.C. 1949 note; Public Law 107-
6 171) is amended by striking “September 30, 2007” and
7 inserting “January 1, 2008”.

8 **Subtitle C—Administrative**
9 **Provisions**

10 **SEC. 5021. INVENTORY SALES PREFERENCES.**

11 Section 335(c) of the Consolidated Farm and Rural
12 Development Act (7 U.S.C. 1985(c)) is amended—

13 (1) in paragraph (1)—

14 (A) in subparagraph (B)—

15 (i) in the subparagraph heading, by
16 inserting “; SOCIALLY DISADVANTAGED
17 FARMER OR RANCHER” after “OR RANCH-
18 ER”;

19 (ii) in clause (i), by inserting “or a so-
20 cially disadvantaged farmer or rancher”
21 after “or rancher”;

22 (iii) by redesignating clauses (ii)
23 through (iv) as clauses (iii) through (v), re-
24 spectively;

25 (iv) by inserting after clause (i) the
26 following:

1 “(ii) PRIORITY TO BE GIVEN TO SO-
2 CIALLY DISADVANTAGED FARMERS AND
3 RANCHERS.—In carrying out this subpara-
4 graph, the Secretary shall give priority to
5 socially disadvantaged farmers and ranch-
6 ers.”;

7 (v) in clause (iii) (as so redesign-
8 nated)—

9 (I) by inserting “or socially dis-
10 advantaged farmer or rancher” after
11 “or rancher”; and

12 (II) by inserting “, subject to
13 clause (ii)” before the period;

14 (vi) in clause (iv) (as so redesignated),
15 by inserting “or a socially disadvantaged
16 farmer or rancher” after “or rancher”; and

17 (vii) in clause (v) (as so redesignated),
18 by inserting “and socially disadvantaged
19 farmers and ranchers” after “and ranch-
20 ers”; and

21 (B) in subparagraph (C), by inserting “or
22 a socially disadvantaged farmer or rancher”
23 after “or rancher”;

24 (2) in paragraph (5)(B)—

25 (A) in clause (i)—

1 (i) in the clause heading, by inserting
2 “; SOCIALLY DISADVANTAGED FARMER OR
3 RANCHER” after “OR RANCHER”;

4 (ii) by inserting “or a socially dis-
5 advantaged farmer or rancher” after “a
6 beginning farmer or rancher”; and

7 (iii) by inserting “or the socially dis-
8 advantaged farmer or rancher” after “the
9 beginning farmer or rancher”;

10 (B) by redesignating clauses (ii) and (iii)
11 as clauses (iii) and (iv), respectively;

12 (C) by inserting after clause (i) the fol-
13 lowing:

14 “(ii) PRIORITY TO BE GIVEN TO SO-
15 CIALY DISADVANTAGED FARMERS AND
16 RANCHERS.—In carrying out clause (i), the
17 Secretary shall give priority to socially dis-
18 advantaged farmers and ranchers.”; and

19 (D) in clause (iii) (as so redesignated)—

20 (i) in the matter preceding subclause
21 (I), by inserting “or a socially disadvan-
22 tagged farmer or rancher” after “or ranch-
23 er”; and

1 (ii) in subclause (II), by inserting “or
2 the socially disadvantaged farmer or ranch-
3 er” after “or rancher”;

4 (3) in paragraph (6)—

5 (A) in subparagraph (A), by inserting “or
6 a socially disadvantaged farmer or rancher”
7 after “or rancher”; and

8 (B) in subparagraph (C)—

9 (i) in clause (i)(I), by inserting “and
10 socially disadvantaged farmers and ranch-
11 ers” after “and ranchers”; and

12 (ii) in clause (ii), by inserting “or so-
13 cially disadvantaged farmers or ranchers”
14 after “or ranchers”; and

15 (4) by adding at the end the following:

16 “(7) In this subsection, the term ‘socially dis-
17 advantaged farmer or rancher’ has the meaning
18 given in section 355(e)(2).”.

19 **SEC. 5022. LOAN FUND SET-ASIDES.**

20 Section 346(b)(2) of the Consolidated Farm and
21 Rural Development Act (7 U.S.C. 1994(b)(2)) is amend-
22 ed—

23 (1) in subparagraph (A)—

24 (A) in clause (i)—

- 1 (i) in subclause (I), by striking “70
2 percent” and inserting “not less than 75
3 percent of the total amount made available
4 under paragraph (1)”; and
- 5 (ii) in subclause (II)—
- 6 (I) in the subclause heading, by
7 inserting “; PARTICIPATION LOANS”
8 after “PAYMENT LOANS”;
- 9 (II) by striking “60 percent” and
10 inserting “not less than $\frac{2}{3}$ of the
11 amount reserved under subclause (I)”;
12 and
- 13 (III) by inserting “and participa-
14 tion loans” after “section 310E”; and
- 15 (B) in clause (ii)(III), by striking “2003
16 through 2007, 35 percent” and inserting “2008
17 through 2012, not less than 50 percent of the
18 total amount made available under paragraph
19 (1)”; and
- 20 (2) in subparagraph (B)(i), by striking “25 per-
21 cent” and inserting “not less than 40 percent of the
22 total amount made available under paragraph (1)”.

1 **SEC. 5023. TRANSITION TO PRIVATE COMMERCIAL OR**
2 **OTHER SOURCES OF CREDIT.**

3 Subtitle D of the Consolidated Farm and Rural De-
4 velopment Act (7 U.S.C. 1981–2008r) is amended by in-
5 serting after section 344 the following:

6 **“SEC. 345. TRANSITION TO PRIVATE COMMERCIAL OR**
7 **OTHER SOURCES OF CREDIT.**

8 “(a) IN GENERAL.—In making or insuring a farm
9 loan under subtitle A or B, the Secretary shall establish
10 a plan and promulgate regulations (including performance
11 criteria) that promote the goal of transitioning borrowers
12 to private commercial credit and other sources of credit
13 in the shortest practicable period of time.

14 “(b) COORDINATION.—In carrying out this section,
15 the Secretary shall integrate and coordinate the transition
16 policy described in subsection (a) with—

17 “(1) the borrower training program established
18 by section 359;

19 “(2) the loan assessment process established by
20 section 360;

21 “(3) the supervised credit requirement estab-
22 lished by section 361;

23 “(4) the market placement program established
24 by section 362; and

25 “(5) other appropriate programs and authori-
26 ties, as determined by the Secretary.”.

1 **SEC. 5024. EXTENSION OF THE RIGHT OF FIRST REFUSAL**
2 **TO REACQUIRE HOMESTEAD PROPERTY TO**
3 **IMMEDIATE FAMILY MEMBERS OF BOR-**
4 **ROWER-OWNER.**

5 Section 352(c)(4)(B) of the Consolidated Farm and
6 Rural Development Act (7 U.S.C. 2000(c)(4)(B)) is
7 amended—

8 (1) in the 1st sentence, by striking “, the bor-
9 rower-owner” inserting “of a borrower-owner who is
10 a socially disadvantaged farmer or rancher (as de-
11 fined in section 355(e)(2)), the borrower-owner or a
12 member of the immediate family of the borrower-
13 owner”; and

14 (2) in the 2nd sentence, by inserting “or imme-
15 diate family member, as the case may be,” before
16 “from”.

17 **SEC. 5025. RURAL DEVELOPMENT AND FARM LOAN PRO-**
18 **GRAM ACTIVITIES.**

19 Subtitle D of the Consolidated Farm and Rural De-
20 velopment Act (7 U.S.C. 1981–2008r) is amended by in-
21 serting after section 364 the following:

22 **“SEC. 365. RURAL DEVELOPMENT AND FARM LOAN PRO-**
23 **GRAM ACTIVITIES.**

24 “The Secretary may not complete a study of, or enter
25 into a contract with a private party to carry out, without
26 specific authorization in a subsequent Act of Congress, a

1 competitive sourcing activity of the Secretary, including
2 support personnel of the Department of Agriculture, relat-
3 ing to rural development or farm loan programs.”.

4 **Subtitle D—Farm Credit**

5 **SEC. 5031. BANK FOR COOPERATIVES VOTING STOCK.**

6 (a) IN GENERAL.—Section 3.3(c) of the Farm Credit
7 Act of 1971 (12 U.S.C. 2124(c)) is amended by striking
8 “and (ii)” and inserting “(ii) other categories of persons
9 and entities described in sections 3.7 and 3.8 eligible to
10 borrow from the bank, as determined by the bank’s board
11 of directors; and (iii)”.

12 (b) CONFORMING AMENDMENTS.—Section
13 4.3A(c)(1)(D) of such Act (12 U.S.C. 2154a(c)(1)(D)) is
14 amended by redesignating clauses (ii) and (iii) as clauses
15 (iii) and (iv), respectively, and inserting after clause (i)
16 the following:

17 “(ii) persons and entities eligible to
18 borrow from the banks for cooperatives, as
19 described in section 3.3(c)(ii);”.

20 **SEC. 5032. RURAL UTILITY LOANS.**

21 Section 8.0(9) of the Farm Credit Act of 1971 (12
22 U.S.C. 2279aa(9)) is amended—

23 (1) by striking “or” at the end of subparagraph
24 (A)(iii);

1 (2) by striking the period at the end of sub-
2 paragraph (B) and inserting “; or”; and

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

4 “(C) that is a loan or interest in a loan for
5 electric or telephone facilities by a cooperative
6 lender to a borrower who has received or is eli-
7 gible to receive a loan under the Rural Elec-
8 trification Act (7 U.S.C. 901 et seq.), except
9 that—

10 “(i) subsections (c) and (d) of section
11 8.6, and sections 8.8 and 8.9 shall not
12 apply to the loan or interest in the loan or
13 to an obligation backed by a pool of obliga-
14 tions relating to the loan or interest in the
15 loan; and

16 “(ii) the loan or interest in the loan
17 shall be considered to meet all standards
18 for qualified loans for all purposes under
19 this Act, subject to reasonable under-
20 writing, security appraisal, and repayment
21 standards established by the Corpora-
22 tion.”.

1 **SEC. 5033. FARM CREDIT SYSTEM INSURANCE CORPORA-**
2 **TION.**

3 (a) **AUTHORITY TO PASS ALONG COST OF INSUR-**
4 **ANCE PREMIUMS.**—Section 1.12(b) of the Farm Credit
5 Act of 1971 (12 U.S.C. 2020(b)) is amended by striking
6 the last sentence and inserting “The assessment on any
7 such association or other financing institution for any pe-
8 riod shall be computed in an equitable manner.”.

9 (b) **PREMIUMS; AMOUNT IN FUND NOT EXCEEDING**
10 **SECURE BASE AMOUNT.**—Section 5.55(a) of such Act (12
11 U.S.C. 2277a–4(a)) is amended—

12 (1) in paragraph (1)—

13 (A) in the matter preceding subparagraph
14 (A), by striking “(2), the annual” and inserting
15 “(3), the”;

16 (B) by striking subparagraphs (A) through
17 (D) and inserting the following:

18 “(A) the average outstanding insured obli-
19 gations issued by the bank for the calendar
20 year, after deducting therefrom the percentages
21 of the guaranteed portions of loans and invest-
22 ments described in paragraph (2), multiplied by
23 0.0020;

24 “(B) the average principal outstanding for
25 the calendar year on loans made by the bank

1 that are in nonaccrual status, multiplied by
2 0.0010; and

3 “(C) the average amount outstanding for
4 the calendar year of other-than-temporarily im-
5 paired investments made by the bank, multi-
6 plied by 0.0010.”;

7 (2) in paragraph (2), by striking “annual”;

8 (3) in paragraph (3), in the matter preceding
9 subparagraph (A), by striking “As used” and all
10 that follows through “that” and inserting “As used
11 in this section, the term ‘government-guaranteed’
12 when applied to loans or investments, means loans,
13 credits, or investments, or portions of loans, credits,
14 or investments, that”;

15 (4) by redesignating paragraphs (2) and (3) as
16 paragraphs (3) and (4), respectively, and inserting
17 after paragraph (1) the following:

18 “(2) DEDUCTIONS FROM AVERAGE OUT-
19 STANDING INSURED OBLIGATIONS.—The average
20 outstanding insured obligations issued by the bank
21 for the calendar year referred to in subsection
22 (a)(1)(A) of this section shall be reduced by deduct-
23 ing therefrom the sum of—

24 “(A) 90 percent of the sum of—

1 “(i) the average principal outstanding
2 for such calendar year on the guaranteed
3 portions of Federal government-guaranteed
4 loans made by the bank that are in accrual
5 status; and

6 “(ii) the average amount outstanding
7 for the calendar year of the guaranteed
8 portions of Federal government-guaranteed
9 investments made by the bank that are not
10 permanently impaired, as determined by
11 the Corporation; and

12 “(B) 80 percent of the sum of—

13 “(i) the average principal outstanding
14 for the calendar year on the guaranteed
15 portions of State government-guaranteed
16 loans made by the bank that are in accrual
17 status; and

18 “(ii) the average amount outstanding
19 for the calendar year of the guaranteed
20 portions of State government-guaranteed
21 investments made by the bank that are not
22 permanently impaired, as determined by
23 the Corporation.”.

1 (c) PREMIUMS; AMOUNT IN FUND EXCEEDING SE-
2 CURE BASE AMOUNT.—Section 5.55(b) of such Act (12
3 U.S.C. 2277a–4(b)) is amended by striking “annual”.

4 (d) SECURE BASE AMOUNT.—Section 5.55(c) of such
5 Act (12 U.S.C. 2277a–4(c)) is amended by striking the
6 parenthetical phrase and inserting “(adjusted downward
7 to exclude an amount equal to the sum of: (1) 90 percent
8 of: (A) the guaranteed portions of principal outstanding
9 on Federal government-guaranteed loans in accrual status
10 made by the banks; and (B) the guaranteed portions of
11 the amount of Federal government-guaranteed invest-
12 ments made by the banks that are not permanently im-
13 paired; and (2) 80 percent of: (A) the guaranteed portions
14 of principal outstanding on State government-guaranteed
15 loans in accrual status made by the banks; and (B) the
16 guaranteed portions of the amount of State government-
17 guaranteed investments made by the banks that are not
18 permanently impaired, as determined by the Corpora-
19 tion)”.

20 (e) DETERMINATION OF LOAN AND INVESTMENT
21 AMOUNTS.—Section 5.55(d) of such Act (12 U.S.C.
22 2277a–4(d)) is amended—

23 (1) in the subsection heading, by striking
24 “PRINCIPAL OUTSTANDING” and inserting “LOAN
25 AND INVESTMENT AMOUNTS”;

1 (2) in the matter preceding paragraph (1), by
2 striking “For” and all that follows through “—”
3 and inserting “For the purpose of subsections (a)
4 and (c) of this section, the principal outstanding on
5 all loans made by an insured System bank or the
6 amount outstanding on all investments made by an
7 insured System bank shall be determined based on
8 all loans or investments made—”; and

9 (3) in each of paragraphs (1) and (2), by in-
10 sserting “or investments” before “because”.

11 (f) ALLOCATION TO SYSTEM INSTITUTIONS OF EX-
12 CESS RESERVES.—Section 5.55(e) of such Act (12 U.S.C.
13 2277a–4(e)) is amended—

14 (1) in paragraph (3), by striking “the average
15 secure base amount for the calendar year (as cal-
16 culated on an average daily balance basis)” and in-
17 sserting “the secure base amount”;

18 (2) in paragraph (4), by striking subparagraph
19 (B) and inserting the following:

20 “(B) there shall be credited to the Allo-
21 cated Insurance Reserves Account of each in-
22 sured System bank an amount that bears the
23 same ratio to the total amount (less any
24 amount credited under subparagraph (A) of
25 this paragraph) as the average principal out-

1 standing for the calendar year on insured obli-
2 gations issued by the bank (after deducting
3 therefrom the percentages of the guaranteed
4 portions of loans and investments described in
5 subsection (a)(2) of this section), bears to the
6 average principal outstanding for the calendar
7 year on insured obligations issued by all insured
8 System banks (after deducting therefrom the
9 percentages of the guaranteed portions of loans
10 and investments so described).”; and

11 (3) in paragraph (6)—

12 (A) in subparagraph (A)—

13 (i) in the matter preceding clause (i),
14 by striking “beginning” and all that fol-
15 lows through “2005”;

16 (ii) by striking clause (i) and inserting
17 the following:

18 “(i) subject to subparagraph (D), pay
19 to each insured System bank, in a manner
20 determined by the Corporation, an amount
21 equal to the balance in its Allocated Insur-
22 ance Reserves Account; and”;

23 (iii) in clause (ii)—

1 (I) by striking “(C), (E), and
2 (F)” and inserting “(C) and (E)”;
3 and

4 (II) by striking “outstanding,”
5 and all that follows and inserting “at
6 the time of the termination of the Fi-
7 nancial Assistance Corporation, of the
8 balance in the Allocated Insurance
9 Reserves Account established under
10 subparagraph (1)(B).”;

11 (B) in subparagraph (C)—

12 (i) in clause (i), by striking “(in addi-
13 tion to the amounts described in subpara-
14 graph (F)(ii))”; and

15 (ii) by striking clause (ii) and insert-
16 ing the following:

17 “(ii) TERMINATION OF ACCOUNT.—
18 On disbursement of \$56,000,000, the Cor-
19 poration shall close the Account established
20 under paragraph (1)(B) and transfer any
21 remaining funds in the Account to the re-
22 maining Allocated Insurance Reserves Ac-
23 counts in accordance with paragraph
24 (4)(B) for the calendar year in which the
25 transfer occurs.”; and

1 (C) by striking subparagraph (F).

2 (g) CERTIFICATION OF PREMIUMS.—

3 (1) FILING CERTIFIED STATEMENT.—Section
4 5.56(a) of such Act (12 U.S.C. 2277a–5(a)) is
5 amended to read as follows:

6 “(a) FILING CERTIFIED STATEMENT.—On a date to
7 be determined in the sole discretion of the Corporation’s
8 Board of Directors, each insured System bank that be-
9 came insured before the beginning of the period for which
10 premiums are being assessed (in this section referred to
11 as the ‘period’) shall file with the Corporation a certified
12 statement showing—

13 “(1) the average outstanding insured obliga-
14 tions for the period issued by the bank;

15 “(2) the average principal outstanding for the
16 period on the guaranteed portion of Federal govern-
17 ment-guaranteed loans that are in accrual status
18 and the average amount outstanding for the period
19 of Federal government-guaranteed investments that
20 are not permanently impaired (as defined in section
21 5.55(a)(4));

22 “(3) the average principal outstanding for the
23 period on State government-guaranteed loans that
24 are in accrual status and the average amount out-
25 standing for the period of State government-guaran-

1 teed investments that are not permanently impaired
2 (as defined in section 5.55(a)(4));

3 “(4) the average principal outstanding for the
4 period on loans that are in nonaccrual status and
5 the average amount outstanding for the period of
6 other-than-temporarily impaired investments; and

7 “(5) the amount of the premium due the Cor-
8 poration from the bank for the period.”.

9 (2) PREMIUM PAYMENTS.—Section 5.56(c) of
10 such Act (12 U.S.C. 2277a–5(c)) is amended to read
11 as follows:

12 “(c) PREMIUM PAYMENTS.—Each insured System
13 bank shall pay to the Corporation the premium payments
14 required under subsection (a), not more frequently than
15 once in each calendar quarter, in such manner and at such
16 time or times as the Board of Directors shall prescribe,
17 except that the amount of the premium shall be estab-
18 lished not later than 60 days after filing the certified
19 statement setting forth the amount of the premium.”.

20 (3) CONFORMING AMENDMENTS.—Section 5.56
21 of such Act (12 U.S.C. 2277a–5) is amended by
22 striking subsection (d) and redesignating subsection
23 (e) as subsection (d).

1 (h) RULES AND REGULATIONS.—Section 5.58(10) of
 2 such Act (12 U.S.C. 2277a–7(10)) is amended by insert-
 3 ing “and section 1.12(b)” after “part”.

4 **SEC. 5034. RISK-BASED CAPITAL LEVELS.**

5 Section 8.32(a)(1) of the Farm Credit Act of 1971
 6 (12 U.S.C. 2279bb–1(a)(1)) is amended by striking all
 7 through “a pool of” and inserting the following:

8 “(1) CREDIT RISK.—

9 “(A) With respect to securities rep-
 10 resenting an interest in, or obligations backed
 11 by, a pool of qualified loans (as defined in sec-
 12 tion 8.0(9)(C)), owned or guaranteed by the
 13 Corporation, losses occur at a rate of default
 14 and severity reasonably related to risks in elec-
 15 tric and telephone facility loans, respectively, as
 16 determined by the Director.

17 “(B) With respect to securities rep-
 18 resenting an interest in, or obligations backed
 19 by, a pool of other”.

20 **TITLE VI—RURAL**
 21 **DEVELOPMENT**

Sec. 6001. Definition of rural.

Sec. 6002. Water, waste disposal, and wastewater facility grants.

Sec. 6003. Rural business opportunity grants.

Sec. 6004. Rural water and wastewater circuit rider program.

Sec. 6005. Tribal college and university essential community facilities.

Sec. 6006. Emergency and imminent community water assistance grant pro-
 gram.

Sec. 6007. Water systems for rural and native villages in Alaska.

- Sec. 6008. Grants to nonprofit organizations to finance the construction, refurbishing, and servicing of individually-owned household water well systems in rural areas for individuals with low or moderate incomes.
- Sec. 6009. Rural cooperative development grants.
- Sec. 6010. Criteria to be applied in providing loans and loan guarantees under the business and industry loan program.
- Sec. 6011. Appropriate technology transfer for rural areas program.
- Sec. 6012. Grants to improve technical infrastructure and improve quality of rural health care facilities.
- Sec. 6013. Rural entrepreneur and microenterprise assistance program.
- Sec. 6014. Criteria to be applied in considering applications for rural development projects.
- Sec. 6015. National sheep industry improvement center.
- Sec. 6016. National rural development partnership.
- Sec. 6017. Historic barn preservation.
- Sec. 6018. Grants for NOAA weather radio transmitters.
- Sec. 6019. Delta regional authority.
- Sec. 6020. Northern great plains regional authority.
- Sec. 6021. Rural strategic investment program.
- Sec. 6022. Expansion of 911 access.
- Sec. 6023. Access to broadband telecommunications services in rural areas.
- Sec. 6024. Community connect grant program.
- Sec. 6025. Agriculture innovation center demonstration program.
- Sec. 6026. Rural firefighters and emergency medical service assistance program.
- Sec. 6027. Value-added agricultural market development program.
- Sec. 6028. Assistance for rural public television stations.
- Sec. 6029. Telemedicine and distance learning services in rural areas.
- Sec. 6030. Guarantees for bonds and notes issued for electrification or telephone purposes.
- Sec. 6031. Comprehensive rural broadband strategy.
- Sec. 6032. Study of railroad issues.

1 SEC. 6001. DEFINITION OF RURAL.

2 Not later than 60 days after the date of the enact-
 3 ment of this Act, the Secretary of Agriculture shall pre-
 4 pare and submit to the Committee on Agriculture of the
 5 House of Representatives and the Committee on Agri-
 6 culture, Nutrition, and Forestry of the Senate a report
 7 that—

8 (1) assesses the varying definitions of “rural”
 9 used by the Department of Agriculture;

1 (2) describes the effects those varying defini-
2 tions have on the programs administered by the De-
3 partment of Agriculture; and

4 (3) makes recommendations for ways to better
5 target funds provided through rural development
6 programs.

7 **SEC. 6002. WATER, WASTE DISPOSAL, AND WASTEWATER**
8 **FACILITY GRANTS.**

9 Section 306(a)(2)(B)(vii) of the Consolidated Farm
10 and Rural Development Act (7 U.S.C. 1926(a)(2)(B)(vii))
11 is amended by striking “2002 through 2007” and insert-
12 ing “2008 through 2012”.

13 **SEC. 6003. RURAL BUSINESS OPPORTUNITY GRANTS.**

14 Section 306(a)(11)(D) of the Consolidated Farm and
15 Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is
16 amended by striking “2007” and inserting “2012”.

17 **SEC. 6004. RURAL WATER AND WASTEWATER CIRCUIT**
18 **RIDER PROGRAM.**

19 Section 306(a)(22)(C) of the Consolidated Farm and
20 Rural Development Act (7 U.S.C. 1926(a)(22)(C)) is
21 amended by striking “\$15,000,000 for fiscal year 2003”
22 and inserting “\$25,000,000 for fiscal year 2008”.

1 **SEC. 6005. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL**
2 **COMMUNITY FACILITIES.**

3 Section 306(a)(25) of the Consolidated Farm and
4 Rural Development Act (7 U.S.C. 1926(a)(25)) is amend-
5 ed—

6 (1) by striking subparagraph (B) and inserting
7 the following:

8 “(B) FEDERAL SHARE.—The Secretary
9 shall establish the maximum percentage of the
10 cost of the facility that may be covered by a
11 grant under this paragraph, except that the
12 Secretary may not require non-Federal financial
13 support in an amount that is greater than 5
14 percent of the total cost.”; and

15 (2) in subparagraph (C), by striking “2003
16 through 2007” and inserting “2008 through 2012”.

17 **SEC. 6006. EMERGENCY AND IMMINENT COMMUNITY**
18 **WATER ASSISTANCE GRANT PROGRAM.**

19 Section 306A(i)(2) of the Consolidated Farm and
20 Rural Development Act (7 U.S.C. 1926a(i)(2)) is amended
21 by striking “2003 through 2007” and inserting “2008
22 through 2012”.

23 **SEC. 6007. WATER SYSTEMS FOR RURAL AND NATIVE VIL-**
24 **LAGES IN ALASKA.**

25 Section 306D(d)(1) of the Consolidated Farm and
26 Rural Development Act (7 U.S.C. 1926d(d)(1)) is amend-

1 ed by striking “2001 through 2007” and inserting “2008
2 through 2012”.

3 **SEC. 6008. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**
4 **NANCE THE CONSTRUCTION, REFURBISHING,**
5 **AND SERVICING OF INDIVIDUALLY-OWNED**
6 **HOUSEHOLD WATER WELL SYSTEMS IN**
7 **RURAL AREAS FOR INDIVIDUALS WITH LOW**
8 **OR MODERATE INCOMES.**

9 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
10 306E(d) of the Consolidated Farm and Rural Develop-
11 ment Act (7 U.S.C. 1926e(d)) is amended by striking
12 “2003 through 2007” and inserting “2008 through
13 2012”.

14 (b) ADDITIONAL PRIORITY IN AWARDING GRANTS.—
15 Section 306E(e) of such Act (7 U.S.C. 1926e(e)) is
16 amended by inserting “, and to an applicant that has sub-
17 stantial expertise and experience in promoting the safe
18 and productive use of individually-owned household water
19 well systems and ground water. The ability of an applicant
20 to provide matching funds shall not be taken into account
21 in determining any priority in awarding grants under this
22 section. The payment by a grantee of audit fees, business
23 insurance, salary, wages, employee benefits, printing costs,
24 postage costs, and legal fees associated with providing the
25 assistance described in paragraph (1) shall be considered

1 the provision of matching funds by the grantee for pur-
2 poses of this section” before the period.

3 **SEC. 6009. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

4 (a) **ELIGIBILITY.**—Section 310B(e)(5) of the Consoli-
5 dated Farm and Rural Development Act (7 U.S.C.
6 1932(e)(5)) is amended—

7 (1) in subparagraph (A), by striking “a nation-
8 ally coordinated, regionally or State-wide operated
9 project” and inserting “activities to promote and as-
10 sist the development of cooperatively and mutually
11 owned businesses”;

12 (2) in subparagraph (B), by inserting “to pro-
13 mote and assist the development of cooperatively
14 and mutually owned businesses” before the semi-
15 colon;

16 (3) by striking subparagraph (D) and redesign-
17 ating subparagraph (E) as subparagraph (D);

18 (4) inserting after subparagraph (D) (as so re-
19 designated):

20 “(E) demonstrate a commitment to—

21 “(i) networking with and sharing the
22 results of its efforts with other cooperative
23 development centers and other organiza-
24 tions involved in rural economic develop-
25 ment efforts; and

1 “(ii) developing multi-organization
2 and multi-State approaches to addressing
3 the cooperative and economic development
4 needs of rural areas.”; and

5 (5) in subparagraph (F), by striking “greater
6 than” the 1st place it appears.

7 (b) AUTHORITY TO AWARD MULTI-YEAR GRANTS.—
8 Section 310(B)(e)(6) of such Act (7 U.S.C. 1932(e)(6))
9 is amended to read as follows:

10 “(6) Grants awarded to centers that have re-
11 ceived no prior funding under this subsection shall
12 be made for a period of 1 year. The Secretary shall
13 evaluate programs receiving assistance under this
14 subsection. The Secretary may award grants for a
15 period of more than 1 year, but not more than 3
16 years, to centers that have successfully met the cri-
17 teria under paragraph (5).”.

18 (c) AUTHORITY TO EXTEND GRANT PERIOD FOR 1
19 YEAR.—Section 310B(e) of such Act (7 U.S.C. 1932(e))
20 is amended by redesignating paragraphs (7) through (9)
21 as paragraphs (8) through (10), respectively, and insert-
22 ing after paragraph (6) the following:

23 “(7) The Secretary may extend for only 1 addi-
24 tional 12-month period the period in which a grantee
25 may use a grant made under this subsection.”.

1 (d) COOPERATIVE RESEARCH PROGRAM.—Section
2 310B(e) of such Act (7 U.S.C. 1932(e)), as amended by
3 subsection (c) of this section, is amended by redesignating
4 paragraphs (9) and (10) as paragraphs (10) and (11), re-
5 spectively, and inserting after paragraph (9) the following:

6 “(10) The Secretary shall enter into a coopera-
7 tive research agreement with 1 or more qualified
8 academic institutions in each fiscal year to conduct
9 research on the national economic effects of all types
10 of cooperatives.”.

11 (e) ADDRESSING NEEDS OF MINORITY COMMU-
12 NITIES.—Section 310B(e) of such Act (7 U.S.C. 1932(e)),
13 as amended by subsections (c) and (d) of this section, is
14 amended by redesignating paragraph (11) as paragraph
15 (12) and inserting after paragraph (10) the following:

16 “(11)(A) If the total amount appropriated
17 under paragraph (12) of this subsection for a fiscal
18 year exceeds \$7,500,000, the Secretary shall reserve
19 an amount equal to 20 percent of the amount so ap-
20 propriated for grants for cooperative development
21 centers, individual cooperatives, or groups of co-
22 operatives, serving socially disadvantaged (within the
23 meaning of section 355(e)) communities, a majority
24 of the boards of directors or governing boards of

1 which are comprised of socially disadvantaged
2 (withing such meaning) individuals.

3 “(B) To the extent that the Secretary deter-
4 mines that funds reserved under subparagraph (A)
5 will not be used for grants described in subpara-
6 graph (A) because of insufficient applications for the
7 grants, the Secretary shall use the funds as other-
8 wise authorized by this subsection.”.

9 (f) AUTHORIZATION OF APPROPRIATIONS.—Section
10 310B(e)(12) of such Act (7 U.S.C. 1932(e)(12)), as so
11 redesignated by subsections (c) through (e) of this section,
12 is amended by striking “2007” and inserting “2012”.

13 **SEC. 6010. CRITERIA TO BE APPLIED IN PROVIDING**
14 **LOANS AND LOAN GUARANTEES UNDER THE**
15 **BUSINESS AND INDUSTRY LOAN PROGRAM.**

16 Section 310B(g) of the Consolidated Farm and Rural
17 Development Act (7 U.S.C. 1932(g)) is amended by add-
18 ing at the end the following:

19 “(9)(A) In providing loans and loan guarantees under
20 this section, the Secretary shall consider an application
21 more favorably when compared to other applications to the
22 extent that the project described in the application sup-
23 ports community development and farm and ranch income
24 by marketing, distributing, storing, aggregating, or proc-

1 essing a locally or regionally produced agricultural prod-
 2 uct.

3 “(B) In subparagraph (A), the term ‘locally or re-
 4 gionally produced agricultural product’ means an agricul-
 5 tural product—

6 “(I) which is produced and distributed in the
 7 locality or region where the finished product is mar-
 8 keted;

9 “(ii) which has been shipped a total distance of
 10 400 or fewer miles, as determined by the Secretary;
 11 and

12 “(iii) about which the distributor has conveyed
 13 to the end-use consumers information regarding the
 14 origin of the product or production practices, or
 15 other valuable information.”.

16 **SEC. 6011. APPROPRIATE TECHNOLOGY TRANSFER FOR**
 17 **RURAL AREAS PROGRAM.**

18 Section 310B of the Consolidated Farm and Rural
 19 Development Act (7 U.S.C. 1932) is amended by adding
 20 at the end the following:

21 “(i) **APPROPRIATE TECHNOLOGY TRANSFER FOR**
 22 **RURAL AREAS PROGRAM.—**

23 “(1) **DEFINITION OF NATIONAL NONPROFIT AG-**
 24 **RICULTURAL ASSISTANCE INSTITUTION.—**In this

1 subsection, the term ‘national nonprofit agricultural
2 assistance institution’ means an organization that—

3 “(A) is described in section 501(c)(3) of
4 the Internal Revenue Code of 1986 and exempt
5 from taxation under 501(a) of that Code;

6 “(B) has staff and offices in multiple re-
7 gions;

8 “(C) operates national sustainable agri-
9 culture technical assistance programs; and

10 “(D) provides the technical assistance
11 through toll-free hotlines, a website, publica-
12 tions, and work shops.

13 “(2) ESTABLISHMENT.—The Secretary shall es-
14 tablish a national appropriate technology transfer
15 for rural areas program to assist agricultural pro-
16 ducers that are seeking information to help agricul-
17 tural producers—

18 “(A) reduce input costs;

19 “(B) conserve energy resources;

20 “(C) diversify operations through new en-
21 ergy crops and energy generation facilities; and

22 “(D) expand markets for the agricultural
23 commodities produced by the producers through
24 use of sustainable farming practices.

25 “(3) IMPLEMENTATION.—

1 “(A) IN GENERAL.—The Secretary shall
2 carry out the program under this subsection by
3 making a grant to, or offering to enter into a
4 cooperative agreement with, a national non-
5 profit agricultural assistance organization.

6 “(B) COST SHARE.—A grant made, or co-
7 operative agreement entered into, under sub-
8 paragraph (A) shall provide 100 percent of the
9 cost of providing information pursuant to para-
10 graph (2).

11 “(4) AUTHORIZATION OF APPROPRIATIONS.—
12 There are authorized to be appropriated to the Sec-
13 retary to carry out this subsection \$5,000,000 for
14 each fiscal year.”.

15 **SEC. 6012. GRANTS TO IMPROVE TECHNICAL INFRASTRUC-**
16 **TURE AND IMPROVE QUALITY OF RURAL**
17 **HEALTH CARE FACILITIES.**

18 Subtitle D of the Consolidated Farm and Rural De-
19 velopment Act (7 U.S.C. 1981–2008r), as amended by
20 section 5025 of this Act, is amended by inserting after
21 section 365 the following:

1 **“SEC. 366. GRANTS TO IMPROVE TECHNICAL INFRASTRUC-**
2 **TURE AND IMPROVE QUALITY OF RURAL**
3 **HEALTH CARE FACILITIES.**

4 “(a) IN GENERAL.—The Secretary shall establish a
5 program to award grants to rural health facilities for the
6 purpose of assisting the facilities in—

7 “(1) purchasing health information technology
8 to improve quality in health care and patient safety;
9 or

10 “(2) improving health care quality and patient
11 safety, including the development of—

12 “(A) quality improvement support struc-
13 tures to assist rural health systems and profes-
14 sionals—

15 “(i) achieve greater integration of per-
16 sonal and population health services; and

17 “(ii) address safety, effectiveness,
18 patient- or community-centeredness, timeli-
19 ness, efficiency, and equity; and

20 “(B) innovative approaches to the financ-
21 ing and delivery of health services to achieve
22 rural health quality goals.

23 “(b) DEFINITIONS.—In this section:

24 “(1) HEALTH INFORMATION TECHNOLOGY.—
25 The term ‘health information technology’ includes
26 total expenditures incurred for—

1 “(A) purchasing, leasing, and installing
2 computer software and hardware, including
3 handheld computer technologies, and related
4 services;

5 “(B) making improvements to computer
6 software and hardware;

7 “(C) purchasing or leasing communications
8 capabilities necessary for clinical data access,
9 storage, and exchange;

10 “(D) services associated with acquiring,
11 implementing, operating, or optimizing the use
12 of computer software and hardware and clinical
13 health care informatics systems;

14 “(E) providing education and training to
15 eligible entity staff on information systems and
16 technology designed to improve patient safety
17 and quality of care; and

18 “(F) purchasing, leasing, subscribing, or
19 servicing support to establish interoperability
20 that—

21 “(i) integrates patient-specific clinical
22 data with well-established national treat-
23 ment guidelines;

24 “(ii) provides ongoing, continuous
25 quality improvement functions that allow

1 providers to assess improvement rates over
2 time and against averages for similar pro-
3 viders; and

4 “(iii) integrates with larger health
5 networks.

6 “(2) RURAL AREA.—The term ‘rural area’
7 means any area of the United States that is not—

8 “(A) included within the boundaries of any
9 city, town, borough, or village, whether incor-
10 porated or unincorporated, with a population of
11 more than 20,000 inhabitants; or

12 “(B) the urbanized area contiguous and
13 adjacent to such a city or town.

14 “(3) RURAL HEALTH FACILITY.—The term
15 ‘rural health facility’ means any of the following:

16 “(A) SOLE COMMUNITY HOSPITAL.—A
17 hospital (as defined in section 1886(a)(2) of the
18 Social Security Act (42 U.S.C. 1395ww(a)(2))).

19 “(B) CRITICAL ACCESS HOSPITAL.—A crit-
20 ical access hospital (as defined in section
21 1861(mm)(1) of the Social Security Act (42
22 U.S.C. 1395x(mm)(1))).

23 “(C) FEDERALLY QUALIFIED HEALTH
24 CENTER IN RURAL AREAS.—A federally quali-
25 fied health center (as defined in section

1 1861(aa)(4) of the Social Security Act (42
2 U.S.C. 1395x(aa)(4)) that is located in a rural
3 area.

4 “(D) RURAL PHYSICIAN OR RURAL PHYSI-
5 CIAN GROUP PRACTICE.—A physician or physi-
6 cian group practice that is located in a rural
7 area.

8 “(E) RURAL HEALTH CLINIC.—A rural
9 health clinic (as defined in section 1861(aa)(2)
10 of the Social Security Act (42 U.S.C.
11 1395x(aa)(2))).

12 “(F) MEDICARE DEPENDENT HOSPITAL.—
13 A medicare-dependent, small rural hospital (as
14 defined in section 1886(d)(5)(G)(iv) of the So-
15 cial Security Act (42 U.S.C.
16 1395ww(d)(5)(G)(iv))).

17 “(c) AMOUNT OF GRANT.—The Secretary shall deter-
18 mine the amount of a grant awarded under this section.

19 “(d) FURNISHING THE SECRETARY WITH INFORMA-
20 TION.—An eligible entity receiving a grant under this sec-
21 tion shall furnish the Secretary with such information as
22 the Secretary may require to—

23 “(1) evaluate the project for which the grant is
24 made; and

1 “(2) ensure that assistance provided under the
2 grant is expended for the purposes for which the
3 grant is made.

4 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
5 are authorized to be appropriated to the Secretary to carry
6 out this section not more than \$30,000,000 for each of
7 the fiscal years 2008 through 2012.”.

8 **SEC. 6013. RURAL ENTREPRENEUR AND MICROENTER-**
9 **PRISE ASSISTANCE PROGRAM.**

10 Subtitle D of the Consolidated Farm and Rural De-
11 velopment Act (7 U.S.C. 1981–2008r), as amended by
12 sections 5025 and 6012 of this Act, is amended by insert-
13 ing after section 366 the following:

14 **“SEC. 367. RURAL ENTREPRENEUR AND MICROENTER-**
15 **PRISE ASSISTANCE PROGRAM.**

16 “(a) DEFINITIONS.—In this section:

17 “(1) ECONOMICALLY DISADVANTAGED MICRO-

18 ENTREPRENEUR.—The term ‘economically disadvan-

19 taged microentrepreneur’ means an owner, majority

20 owner, or developer of a microenterprise that has the

21 ability to compete in the private sector but has been

22 impaired because of diminished capital and credit

23 opportunities, as compared to other microentre-

24 preneurs in the industry.

1 “(2) INDIAN TRIBE.—The term ‘Indian tribe’
2 has the meaning given the term in section 4 of the
3 Indian Self-Determination and Education Assistance
4 Act (25 U.S.C. 450b).

5 “(3) INTERMEDIARY.—The term ‘intermediary’
6 means a nonprofit entity that provides assistance—

7 “(A) to a microenterprise development or-
8 ganization; or

9 “(B) for a microenterprise development
10 program.

11 “(4) LOW-INCOME INDIVIDUAL.—The term
12 ‘low-income individual’ means an individual with an
13 income (adjusted for family size) of not more than
14 80 percent of the national median income.

15 “(5) MICROCREDIT.—The term ‘microcredit’
16 means a business loan or loan guarantee of not more
17 than \$50,000 that is provided to a rural entre-
18 preneur.

19 “(6) MICROENTERPRISE.—The term ‘micro-
20 enterprise’ means—

21 “(A) a sole proprietorship; or

22 “(B) a business entity with not more than
23 10 full-time-equivalent employees.

24 “(7) MICROENTERPRISE DEVELOPMENT ORGA-
25 NIZATION.—

1 “(A) IN GENERAL.—The term ‘microenter-
2 prise development organization’ means a non-
3 profit entity that—

4 “(i) provides training and technical
5 assistance to rural entrepreneurs; and

6 “(ii) facilitates access to capital or an-
7 other service described in subsection (b)
8 for rural entrepreneurs.

9 “(B) INCLUSIONS.—The term ‘microenter-
10 prise development organization’ includes an or-
11 ganization described in subparagraph (A) with
12 a demonstrated record of delivering services to
13 economically disadvantaged microentrepreneurs,
14 or an effective plan to develop a program to de-
15 liver microenterprise services to rural entre-
16 preneurs effectively, as determined by the Sec-
17 retary.

18 “(8) MICROENTERPRISE DEVELOPMENT PRO-
19 GRAM.—The term ‘microenterprise development pro-
20 gram’ means a program administered by a qualified
21 organization serving a rural area.

22 “(9) MICROENTREPRENEUR.—The term ‘micro-
23 entrepreneur means’ the owner, operator, or devel-
24 oper of a microenterprise.

1 “(10) PROGRAM.—The term ‘program’ means
2 the rural entrepreneur and microenterprise program
3 established under subsection (b)(1).

4 “(11) QUALIFIED ORGANIZATION.—The term
5 ‘qualified organization’ means—

6 “(A) a microenterprise development orga-
7 nization or microenterprise development pro-
8 gram that has a demonstrated record of deliv-
9 ering microenterprise services to rural entre-
10 preneurs, or an effective plan to develop a pro-
11 gram to deliver microenterprise services to rural
12 entrepreneurs effectively, as determined by the
13 Secretary;

14 “(B) an intermediary that has a dem-
15 onstrated record of delivering assistance to
16 microenterprise development organizations or
17 microenterprise development programs;

18 “(C) an Indian tribe, the tribal government
19 of which certifies to the Secretary that there is
20 no microenterprise development organization or
21 microenterprise development program under the
22 jurisdiction of the Indian tribe;

23 “(D) a group of 2 or more organizations or
24 Indian tribes described in any of subparagraphs

1 (A) through (C) that agree to act jointly as a
2 qualified organization under this section; or

3 “(E) for purposes of subsection (b), a pub-
4 lic college or university that has a demonstrated
5 record of delivering assistance to microenter-
6 prise development organizations or microenter-
7 prise development programs.

8 “(12) RURAL AREA.—The term ‘rural area’
9 means any area of the United States that is not—

10 “(A) included within the boundaries of any
11 city, town, borough, or village, whether incor-
12 porated or unincorporated, with a population of
13 more than 20,000 inhabitants; or

14 “(B) the urbanized area contiguous and
15 adjacent to such a city or town.

16 “(13) RURAL CAPACITY-BUILDING SERVICE.—
17 The term ‘rural capacity-building service’ means a
18 service provided to an organization that—

19 “(A) is, or is in the process of becoming,
20 a microenterprise development organization or
21 microenterprise development program; and

22 “(B) serves rural areas for the purpose of
23 enhancing the ability of the organization to pro-
24 vide training, technical assistance, and other re-
25 lated services to rural entrepreneurs.

1 “(14) RURAL ENTREPRENEUR.—The term
2 ‘rural entrepreneur’ means a microentrepreneur, or
3 prospective microentrepreneur—

4 “(A) the principal place of business of
5 which is in a rural area; and

6 “(B) that is unable to obtain sufficient
7 training, technical assistance, or microcredit
8 elsewhere, as determined by the Secretary.

9 “(15) TRIBAL GOVERNMENT.—The term ‘tribal
10 government’ means the governing body of an Indian
11 tribe.

12 “(b) RURAL ENTREPRENEURSHIP AND MICRO-
13 ENTERPRISE PROGRAM.—

14 “(1) ESTABLISHMENT.—The Secretary shall es-
15 tablish a rural entrepreneurship and microenterprise
16 program.

17 “(2) PURPOSE.—The purpose of the program
18 shall be to provide low-income individuals and mod-
19 erate-income individuals with—

20 “(A) the skills necessary to establish new
21 small businesses in rural areas; and

22 “(B) continuing technical and financial as-
23 sistance as individuals and business starting or
24 operating small businesses.

25 “(3) GRANTS.—

1 “(A) IN GENERAL.—The Secretary may
2 make a grant under the program to a qualified
3 organization—

4 “(i) to provide training, operational
5 support, or a rural capacity-building serv-
6 ice to a qualified organization to assist the
7 qualified organization in developing micro-
8 enterprise training, technical assistance,
9 market development assistance, and other
10 related services, primarily for business with
11 10 or fewer full-time-equivalent employees;

12 “(ii) to assist in researching and de-
13 veloping the best practices in delivering
14 training, technical assistance, and micro-
15 credit to rural entrepreneurs; and

16 “(iii) to carry out such other projects
17 and activities as the Secretary determines
18 to be consistent with the purposes of this
19 section.

20 “(B) DIVERSITY.—In making grants under
21 this paragraph, the Secretary shall ensure, to
22 the maximum extent practicable, that grant re-
23 cipients include qualified organizations—

24 “(i) of varying sizes; and

1 “(ii) that serve racially and ethnically
2 diverse populations.

3 “(C) MATCHING REQUIREMENT.—

4 “(i) IN GENERAL.—As a condition of
5 any grant made to a qualified organization
6 under this paragraph, the Secretary shall
7 require the qualified organization to match
8 not less than 25 percent of the total
9 amount of the grant.

10 “(ii) SOURCES.—In addition to cash
11 from non-Federal sources, a matching
12 share provided by the qualified organiza-
13 tion may include indirect costs or in-kind
14 contributions funded under non-Federal
15 programs.

16 “(4) RURAL MICROLOAN AND TECHNICAL AS-
17 SISTANCE PROGRAM.—

18 “(A) ESTABLISHMENT.—In carrying out
19 the program, the Secretary may carry out a
20 rural microloan program.

21 “(B) PURPOSE.—The purpose of the rural
22 microloan program shall be to provide technical
23 and financial assistance through qualified orga-
24 nizations to sole proprietorships and small busi-
25 nesses located in rural areas with a particular

1 focus on businesses with 10 or fewer full-time
2 equivalent employees.

3 “(C) AUTHORITY OF SECRETARY.—In car-
4 rying out the rural microloan program, the Sec-
5 retary may—

6 “(i) make loans to qualified organiza-
7 tions for the purpose of making short-
8 term, fixed interest rate microloans to
9 startup, newly established, and growing
10 rural microbusiness concerns; and

11 “(ii) in conjunction with the loans,
12 provide grants in accordance with subpara-
13 graph (E) to the organizations for the pur-
14 pose of providing intensive marketing,
15 management, and technical assistance to
16 small business concerns that are borrowers
17 under this paragraph.

18 “(D) LOAN DURATION; INTEREST RATES;
19 CONDITIONS.—

20 “(i) LOAN DURATION.—A loan made
21 by the Secretary under this paragraph
22 shall be for a term of 20 years.

23 “(ii) APPLICABLE INTEREST RATES.—
24 A loan made by the Secretary under this
25 paragraph to a qualified organization shall

1 bear an annual interest rate of at least 1
2 percent.

3 “(iii) DEFERRAL OF INTEREST AND
4 PRINCIPAL.—The Secretary may permit
5 the deferral of payments, for principal and
6 interest, on a loan made under this para-
7 graph for a period of not more than 2
8 years, beginning on the date the loan is
9 made.

10 “(E) GRANT AMOUNTS.—

11 “(i) IN GENERAL.—Except as other-
12 wise provided in this section, each qualified
13 organization that receives a loan under this
14 paragraph shall be eligible to receive a
15 grant to provide marketing, management,
16 and technical assistance to small business
17 concerns that are borrowers or potential
18 borrowers under this subsection.

19 “(ii) MAXIMUM AMOUNT FOR MICRO-
20 ENTERPRISE DEVELOPMENT ORGANIZA-
21 TIONS.—Each microenterprise development
22 organization that receives a loan under this
23 paragraph shall receive an annual grant in
24 an amount equal to not more than 25 per-
25 cent of the total outstanding balance of

1 loans made to the microenterprise develop-
2 ment organization under this paragraph,
3 as of the date the grant is made.

4 “(iii) MATCHING REQUIREMENT.—

5 “(I) IN GENERAL.—As a condi-
6 tion of any grant made to a qualified
7 organization under this subparagraph,
8 the Secretary shall require the quali-
9 fied organization to match not less
10 than 15 percent of the total amount
11 of the grant.

12 “(II) SOURCES.—In addition to
13 cash from non-Federal sources, a
14 matching share provided by the quali-
15 fied organization may include indirect
16 costs or in-kind contributions funded
17 under non-Federal programs.

18 “(c) ADMINISTRATIVE EXPENSES.—Not more than
19 10 percent of assistance received by a qualified organiza-
20 tion for a fiscal year under this section may be used to
21 pay administrative expenses.

22 “(d) FURNISHING THE SECRETARY WITH INFORMA-
23 TION.—A qualified organization that receives a grant
24 under subsection (b)(3) or loan under subsection (b)(4)
25 shall furnish the Secretary by December 1 such informa-

1 tion as the Secretary may require to ensure that assistance
2 provided under the grant or loan is expended for the pur-
3 poses for which the grant or loan is made.

4 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
5 are authorized to be appropriated to the Secretary to carry
6 out this section not more than \$20,000,000 for each of
7 the fiscal years 2008 through 2012.”.

8 **SEC. 6014. CRITERIA TO BE APPLIED IN CONSIDERING AP-**
9 **PLICATIONS FOR RURAL DEVELOPMENT**
10 **PROJECTS.**

11 Subtitle D of the Consolidated Farm and Rural De-
12 velopment Act (7 U.S.C. 1981–2008r), as amended by
13 sections 5025, 6012, and 6013 of this Act, is amended
14 by inserting after section 367 the following:

15 **“SEC. 368. CRITERIA TO BE APPLIED IN CONSIDERING AP-**
16 **PLICATIONS FOR RURAL DEVELOPMENT**
17 **PROJECTS.**

18 “(a) IN GENERAL.—The Secretary shall review the
19 income demographics, population, seasonal increases, and
20 other factors as determined by the Secretary, of eligible
21 communities for each program authorized or modified by,
22 or funded pursuant to, an amendment made by title VI
23 of the Farm, Nutrition, and Bioenergy Act of 2007 or sec-
24 tion 306, 306A, 306C, 306D, 306E, 310(c), 310(e),
25 310B(b), 310B(c), 310B(e), or 379B, or subtitle F, G,

1 H, or I of this Act, and which proposes to serve a rural
2 area (as defined by the applicable law).

3 “(b) REGULATIONS.—The Secretary shall issue regu-
4 lations to establish the applicable limitations that a rural
5 area cannot exceed in order to remain eligible for a pro-
6 gram referred to in subsection (a).”.

7 **SEC. 6015. NATIONAL SHEEP INDUSTRY IMPROVEMENT**
8 **CENTER.**

9 (a) FUNDING.—Section 375(e)(6) of the Consolidated
10 Farm and Rural Development Act (7 U.S.C. 2008j(e)(6))
11 is amended by striking paragraphs (B) and (C) and insert-
12 ing the following:

13 “(B) AUTHORIZATION OF APPROPRIA-
14 TIONS.—There are authorized to be appro-
15 priated to the Secretary to carry out this sec-
16 tion \$10,000,000 for each of the fiscal years
17 2008 through 2012.”.

18 (b) ELIMINATION OF REQUIREMENT TO PRIVATIZE
19 REVOLVING FUND.— Section 375 of such Act (7 U.S.C.
20 2008j) is amended by striking subsection (j).

21 **SEC. 6016. NATIONAL RURAL DEVELOPMENT PARTNER-**
22 **SHIP.**

23 Section 378(g)(1) of the Consolidated Farm and
24 Rural Development Act (7 U.S.C. 2008m(g)(1)) is amend-

1 ed by striking “2003 through 2007” and inserting “2008
2 through 2012”.

3 **SEC. 6017. HISTORIC BARN PRESERVATION.**

4 (a) GRANT PRIORITY.—Section 379A(c) of the Con-
5 solidated Farm and Rural Development Act (7 U.S.C.
6 2008o(c)) is amended by redesignating paragraphs (3)
7 and (4) as paragraphs (4) and (5) and inserting after
8 paragraph (2) the following:

9 “(3) PRIORITY.—In making grants under this
10 subsection, the Secretary shall give the highest pri-
11 ority to funding projects described in paragraph
12 (2)(C).”.

13 (b) LIMITATIONS ON AUTHORIZATION OF APPRO-
14 PRIATIONS.—Section 379A(c)(5) of such Act (7 U.S.C.
15 2008o(c)(5)), as so redesignated by subsection (a) of this
16 section, is amended by striking “2002 through 2007” and
17 inserting “2008 through 2012”.

18 **SEC. 6018. GRANTS FOR NOAA WEATHER RADIO TRANSMIT-**
19 **TERS.**

20 Section 379B(d) of the Consolidated Farm and Rural
21 Development Act (7 U.S.C. 2008p(d)) is amended by
22 striking “2002 through 2007” and inserting “2008
23 through 2012”.

1 **SEC. 6019. DELTA REGIONAL AUTHORITY.**

2 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
3 382M(a) of the Consolidated Farm and Rural Develop-
4 ment Act (7 U.S.C. 2009aa–12(a)) is amended by striking
5 “2001 through 2007” and inserting “2008 through
6 2012”.

7 (b) TERMINATION OF AUTHORITY.—Section 382N of
8 such Act (7 U.S.C. 2009aa–13) is amended by striking
9 “2007” and inserting “2012”.

10 **SEC. 6020. NORTHERN GREAT PLAINS REGIONAL AUTHOR-**
11 **ITY.**

12 (a) FEDERAL SHARE OF ADMINISTRATIVE EX-
13 PENSES.—Section 383B(g)(1) of the Consolidated Farm
14 and Rural Development Act (7 U.S.C. 2009bb–1(g)(1))
15 is amended—

16 (1) in subparagraph (A), by striking “2002”
17 and inserting “2007”;

18 (2) in subparagraph (B), by striking “2003”
19 and inserting “2008”; and

20 (3) in subparagraph (C), by striking “2004”
21 and inserting “2009”.

22 (b) TECHNICAL AMENDMENT.—Section
23 383B(d)(6)(A) of such Act (7 U.S.C. 2009bb–1(d)(6)(A))
24 is amended by inserting “and resource conservation” after
25 “development”.

1 (c) ELIMINATION OF PRIORITIZATION RANKING OF
2 ACTIVITIES TO BE FUNDED.—Section 383C(b)(2) of such
3 Act (7 U.S.C. 2009bb–2(b)(2)) is amended by striking
4 “activities in the following order of priority” and inserting
5 “following activities”.

6 (d) ELIMINATION OF ISOLATED AREA OF DISTRESS
7 DESIGNATION.—

8 (1) IN GENERAL.—Section 383F(a) of such Act
9 (7 U.S.C. 2009bb–5(a)) is amended—

10 (A) by adding “and” at the end of para-
11 graph (1);

12 (B) by striking “; and” at the end of para-
13 graph (2) and inserting a period; and

14 (C) by striking paragraph (3).

15 (2) CONFORMING AMENDMENTS.—Section
16 383F(b) of such Act (7 U.S.C. 2009bb–5(b)) is
17 amended—

18 (A) in paragraph (1), by striking “and iso-
19 lated areas of distress”; and

20 (B) in paragraph (2), by striking “or iso-
21 lated areas of distress”.

22 (e) REDUCTION OF MINIMUM FUNDS ALLOCATION
23 FOR DISTRESSED COUNTIES.—Section 383F(b)(1) of
24 such Act (7 U.S.C. 2009bb–5(b)(1)) is amended by strik-
25 ing “75” and inserting “50”.

1 (f) ELIMINATION OF PROHIBITION ON PROVIDING
2 FUNDS TO NONDISTRESSED COUNTIES.—Section 383F of
3 such Act (7 U.S.C. 2009bb–5) is amended by striking sub-
4 section (c) and redesignating subsection (d) as subsection
5 (c).

6 (g) INCLUSION OF RENEWABLE ENERGY AMONG OB-
7 JECTS OF MINIMUM FUNDS ALLOCATION.—Section
8 383F(c) of such Act (7 U.S.C. 2009bb–5(c)), as so reded-
9 ignated by subsection (a) of this section, is amended—
10 (1) in the subsection heading, by inserting “RE-
11 NEWABLE ENERGY,” after “TELECOMMUNI-
12 CATION,”; and

13 (2) by inserting “renewable energy,” after
14 “telecommunication”.

15 (h) AUTHORIZATION OF APPROPRIATIONS.—Section
16 383M(a) of such Act (7 U.S.C. 2009bb–12(a)) is amended
17 by striking “2002 through 2007” and inserting “2008
18 through 2012”.

19 (i) TERMINATION OF AUTHORITY.—Section 383N of
20 such Act (7 U.S.C. 2009bb–13) is amended by striking
21 “2007” and inserting “2012”.

22 **SEC. 6021. RURAL STRATEGIC INVESTMENT PROGRAM.**

23 (a) LIMITATIONS ON AUTHORIZATION OF APPRO-
24 PRIATIONS.—Section 385E of the Consolidated Farm and

1 Rural Development Act (7 U.S.C. 2009dd-4) is amended
2 to read as follows:

3 **“SEC. 385E. LIMITATIONS ON AUTHORIZATION OF APPRO-**
4 **PRIATIONS.**

5 “There are authorized to be appropriated to the Sec-
6 retary to carry out this subtitle not more than
7 \$25,000,000 for each of the fiscal years 2008 through
8 2012.”.

9 (b) **PRESERVATION AND PROMOTION OF RURAL**
10 **HERITAGE.—**

11 (1) **DEFINITION.—**Section 385B of such Act (7
12 U.S.C. 2009dd-1) is amended by adding at the end
13 the following:

14 “(12) **RURAL HERITAGE.—**The term ‘rural her-
15 itage’ means historic sites, structures, and districts
16 which may include rural downtown areas and main
17 streets, neighborhoods, farmsteads, scenic and his-
18 toric trails, and heritage areas and historic land-
19 scapes.”.

20 (2) **RURAL STRATEGIC INVESTMENT PLANNING**
21 **GRANTS.—**Section 385F(b) of such Act (7 U.S.C.
22 2009dd-5(b)) is amended—

23 (A) by striking “and” at the end of para-
24 graph (6); and

1 (B) by redesignating paragraph (7) as
2 paragraph (8) and inserting after paragraph
3 (6) the following:

4 “(7) preservation and promotion of rural herit-
5 age; and”.

6 (3) INNOVATION GRANTS.—Section 385G(d) of
7 such Act (7 U.S.C. 2009dd–66–(d)) is amended—

8 (A) by striking “and” at the end of para-
9 graph (6); and

10 (B) by redesignating paragraph (7) as
11 paragraph (8) and inserting after paragraph
12 (6) the following:

13 “(7) demonstrate a plan to protect and promote
14 rural heritage; and”.

15 **SEC. 6022. EXPANSION OF 911 ACCESS.**

16 Section 315(b) of the Rural Electrification Act of
17 1936 (7 U.S.C. 904e(b)) is amended by striking “2002
18 through 2007” and inserting “2008 through 2012”.

19 **SEC. 6023. ACCESS TO BROADBAND TELECOMMUNICATIONS**
20 **SERVICES IN RURAL AREAS.**

21 (a) DEFINITIONS.—Section 601(b) of the Rural Elec-
22 trification Act of 1936 (7 U.S.C. 950bb(b)) is amended
23 by striking paragraph (2) and inserting the following:

1 “(2) ELIGIBLE RURAL COMMUNITY.—The term
2 ‘eligible rural community’ means any area of the
3 United States that is not—

4 “(A) included within the boundaries of any
5 city, town, borough, or village, whether incor-
6 porated or unincorporated, with a population of
7 more than 20,000 inhabitants; or

8 “(B) the urbanized area contiguous and
9 adjacent to such a city or town.”.

10 (b) PRIORITIZATION OF APPLICATIONS.—

11 (1) DEFINITION.—Section 601(b) of such Act
12 (7 U.S.C. 950bb(b)), as amended by subsection (a)
13 of this section, is amended by adding at the end the
14 following:

15 “(3) INCUMBENT SERVICE PROVIDER.—The
16 term ‘incumbent service provider’ means, with re-
17 spect to an application submitted pursuant to this
18 section, an entity that is providing broadband service
19 to at least 5 percent of the households in the service
20 area proposed in the application.”.

21 (2) PRIORITY BASED ON NUMBER OF INCUM-
22 BENT SERVICE PROVIDERS.—Section 601(c) of such
23 Act (7 U.S.C. 950bb(c)) is amended by adding at
24 the end the following:

1 “(3) APPLICATIONS PRIORITIZED BASED ON
2 NUMBER OF INCUMBENT SERVICE PROVIDERS.—

3 “(A) IN GENERAL.—In making or guaran-
4 teeing loans under paragraph (1), the Secretary
5 shall give priority, in the following order, to ap-
6 plications from eligible rural communities that
7 have—

8 “(i) no incumbent service provider;

9 “(ii) 1 incumbent service provider; or

10 “(iii) 2 incumbent service providers
11 who, together, serve not more than 25 per-
12 cent of the households in the service area
13 proposed in the application.

14 “(B) PROHIBITIONS.—In carrying out this
15 section, the Secretary may not—

16 “(i) make a loan to an eligible com-
17 munity in which there are 3 or more in-
18 cumbent service providers, unless—

19 “(I) the loan is to an incumbent
20 service provider of the community;

21 “(II) the other providers in that
22 community are notified of the applica-
23 tion before approval by the Secretary,
24 and have sufficient time to comment
25 on the application; and

1 “(III) the application includes
2 substantially increasing—

3 “(aa) the quality of
4 broadband service in the commu-
5 nity; and

6 “(bb) the provision of
7 broadband service to unserved
8 households inside and outside the
9 community; or

10 “(ii) make a loan for new construction
11 to any community in which more than 75
12 percent of the households may obtain af-
13 fordable broadband service, on request,
14 from at least 1 incumbent service pro-
15 vider.”.

16 (c) PAPERWORK REDUCTION.—Section 601(c) of
17 such Act (7 U.S.C. 950bb(c)), as amended by subsection
18 (b)(2) of this section, is amended by adding at the end
19 the following:

20 “(4) PAPERWORK REDUCTION.—The Secretary
21 shall take steps to reduce the cost and paperwork
22 associated with applying for a loan or loan guar-
23 antee under this section by first-time applicants,
24 particularly those who are smaller and start-up
25 Internet providers, including by providing for a new

1 application which shall maintain the ability of the
2 Secretary to make an analysis of the risk associated
3 with the loan involved.”.

4 (d) INCREASE IN MAXIMUM NUMBER OF SUB-
5 SCRIBER LINES THAT MAY BE SERVED BY AN ELIGIBLE
6 ENTITY.—Section 601(d)(3) of such Act (7 U.S.C.
7 950bb(d)(3)) is amended by striking “2” and inserting
8 “10”.

9 (e) LIMITATION ON FUNDS TO ENTITIES WITH
10 MORE THAN 2 PERCENT OF SUBSCRIBER LINES.—Sec-
11 tion 601(d) of such Act (7 U.S.C. 950bb(d)) is amended
12 by adding at the end the following:

13 “(4) LIMITATION ON FUNDS TO ENTITIES WITH
14 MORE THAN 2 PERCENT OF SUBSCRIBER LINES.—
15 Not more than 25 percent of the loans made under
16 this section in a single fiscal year may be approved
17 for entities that serve more than 2 percent of the
18 telephone subscriber lines in the United States.”.

19 (f) LOAN TERM NOT TO EXCEED 35 YEARS.—Sec-
20 tion 601(g)(2) of such Act (7 U.S.C. 950bb(g)(2)) is
21 amended by striking “not to exceed the useful life of the
22 assets constructed, improved, or acquired with the pro-
23 ceeds of the loan or extension of credit.” and inserting
24 “of such length, not exceeding 35 years, as the borrower
25 may request, so long as the Secretary determines that the

1 loan is adequately secured. In determining the term of a
2 loan or loan guarantee, the Secretary shall consider wheth-
3 er the recipient is or would be serving an area that is not
4 receiving broadband services.”

5 (g) ADEQUACY OF SECURITY.—Section 601 of such
6 Act (7 U.S.C. 950bb) is amended by redesignating sub-
7 sections (h) through (k) as subsections (i) through (l), re-
8 spectively, and inserting after subsection (g) the following:

9 “(h) ADEQUACY OF SECURITY.—The Secretary shall
10 ensure that the type, amount, and method of security used
11 to secure any loan or loan guarantee provided under this
12 section is commensurate to the risk involved with the loan
13 or loan guarantee, particularly when the loan or loan guar-
14 antee is issued to a financially healthy, strong, and stable
15 entity. In determining the amount and method of security,
16 the Secretary shall consider reducing the security in areas
17 that do not have broadband service.”.

18 (h) GENERAL REPORT ON PROGRAM.—Section 601
19 of such Act (7 U.S.C. 950bb), as amended by subsection
20 (g) of this section, is amended by redesignating sub-
21 sections (k) and (l) as subsections (l) and (m), respec-
22 tively, and inserting after subsection (j) the following:

23 “(k) GENERAL PROGRAM REPORT.—Not later than
24 December 1 of each year, the Secretary shall prepare and
25 submit to the Committee on Agriculture of the House of

1 Representatives and the Committee on Agriculture, Nutri-
2 tion, and Forestry of the Senate a report that details for
3 the preceding fiscal year—

4 “(1) the loans made under this section;

5 “(2) the communities served under this section;

6 “(3) the speed of the broadband service offered
7 by applicants for, and recipients of, loans or loan
8 guarantees under this section;

9 “(4) the type of services offered by the appli-
10 cants and recipients;

11 “(5) the length of time to approve applications
12 submitted pursuant to this section; and

13 “(6) the outreach efforts undertaken by the De-
14 partment of Agriculture to encourage persons in
15 areas without broadband service to submit applica-
16 tions pursuant to this section.”.

17 (i) NATIONAL CENTER FOR RURAL TELECOMMUNI-
18 CATIONS ASSESSMENT.—Section 601 of such Act (7
19 U.S.C. 950bb), as amended by subsections (g) and (h) of
20 this section, is amended by redesignating subsections (l)
21 and (m) as subsections (m) and (n), respectively, and in-
22 serting after subsection (k) the following:

23 “(l) NATIONAL CENTER FOR RURAL TELECOMMUNI-
24 CATIONS ASSESSMENT.—

1 “(1) ESTABLISHMENT OF CENTER.—The Sec-
2 retary shall designate a National Center for Rural
3 Telecommunications Assessment (in this subsection
4 referred to as the ‘Center’).

5 “(2) CRITERIA.—The Secretary shall use the
6 following criteria in making the designation:

7 “(A) The Center must be an entity with a
8 focus on rural policy research and a minimum
9 of 5 years experience in rural telecommuni-
10 cations research and assessment.

11 “(B) The Center must be capable of as-
12 sessing broadband services in rural areas.

13 “(C) The Center must have significant ex-
14 perience with other rural economic development
15 centers and organizations in the assessment of
16 rural policies and formulation of policy solu-
17 tions at the local, State, and Federal level.

18 “(3) BOARD.—The management of the Center
19 shall be vested in a board of directors that is capable
20 of oversight of the duties set forth in paragraph (4).

21 “(4) DUTIES.—The Center shall—

22 “(A) assess the effectiveness of programs
23 provided under subsection (d) in increasing
24 broadband penetration and purchase in rural
25 areas, especially in those rural communities

1 identified by the Secretary as having no service
2 before award of a broadband loan or loan guar-
3 antee under subsection (d);

4 “(B) develop assessments of broadband
5 availability in rural areas, working with existing
6 rural development centers selected by the Cen-
7 ter;

8 “(C) identify policies and initiatives at the
9 local, State and Federal level that have in-
10 creased broadband penetration and purchase in
11 rural areas;

12 “(D) conduct a national study of rural
13 households and businesses focusing on the
14 adoption of, barriers to, and utilization of
15 broadband services; and

16 “(E) provide reports to the public on the
17 activities undertaken under this section.

18 “(5) REPORTING REQUIREMENTS.—The Center
19 shall report by December 1 of each year to the Sec-
20 retary its activities, the results of its research, and
21 any such information the Secretary may request re-
22 garding the prior fiscal year. In reporting to the
23 Secretary the Center shall include the following:

24 “(A) Assessments of the programs pro-
25 vided under subsection (b).

1 “(B) Annual assessments on broadband
2 availability in rural areas under consideration
3 by the Center.

4 “(C) Annual assessments on the effects of
5 the policy initiatives identified in paragraph
6 (2)(C).

7 “(D) Results from the national study of
8 rural households and businesses conducted
9 under paragraph (4)(D).

10 “(6) AUTHORIZATION OF APPROPRIATIONS.—
11 There are authorized to be appropriated to the Sec-
12 retary to carry out this subsection not more than
13 \$1,000,000 for each of the fiscal years 2008 through
14 2012.”.

15 (j) FUNDING.—Section 601(m) of such Act (7 U.S.C.
16 950bb(1)) as so redesignated by subsections (g) through
17 (i) of this section, is amended—

18 (1) by striking paragraph (1);

19 (2) by redesignating paragraphs (2), (3), and
20 (4) as paragraphs (1), (2), and (3), respectively;

21 (3) in paragraph (1)(B) (as so redesignated),
22 by striking “2007” and inserting “2012”;

23 (4) in paragraph (2) (as so redesignated), by
24 striking “2003 through 2007” and inserting “2008
25 through 2012”; and

1 (5) in paragraph (3) (as so redesignated), by
2 adding at the end the following:

3 “(D) ELIGIBLE TRIBAL COMMUNITIES.—

4 Of the amounts made available under subpara-
5 graph (A) for a fiscal year, 10 percent shall be
6 reserved for entities serving eligible tribal com-
7 munities.

8 “(E) UNOBLIGATED AMOUNTS.—Any

9 amounts in the reserve established for eligible
10 tribal communities for a fiscal year under sub-
11 paragraph (D) that are not obligated by June
12 30 of the fiscal year shall be available to the
13 Secretary to make loans and loan guarantees
14 under this section to eligible entities in any
15 State, as determined by the Secretary.”.

16 (k) EXTENSION OF AUTHORITY TO ISSUE LOANS.—

17 Section 601(n) of such Act (7 U.S.C. 950bb(m)), as so
18 redesignated by subsections (f) through (h) of this section,
19 is amended by striking “2007” and inserting “2012”.

20 **SEC. 6024. COMMUNITY CONNECT GRANT PROGRAM.**

21 Title VI of the Rural Electrification Act of 1936 (7
22 U.S.C. 950bb) is amended by adding at the end the fol-
23 lowing:

1 **“SEC. 602. COMMUNITY CONNECT GRANT PROGRAM.**

2 “(a) ESTABLISHMENT.—The Secretary shall estab-
3 lish a grant program to be known as the ‘Community Con-
4 nect Grant Program’ to provide financial assistance to eli-
5 gible applicants to provide broadband transmission service
6 that fosters economic growth and delivers enhanced edu-
7 cational, health care, and public safety services.

8 “(b) ELIGIBILITY.—To be eligible for a grant under
9 this section, the applicant must—

10 “(1) be legally organized as an incorporated
11 tribal organization, an Indian tribe, or tribal organi-
12 zation, as defined in subsections (b) and (c) of sec-
13 tion 4 of the Indian Self-Determination and Edu-
14 cation Assistance Act (25 U.S.C. 450b(b) and (c)),
15 a State or local unit of government, or other legal
16 entity, including a cooperative, private corporation,
17 or limited liability company organized on a for-profit
18 or not-for-profit basis;

19 “(2) have the legal capacity and authority to
20 own and operate broadband facilities as proposed in
21 its application, to enter into contracts, and to other-
22 wise comply with applicable Federal statutes and
23 regulations; or

24 “(3) be in an eligible rural community (as de-
25 fined in section 601(b)(2) of the Rural Electrifica-
26 tion Act of 1936).

1 “(c) INELIGIBLE GRANT PURPOSES.—A grant made
2 under this section may not be used—

3 “(1) to finance the duplication of any
4 broadband transmission service provided by another
5 entity; or

6 “(2) with respect to facilities, to provide local
7 exchange telecommunications service to any person
8 or entity receiving the service.

9 “(d) PRIORITY.—In making grants under this sec-
10 tion, the Secretary shall give priority to grants that will
11 enhance community access to telemedicine and distance
12 learning resources.

13 “(e) MATCHING CONTRIBUTIONS.—

14 “(1) IN GENERAL.—To be eligible to receive a
15 grant under subsection (a), a grant applicant shall
16 provide a matching contribution of at least 15 per-
17 cent of the grant amount requested, in funds and in-
18 kind contributions in a proportion to be determined
19 by the Secretary.

20 “(2) LIMITATIONS.—

21 “(A) Costs incurred by or on behalf of an
22 applicant, for facilities, installed equipment, or
23 other services rendered before submission of a
24 completed application shall not be considered to

1 be for an eligible grant purpose or a matching
2 contribution.

3 “(B) Any financial assistance from Federal
4 sources shall not be considered to be a match-
5 ing contribution for purposes of this section,
6 unless there is a Federal statutory exception
7 specifically authorizing the Federal financial as-
8 sistance to be so considered.

9 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated to the Secretary to carry
11 out this section not more than \$25,000,000 for each of
12 the fiscal years 2008 through 2012.”.

13 **SEC. 6025. AGRICULTURE INNOVATION CENTER DEM-**
14 **ONSTRATION PROGRAM.**

15 Section 6402(i) of the Farm Security and Rural In-
16 vestment Act of 2002 (7 U.S.C. 1621 note; Public Law
17 107–171) is amended to read as follows:

18 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
19 are authorized to be appropriated to the Secretary to carry
20 out this section \$6,000,000 for each of the fiscal years
21 2008 through 2012.”.

1 **SEC. 6026. RURAL FIREFIGHTERS AND EMERGENCY MED-**
2 **ICAL SERVICE ASSISTANCE PROGRAM.**

3 Section 6405 of the Farm Security and Rural Invest-
4 ment Act of 2002 (7 U.S.C. 1621 note) is amended to
5 read as follows:

6 **“SEC. 6405. RURAL FIREFIGHTERS AND EMERGENCY MED-**
7 **ICAL SERVICE ASSISTANCE PROGRAM.**

8 “(a) GRANTS.—The Secretary shall award grants to
9 eligible entities to—

10 “(1) enable the entities to provide for improved
11 emergency medical services in rural areas; and

12 “(2) pay the cost of training firefighters and
13 emergency medical personnel in firefighting, emer-
14 gency medical practices, and responding to haz-
15 ardous materials and bioagents in rural areas.

16 “(b) ELIGIBILITY.—To be eligible to receive a grant
17 under this section, an entity shall—

18 “(1) be—

19 “(A) a State emergency medical services
20 office;

21 “(B) a State emergency medical services
22 association;

23 “(C) a State office of rural health;

24 “(D) a local government entity;

1 “(E) an Indian tribe (as defined in section
2 4 of the Indian Self-Determination and Edu-
3 cation Assistance Act (25 U.S.C. 450b));

4 “(F) a State or local ambulance provider;
5 or

6 “(G) any other entity determined appro-
7 priate by the Secretary; and

8 “(2) prepare and submit to the Secretary an
9 application at such time, in such manner, and con-
10 taining such information as the Secretary may re-
11 quire, that includes—

12 “(A) a description of the activities to be
13 carried out under the grant; and

14 “(B) an assurance that the applicant will
15 comply with the matching requirement of sub-
16 section (e).

17 “(c) USE OF FUNDS.—An entity shall use amounts
18 received under a grant made under subsection (a) only in
19 rural areas to—

20 “(1) hire or recruit emergency medical service
21 personnel;

22 “(2) recruit or retain volunteer emergency med-
23 ical service personnel;

24 “(3) train emergency medical service personnel
25 in emergency response, injury prevention, safety

1 awareness, and other topics relevant to the delivery
2 of emergency medical services;

3 “(4) fund training to meet State or Federal
4 certification requirements;

5 “(5) provide training for firefighters and emer-
6 gency medical personnel for improvements to the
7 training facility, equipment, curricula, and per-
8 sonnel;

9 “(6) develop new ways to educate emergency
10 health care providers through the use of technology-
11 enhanced educational methods (such as distance
12 learning);

13 “(7) acquire emergency medical services vehi-
14 cles, including ambulances;

15 “(8) acquire emergency medical services equip-
16 ment, including cardiac defibrillators;

17 “(9) acquire personal protective equipment for
18 emergency medical services personnel as required by
19 the Occupational Safety and Health Administration;
20 and

21 “(10) educate the public concerning
22 cardiopulmonary resuscitation (CPR), first aid, in-
23 jury prevention, safety awareness, illness prevention,
24 and other related emergency preparedness topics.

1 “(d) PREFERENCE.—In awarding grants under this
2 section, the Secretary shall give preference to—

3 “(1) applications that reflect a collaborative ef-
4 fort by 2 or more of the entities described in sub-
5 paragraphs (A) through (G) of subsection (b)(1);
6 and

7 “(2) applications submitted by entities that in-
8 tend to use amounts provided under the grant to
9 fund activities described in any of paragraphs (1)
10 through (5) of subsection (c).

11 “(e) MATCHING REQUIREMENT.—The Secretary may
12 not make a grant under this section to an entity unless
13 the entity agrees that the entity will make available (di-
14 rectly or through contributions from other public or pri-
15 vate entities) non-Federal contributions toward the activi-
16 ties to be carried out under the grant in an amount equal
17 to 5 percent of the amount received under the grant.

18 “(f) EMERGENCY MEDICAL SERVICES.—In this sec-
19 tion, the term ‘emergency medical services’—

20 “(1) means resources used by a qualified public
21 or private nonprofit entity, or by any other entity
22 recognized as qualified by the State involved, to de-
23 liver medical care outside of a medical facility under
24 emergency conditions that occur as a result of—

25 “(A) the condition of the patient; or

1 “(B) a natural disaster or similar situa-
2 tion; and

3 “(2) includes (compensated or volunteer) serv-
4 ices delivered by an emergency medical services pro-
5 vider or other provider recognized by the State in-
6 volved that is licensed or certified by the State as an
7 emergency medical technician or the equivalent (as
8 determined by the State), a registered nurse, a phy-
9 sician assistant, or a physician that provides services
10 similar to services provided by such an emergency
11 medical services provider.

12 “(g) AUTHORIZATION OF APPROPRIATIONS.—

13 “(1) IN GENERAL.—There are authorized to be
14 appropriated to the Secretary to carry out this sec-
15 tion not more than \$30,000,000 for each of fiscal
16 years 2008 through 2012.

17 “(2) ADMINISTRATIVE COSTS.—Not more than
18 10 percent of the amount appropriated under para-
19 graph (1) for a fiscal year may be used for adminis-
20 trative expenses.”.

21 **SEC. 6027. VALUE-ADDED AGRICULTURAL MARKET DEVEL-**
22 **OPMENT PROGRAM.**

23 (a) DEFINITION OF MID-TIER VALUE CHAIN.—Sec-
24 tion 231(a) of the Agricultural Risk Protection Act of

1 2000 (7 U.S.C. 1621 note; Public Law 106–224) is
2 amended by adding at the end the following:

3 “(3) MID-TIER VALUE CHAIN.—The term ‘mid-
4 tier value chain’ means local and regional supply
5 networks that link independent producers with busi-
6 nesses and cooperatives that market value-added ag-
7 ricultural products in a manner that—

8 “(A) targets and strengthens the profit-
9 ability and competitiveness of small and me-
10 dium-sized family farms, as defined in regula-
11 tions pursuant to Section 302 of the Consoli-
12 dated Farm and Rural Development Act; and

13 “(B) obtains agreement from the eligible
14 agricultural producer group, farmer or rancher
15 cooperative, or majority-controlled producer-
16 based business venture engaged in the value
17 chain in the method for price determination.”.

18 (b) FUNDING; RESERVATION OF FUNDS; GRANT
19 AWARD CRITERIA.—Section 231(b) of such Act (7 U.S.C.
20 1621 note; Public Law 106–224) is amended—

21 (1) by striking paragraph (4) and inserting the
22 following:

23 “(4) FUNDING.—Not later than 30 days after
24 the date of the enactment of this paragraph, on Oc-
25 tober 1, 2008, and on each October 1 thereafter

1 through October 1, 2012, of the funds of the Com-
2 modity Credit Corporation, the Secretary shall make
3 available to carry out this subsection \$30,000,000,
4 to remain available until expended.

5 “(5) RESERVATION OF FUNDS FOR PROJECTS
6 TO BENEFIT BEGINNING FARMERS AND RANCHERS
7 OR SOCIALLY DISADVANTAGED FARMERS AND
8 RANCHERS AND MID-TIER VALUE CHAINS.—

9 “(A) IN GENERAL.—The Secretary shall
10 reserve 10 percent of the amounts made avail-
11 able under paragraph (4) to fund projects that
12 benefit beginning farmers and ranchers (as de-
13 fined in section 343(a)(11) of the Consolidated
14 Farm and Rural Development Act) or socially
15 disadvantaged farmers and ranchers (as defined
16 in section 355(e) of such Act).

17 “(B) MID-TIER VALUE CHAINS.—The Sec-
18 retary shall reserve 10 percent of the amounts
19 made available under paragraph (4) to fund ap-
20 plications of eligible entities described in para-
21 graph (1) that propose to develop mid-tier value
22 chains.

23 “(C) UNOBLIGATED AMOUNTS.—Any
24 amounts in the reserves established under sub-
25 paragraphs (A) and (B) that are not obligated

1 by June 30 of the fiscal year shall be available
2 to the Secretary to make grants under this sec-
3 tion to eligible entities in any State, as deter-
4 mined by the Secretary.”; and

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

6 “(6) CRITERIA TO BE APPLIED IN AWARDING
7 GRANTS.—In awarding grants under this section,
8 the Secretary shall consider an application more fa-
9 vorably when compared to other applications to the
10 extent that the project contributes to increasing op-
11 portunities for operators of small and medium-size
12 farms and ranches structured as family farms (as
13 defined in regulations prescribed under section 302
14 of the Consolidated Farm and Rural Development
15 Act).”.

16 **SEC. 6028. ASSISTANCE FOR RURAL PUBLIC TELEVISION**
17 **STATIONS.**

18 Section 2333 of the Food, Agriculture, Conservation
19 and Trade Act of 1990 (7 U.S.C. Sec. 950aaa–2) is
20 amended by adding at the end the following:

21 “(j) DIGITAL SERVICE TRANSITION ASSISTANCE FOR
22 PUBLIC TELEVISION STATIONS.—The Secretary may pro-
23 vide grants under this section to noncommercial education
24 television broadcast stations that serve rural areas for the

1 purposes of developing digital facilities, equipment, and in-
2 frastructure to enhance digital services to rural areas.”.

3 **SEC. 6029. TELEMEDICINE AND DISTANCE LEARNING SERV-**
4 **ICES IN RURAL AREAS.**

5 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
6 2335A of the Food, Agriculture, Conservation and Trade
7 Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking
8 “2007” and inserting “2012”.

9 (b) CONFORMING AMENDMENT.—Section 1(b) of
10 Public Law 102–551 (7 U.S.C. 950aaa note) is amended
11 by striking “2007” and inserting “2012”.

12 **SEC. 6030. GUARANTEES FOR BONDS AND NOTES ISSUED**
13 **FOR ELECTRIFICATION OR TELEPHONE PUR-**
14 **POSES.**

15 Section 313A(f) of the Rural Electrification Act of
16 1936 (7 U.S.C. 940c–1(f)) is amended by striking “2007”
17 and inserting “2012”.

18 **SEC. 6031. COMPREHENSIVE RURAL BROADBAND STRAT-**
19 **EGY.**

20 Not later than 180 days after the date of the enact-
21 ment of this Act, the Secretary of Agriculture shall submit
22 to the President, the Committee on Agriculture of the
23 House of Representatives, and the Committee on Agri-
24 culture, Nutrition, and Forestry of the Senate a report

1 describing a comprehensive rural broadband strategy that
2 includes—

3 (1) recommendations—

4 (A) to promote interagency coordination of
5 Federal agencies in regards to policies, proce-
6 dures, and targeted resources, and to improve
7 and streamline the polices, programs, and serv-
8 ices;

9 (B) to coordinate among Federal agencies
10 regarding existing rural broadband or rural ini-
11 tiatives that could be of value to rural
12 broadband development;

13 (C) to address both short- and long-term
14 solutions and needs assessments for a rapid
15 build-out of rural broadband solutions and ap-
16 plications for Federal, State, regional, and local
17 government policy makers;

18 (D) to identify how specific Federal agency
19 programs and resources can best respond to
20 rural broadband requirements and overcome ob-
21 stacles that currently impede rural broadband
22 deployment; and

23 (E) to promote successful model deploy-
24 ments and appropriate technologies being used
25 in rural areas so that State, regional, and local

1 governments can benefit from the cataloging
2 and successes of other State, regional, and local
3 governments; and

4 (2) a description of goals and timeframes to
5 achieve the strategic plans and visions identified in
6 the report.

7 **SEC. 6032. STUDY OF RAILROAD ISSUES.**

8 (a) IN GENERAL.—The Secretary of Agriculture, in
9 coordination with the Secretary of Transportation, shall
10 conduct a study of railroad issues regarding the movement
11 of agricultural products, domestically produced renewable
12 fuels and domestically produced resources for the produc-
13 tion of electricity for rural America, and economic develop-
14 ment in rural America. The study shall include an exam-
15 ination of the following:

16 (1) The importance of freight railroads to—

17 (A) the delivery of equipment, seed, fer-
18 tilizer, and other such products important to
19 the development of agricultural commodities
20 and products;

21 (B) the movement of agricultural commod-
22 ities and products to market;

23 (C) the delivery of ethanol and other re-
24 newable fuels;

1 (D) the delivery of domestically produced
2 resources for use in the generation of electricity
3 for rural America;

4 (E) the location of grain elevators, ethanol
5 plants, and other facilities;

6 (F) the development of manufacturing fa-
7 cilities in rural America; and

8 (G) the vitality and economic development
9 of rural communities.

10 (2) The sufficiency in rural America of railroad
11 capacity, the sufficiency of competition in the rail-
12 road system, the reliability of rail service, and the
13 reasonableness of railroad prices.

14 (3) The accessibility to rail customers in rural
15 America of Federal processes for the resolution of
16 rail customer grievances with the railroads.

17 (b) REPORT TO THE CONGRESS.—Within 9 months
18 after the date of the enactment of this Act, the Secretary
19 of Agriculture shall submit to the Congress a report that
20 contains the results of the study required by subsection
21 (a), and the recommendations of the Secretary for new
22 Federal policies to address any problems identified by the
23 study.

24 **TITLE VII—RESEARCH**

Subtitle A—General Provisions

Sec. 7101. Definitions.

- Sec. 7102. Budget submission and funding.
- Sec. 7103. Additional purposes of agricultural research and extension.
- Sec. 7104. National agricultural research program office.
- Sec. 7105. Establishment of competitive grant programs under the National Institute for Food and Agriculture.
- Sec. 7106. Merging of IFAFS and NRL.
- Sec. 7107. Capacity building grants for ASCARR institutions.
- Sec. 7108. Establishment of research laboratories for animal diseases.
- Sec. 7109. Grazinglands research laboratory.
- Sec. 7110. Researcher training.
- Sec. 7111. Fort Reno Science Park research facility.
- Sec. 7112. Assessing the nutritional composition of beef products.
- Sec. 7113. Sense of Congress regarding funding for human nutrition research.

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

- Sec. 7201. Advisory board.
- Sec. 7202. Advisory board termination.
- Sec. 7203. Renewable energy committee.
- Sec. 7204. Specialty crop committee report.
- Sec. 7205. Inclusion of UDC in grants and fellowships for food and agricultural sciences education.
- Sec. 7206. Grants and fellowships for food and agricultural sciences education.
- Sec. 7207. Grants for research on production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.
- Sec. 7208. Policy research centers.
- Sec. 7209. Human nutrition intervention and health promotion research program.
- Sec. 7210. Pilot research program to combine medical and agricultural research.
- Sec. 7211. Nutrition education program.
- Sec. 7212. Continuing animal health and disease research programs.
- Sec. 7213. Cooperation among eligible institutions.
- Sec. 7214. Appropriations for research on national or regional problems.
- Sec. 7215. Authorization level of extension at 1890 land-grant colleges.
- Sec. 7216. Authorization level for agricultural research at 1890 land-grant colleges.
- Sec. 7217. Grants to upgrade agriculture and food sciences facilities at the District of Columbia Land Grant University.
- Sec. 7218. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
- Sec. 7219. National research and training virtual centers.
- Sec. 7220. Matching funds requirement for research and extension activities of 1890 institutions.
- Sec. 7221. Hispanic-serving institutions.
- Sec. 7222. Hispanic-serving agricultural colleges and universities.
- Sec. 7223. International agricultural research, extension, and education.
- Sec. 7224. Competitive grants for international agricultural science and education programs.
- Sec. 7225. Limitation on indirect costs for agricultural research, education, and extension programs.
- Sec. 7226. Research equipment grants.
- Sec. 7227. University research.

- Sec. 7228. Extension service.
- Sec. 7229. Supplemental and alternative crops.
- Sec. 7230. Aquaculture Assistance Programs.
- Sec. 7231. Rangeland research.
- Sec. 7232. Special authorization for biosecurity planning and response.
- Sec. 7233. Resident instruction and distance education grants program for insular area institutions of higher education.
- Sec. 7234. Hispanic Serving Institutions.
- Sec. 7235. Specialty crops policy research institute.
- Sec. 7236. Emphasis of Human Nutrition Initiative.
- Sec. 7237. Grants to upgrade agriculture and food sciences facilities at insular area land-grant institutions.

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

- Sec. 7301. National genetics resources program.
- Sec. 7302. National agricultural weather information system.
- Sec. 7303. Partnerships.
- Sec. 7304. Aflatoxin research and extension.
- Sec. 7305. High-priority research and extension areas.
- Sec. 7306. High-priority research and extension initiatives.
- Sec. 7307. Nutrient management research and extension initiative.
- Sec. 7308. Agricultural telecommunications program.
- Sec. 7309. Assistive technology program for farmers with disabilities.
- Sec. 7310. Organic research.
- Sec. 7311. National rural information center clearinghouse.
- Sec. 7312. New era rural technology program.

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

- Sec. 7401. Partnerships for high-value agricultural product quality research.
- Sec. 7402. Precision agriculture.
- Sec. 7403. Biobased products.
- Sec. 7404. Thomas Jefferson initiative for crop diversification.
- Sec. 7405. Integrated research, education, and extension competitive grants program.
- Sec. 7406. Fusarium graminearum grants.
- Sec. 7407. Bovine Johne's disease control program.
- Sec. 7408. Grants for youth organizations.
- Sec. 7409. Agricultural biotechnology research and development for developing countries.
- Sec. 7410. Agricultural bioenergy and biobased products research initiative.
- Sec. 7411. Specialty crop research initiative.
- Sec. 7412. Office of pest management policy.

Subtitle E—Other Laws

- Sec. 7501. Critical agricultural materials act.
- Sec. 7502. Equity in Educational Land-Grant Status Act of 1994.
- Sec. 7503. Agricultural experiment station Research Facilities Act.
- Sec. 7504. National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985.
- Sec. 7505. Competitive, Special, and Facilities Research Grant Act (national research initiative).
- Sec. 7506. Agricultural Risk Protection Act of 2000 (carbon cycle research).

- Sec. 7507. Renewable Resources Extension Act of 1978.
- Sec. 7508. National Aquaculture Act of 1980.
- Sec. 7509. Construction of a Chinese Garden at the National Arboretum.
- Sec. 7510. Public education regarding use of biotechnology in producing food
for human consumption.
- Sec. 7511. Fresh cut produce safety grants.
- Sec. 7512. UDC/EFNEP Eligibility.
- Sec. 7513. Hatch Act of 1987.

Subtitle F—Additional Provisions

- Sec. 7601. Merit review of extension and educational grants.
- Sec. 7602. Review of plan of work requirements.
- Sec. 7603. Multistate and integration funding.
- Sec. 7604. Expanded food and nutrition education program.
- Sec. 7605. Grants to 1890 schools to expand extension capacity.
- Sec. 7606. Borlaug international agricultural science and technology fellowship
program.
- Sec. 7607. Cost Recovery.
- Sec. 7608. Organic Food and Agricultural Systems Funding.

1 **Subtitle A—General Provisions**

2 **SEC. 7101. DEFINITIONS.**

3 For purposes of this title:

4 (1) CAPACITY PROGRAM.—The term “capacity
5 program” means the capacity program in subpara-
6 graph (M) and each of the following agricultural re-
7 search, extension, education, and related programs
8 for which the Secretary has administrative or other
9 authority as of the day before the date of enactment
10 of this Act:

11 (A) Each program providing funding to
12 any of the 1994 institutions under sections 533,
13 534(a), and 535 of the Equity in Educational
14 Land-Grant Status Act of 1994 (Public Law
15 103–382; 7 U.S.C. 301 note) (commonly known
16 as financial assistance, technical assistance, and

1 endowments to tribal colleges and the Navajo
2 Community College).

3 (B) The program established under section
4 536 of the Equity in Educational Land-Grant
5 Status Act of 1994 (Public Law 103–382; 7
6 U.S.C. 301 note) providing research grants for
7 1994 institutions.

8 (C) Each program established under sub-
9 sections (b), (c), and (d) of section 3 of the
10 Smith-Lever Act (7 U.S.C. 343).

11 (D) Each program established under the
12 Hatch Act of 1887 (7 U.S.C. 361a et seq.).

13 (E) Each program established under sec-
14 tion 1417(b)(4) of the National Agricultural
15 Research, Extension, and Teaching Policy Act
16 of 1977 (7 U.S.C. 3152(b)(4)), including grant
17 programs under that section (commonly known
18 as the 1890 Institution Teaching and Research
19 Capacity Building Grants Program).

20 (F) The animal health and disease re-
21 search program established under subtitle E of
22 the National Agricultural Research, Extension,
23 and Teaching Policy Act of 1977 (7 U.S.C.
24 3191 et seq.).

1 (G) The program established under section
2 1445 of the National Agricultural Research,
3 Extension, and Teaching Policy Act of 1977 (7
4 U.S.C. 3222) (commonly known as the Evans-
5 Allen Program).

6 (H) The program providing grants to up-
7 grade agricultural and food sciences facilities at
8 1890 Institutions established under section
9 1447 of the National Agricultural Research,
10 Extension, and Teaching Policy Act of 1977 (7
11 U.S.C. 3222b).

12 (I) The program providing distance edu-
13 cation grants for insular areas established
14 under section 1490 of the National Agricultural
15 Research, Extension, and Teaching Policy Act
16 of 1977 (7 U.S.C. 3362).

17 (J) The program providing resident in-
18 struction grants for insular areas established
19 under section 1491 of the National Agricultural
20 Research, Extension, and Teaching Policy Act
21 of 1977 (7 U.S.C. 3363).

22 (K) Each research and development and
23 related program established under Public Law
24 87-788 (commonly known as the McIntire-

1 Stennis Cooperative Forestry Act; 16 U.S.C.
2 582a et seq.).

3 (L) Each program established under the
4 Renewable Resources Extension Act of 1978
5 (16 U.S.C. 1671 et seq.).

6 (M) The capacity building grant program
7 for ASCARR Institutions established under this
8 Act.

9 (N) Such other programs or parts of pro-
10 grams as determined appropriate by the Sec-
11 retary.

12 (O) The program providing competitive ex-
13 tension grants to eligible 1994 institutions
14 under section 3(b)(3) of the Smith-Lever Act (7
15 U.S.C. 343(b)(3)).

16 (2) COMPETITIVE PROGRAMS.—The term “com-
17 petitive programs” means the competitive program
18 in subparagraph (N) and each of the following agri-
19 cultural research, extension, education, and related
20 programs for which the Secretary has administrative
21 or other authority as of the day before the date of
22 enactment of this Act:

23 (A) Competitive grant programs authorized
24 or otherwise administered by the Department of
25 Agriculture under the terms of section 2(b) of

1 the Competitive, Special and Facilities Research
2 Grant (7 U.S.C. 450i).

3 (B) Institution Challenge Grants, adminis-
4 tered under 1417(j) of the National Agricul-
5 tural Research, Extension, and Teaching Policy
6 Act of 1977, as amended (7 U.S.C. 3152(j)).

7 (C) Grants and related authorities author-
8 ized or otherwise administered by the Secretary
9 of Agriculture under section 1417(b)(5) of the
10 National Agricultural Research, Extension, and
11 Teaching Policy Act of 1977, as amended (7
12 U.S.C. 3152(b)(5)) (commonly known as the
13 Higher Education Multicultural Scholars Pro-
14 gram).

15 (D) Programs authorized or otherwise ad-
16 ministered under section 1455 of the National
17 Agricultural Research, Extension, and Teaching
18 Policy Act of 1977 (7 U.S.C. 3241(e)) (com-
19 monly known as educational grant programs for
20 Hispanic-serving institutions).

21 (E) Integrated research, education, or ex-
22 tension programs authorized under section 406
23 of the Agricultural Research, Extension, and
24 Education Reform Act of 1998 (7 U.S.C.
25 7626).

1 (F) Sustainable Agriculture Research and
2 Education (7 U.S.C. 5811).

3 (G) Organic Research and Extension Ini-
4 tiative (7 U.S.C. 5925b).

5 (H) Higher Education Challenge Grants (7
6 U.S.C. 3152(b)(1)).

7 (I) Food and Agriculture Sciences National
8 Needs Graduate and Postgraduate Fellowship
9 Grants (7 U.S.C. 3152(b)(6)).

10 (J) International Science and Education
11 Competitive Grants (7 U.S.C. 3292b).

12 (K) Community Food Projects Competitive
13 Grants (7 U.S.C. 2034).

14 (L) Risk Management Education (7 U.S.C.
15 1524).

16 (M) High Priority Research and Extension
17 Areas (7 U.S.C. 5925).

18 (N) Such other programs or parts of pro-
19 grams as determined appropriate by the Sec-
20 retary.

21 (3) CAPACITY PROGRAM CRITICAL BASE FUND-
22 ING.—The term “capacity program critical base
23 funding” means the aggregate amount of Federal
24 funds made available for all or individual capacity
25 programs for fiscal year 2007, as appropriate.

1 (4) COMPETITIVE PROGRAM CRITICAL BASE
2 FUNDING.—The term “competitive program critical
3 base funding” means the aggregate amount of Fed-
4 eral funds made available for all or individual com-
5 petitive programs for fiscal year 2007, as appro-
6 priate.

7 (5) ASCARR INSTITUTION.—

8 (A) IN GENERAL.—The term “ASCARR
9 Institution” means a public college or university
10 offering a baccalaureate or higher degree in the
11 study of agriculture.

12 (B) EXCLUSIONS.—The term “ASCARR
13 Institution” does not include Hispanic-serving
14 agricultural colleges and universities or any in-
15 stitution designated under—

16 (i) the Act of July 2, 1862 (commonly
17 known as the “First Morrill Act”; 7 U.S.C.
18 301 et seq.);

19 (ii) the Act of August 30, 1890 (com-
20 monly known as the “Second Morrill Act”;
21 7 U.S.C. 321 et seq.); or

22 (iii) the Equity in Educational Land-
23 Grant Status Act of 1994 (Public Law
24 103–382; 7 U.S.C. 301 note).

1 (6) SECRETARY.—The term “Secretary” means
2 the Secretary of Agriculture.

3 (7) DIRECTORS.—The term “Directors” refers
4 to those directors appointed under section 7104.

5 (8) UNDER SECRETARY.—The term “Under
6 Secretary” means the Under Secretary of Agri-
7 culture for Research, Education, and Economics.

8 (9) HISPANIC-SERVING AGRICULTURAL COL-
9 LEGE AND UNIVERSITY.—The term “Hispanic-serv-
10 ing agricultural college and university” means a col-
11 lege or university that—

12 (A) qualifies as an “Hispanic-serving insti-
13 tution”; and

14 (B) offers associate, bachelor’s, or other
15 accredited degree programs in agricultural re-
16 lated fields, as determined by the Secretary.

17 **SEC. 7102. BUDGET SUBMISSION AND FUNDING.**

18 (a) BUDGET REQUEST.—The President shall submit
19 to Congress, together with the annual budget submission
20 of the President, a single budget line item reflecting the
21 total amount requested by the President for funding for
22 capacity programs, and a single budget line item reflecting
23 the total amount requested by the President for funding
24 for competitive programs for that fiscal year and for the
25 previous 5 fiscal years.

1 (b) CAPACITY PROGRAM REQUEST.—

2 (1) CRITICAL BASE FUNDING.—Up to the
3 amount of the capacity program critical base fund-
4 ing level, any funds requested for capacity programs
5 in the budget submission single line item shall be
6 apportioned among the capacity programs based on
7 priorities established by the Under Secretary in con-
8 junction with the Directors.

9 (2) ADDITIONAL FUNDING.—Of the funds re-
10 quested for capacity programs in excess of the ca-
11 pacity program critical base funding level, budgetary
12 emphasis should be placed on enhancing funding for
13 the 1890, 1994, ASCARR Institutions, Hispanic-
14 serving agricultural colleges, and small 1862 institu-
15 tions.

16 (c) COMPETITIVE PROGRAM REQUEST.—

17 (1) CRITICAL BASE FUNDING.—Up to the
18 amount of the competitive program critical base
19 funding level, any funds requested for competitive
20 programs in the budget submission single line item
21 shall be apportioned among the competitive pro-
22 grams based on priorities established by the Under
23 Secretary in conjunction with the Directors.

24 (2) ADDITIONAL FUNDING.—Of the funds re-
25 quested for competitive programs in excess of the

1 competitive program critical base funding level,
2 budgetary emphasis shall be placed on enhancing
3 funding for emerging problems and their solutions.

4 (d) FUNDING.—

5 (1) CRITICAL BASE FUNDING.—Up to the total
6 aggregate amount of the capacity program critical
7 base funding level and the competitive program crit-
8 ical base funding level, funds appropriated or other-
9 wise made available shall be apportioned among each
10 of the capacity programs and the competitive pro-
11 grams based on priorities established by the Under
12 Secretary in conjunction with the Directors.

13 (2) ADDITIONAL FUNDING.—

14 (A) CAPACITY FUNDING.—Of the funds
15 appropriated or otherwise made available for
16 capacity programs in excess of the capacity pro-
17 gram critical base funding level, funding em-
18 phasis should be placed on enhancing funding
19 for the 1890, 1994, ASCARR Institutions, His-
20 panic-serving agricultural colleges, and small
21 1862 institutions.

22 (B) COMPETITIVE FUNDING.—Of the
23 funds appropriated or otherwise made available
24 for competitive programs in excess of the com-
25 petitive program critical base funding level,

1 budgetary emphasis shall be placed on enhanc-
2 ing funding for emerging problems and solu-
3 tions.

4 (e) AUTHORIZATION OF APPROPRIATIONS.—There
5 are authorized to be appropriated such sums as necessary
6 to carry out this section.

7 (f) COMPETITIVE PROGRAMS.—For the purposes of
8 this section, the term “competitive programs” includes
9 only those programs for which annual appropriations are
10 requested in the President’s budget.

11 **SEC. 7103. ADDITIONAL PURPOSES OF AGRICULTURAL RE-**
12 **SEARCH AND EXTENSION.**

13 Section 1403 of the National Agricultural Research,
14 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
15 3102) is amended—

16 (1) in paragraph (6), by striking “and” at the
17 end;

18 (2) in paragraph (7), by striking the period and
19 inserting a semicolon; and

20 (3) by adding after paragraph (7) the following:

21 “(8) to integrate and organize the administra-
22 tion of the agricultural research, extension, edu-
23 cation, and related programs administered by the
24 Secretary of Agriculture to respond to 21st century
25 challenges and continue to meet the needs of society

1 from a local, tribal, State, national, and inter-
2 national perspective;

3 “(9) to minimize duplication, and maximize co-
4 ordination and integration, among all of the pro-
5 grams at all levels through a solution-based ap-
6 proach; and

7 “(10) to position the agricultural research, ex-
8 tension, education, and related programs system to
9 increase the contribution of the system to society
10 through the expansion of the portfolio of the sys-
11 tem.”.

12 **SEC. 7104. NATIONAL AGRICULTURAL RESEARCH PRO-**
13 **GRAM OFFICE.**

14 (a) ESTABLISHMENT.—The Under Secretary shall
15 organize within the office of the Under Secretary 6 re-
16 search Program Offices to be known collectively as the Na-
17 tional Agricultural Research Program Office, which shall
18 coordinate the programs and activities of the research
19 agencies within the mission area in an integrated, multi-
20 disciplinary, interdisciplinary, interagency, and inter-
21 institutional manner, to the maximum extent practicable.
22 The Program Offices within the National Agricultural Re-
23 search Program Office are as follows:

24 (1) Renewable energy, natural resources, and
25 environment.

1 (2) Food safety, nutrition, and health.

2 (3) Plant health and production.

3 (4) Animal health and production and animal
4 products.

5 (5) Agriculture systems and technology.

6 (6) Agriculture economics and rural commu-
7 nities.

8 (b) QUALIFICATIONS OF DIRECTORS.—

9 (1) APPOINTMENT AND CLASSIFICATION.—The
10 Under Secretary shall appoint a Director for each
11 Program Office as a senior level position in the com-
12 petitive service.

13 (2) QUALIFICATIONS.—To be eligible for ap-
14 pointment as a Director, an individual shall have—

15 (A) conducted outstanding research, edu-
16 cation, or extension in the field of agriculture or
17 forestry;

18 (B) earned a doctoral level degree at an in-
19 stitution of higher education (as defined in sec-
20 tion 101 of Public Law 89–329 (20 U.S.C.
21 1001)); and

22 (C) met qualification standards prescribed
23 by the Director of the Office of Personnel Man-
24 agement for appointment to a senior level posi-
25 tion of the competitive service.

1 (c) DUTIES OF DIRECTORS.—Except as otherwise
2 provided in this Act, each Director as appointed by the
3 Secretary shall—

4 (1) formulate programs in consultation with the
5 National Agricultural Research, Extension, Edu-
6 cation, and Economics Advisory Board (7 U.S.C.
7 3123) (hereinafter referred to as the “Board”);

8 (2) assess strategic workforce needs of research,
9 education, extension, and other fields;

10 (3) cooperate with the Board to plan programs
11 that assist in meeting the future personnel needs of
12 disciplines and programs;

13 (4) develop strategic planning for department-
14 wide research, education, extension, and related ac-
15 tivities;

16 (5) establish department-wide priorities for re-
17 search, education, extension, and related programs;

18 (6) communicate with research, education, and
19 extension beneficiaries to identify their needs; and

20 (7) perform such other duties deemed necessary
21 by the Secretary.

22 (d) ADMINISTRATION.—The Under Secretary, in con-
23 junction with the Directors and in consultation with the
24 Board, shall direct and coordinate research, education,
25 and extension programs within the relevant agencies of the

1 Department of Agriculture to focus those programs, and
2 the participants, grantees, and other beneficiaries of those
3 programs, on—

4 (1) understanding important problem areas and
5 opportunities relating to a program;

6 (2) discovering and implementing solutions to
7 address those problem areas;

8 (3) exploring other opportunities provided
9 under the programs; and

10 (4) national, regional and local priorities.

11 (e) PROGRAM INTEGRATION AND COORDINATION.—

12 (1) IN GENERAL.—In accordance with applica-
13 ble law (including regulations), the Under Secretary,
14 in coordination with the Director of each Program
15 Office and taking into consideration the advice of
16 the Board, shall ensure, to the maximum extent
17 practicable, that the research, education, and exten-
18 sion programs are administered, funded, and carried
19 out—

20 (A) in an integrated, multidisciplinary,
21 interdisciplinary, interagency, and interinstitu-
22 tional manner that ensures—

23 (i) the most efficient collaborative use
24 of resources; and

1 (ii) the focus of all resources and ac-
2 tivities on strategic, priority, problem, op-
3 portunity, and solution areas identified by
4 the Under Secretary and the Directors,
5 taking into consideration the advice of the
6 Board; and

7 (B) among applicable participants, grant-
8 ees, and beneficiaries, in a coordinated manner
9 that encourages and ensures—

10 (i) the most efficient collaborative ap-
11 plication of resources; and

12 (ii) the focus of all resources and ac-
13 tivities on strategic, priority, problem, op-
14 portunity, and solution areas on a local,
15 State, tribal, regional, national, and inter-
16 national basis, as the Under Secretary and
17 each Director, taking into consideration
18 the advice of the Board, determine to be
19 appropriate.

20 (2) SCOPE.—Each Director, in consultation
21 with the Under Secretary and the Board, shall en-
22 sure, through the integration and coordination under
23 paragraph (1), that opportunities are maximized
24 with respect to—

1 (A) the use of appropriate authorities,
2 agencies, institutions, disciplines, and activities;
3 and

4 (B) the inclusion of appropriate partici-
5 pants and other beneficiaries in those activities,
6 including intramural, extramural, Government,
7 university, extension, and international, as de-
8 termined by the Under Secretary.

9 (f) FUNDING.—The Under Secretary shall fund each
10 Program Office through the appropriations available to
11 the various agencies within the mission area. The aggre-
12 gate staff for all Program Offices shall not exceed 30 full-
13 time equivalent positions and shall be filled by current full-
14 time equivalent positions.

15 (g) ORGANIZATION.—The Under Secretary shall inte-
16 grate leadership functions of the national program staff
17 of the research agencies into the National Agricultural Re-
18 search Program Office in such form as required to ensure
19 that the Directors of the Program Offices are the primary
20 program leaders for the mission areas of the integrated
21 agencies and that administrative duplication does not
22 occur.

23 (h) PRIORITIZING FEDERAL RESEARCH ACTIVITIES
24 FOR SPECIALTY CROPS.—The Under Secretary, in coordi-

1 nation with the Directors of relevant Program Offices,
2 shall—

3 (1) coordinate with and assist producers and
4 organizations comprised of program beneficiaries
5 working together to develop and implement applied
6 research and extension related to the United States
7 specialty crop industry;

8 (2) facilitate in the delivery of information to
9 beneficiaries in a user-friendly form, in addition to
10 a standard research publication, and reward pro-
11 viders for their abilities to deliver information to
12 both the scientific community and the end-user; and

13 (3) ensure coordination among research initia-
14 tives funded and sponsored by the Department of
15 Agriculture.

16 **SEC. 7105. ESTABLISHMENT OF COMPETITIVE GRANT PRO-**
17 **GRAMS UNDER THE NATIONAL INSTITUTE**
18 **FOR FOOD AND AGRICULTURE.**

19 Any office established to administer competitive pro-
20 grams under section 7101(b)(2), including the Agricul-
21 tural Bioenergy and Biobased Products Research Initia-
22 tive, the Specialty Crop Research Initiative, and Fresh
23 Cut Produce Safety Grants created by this Act, shall be
24 referred to as the National Institute of Food and Agri-
25 culture.

1 **SEC. 7106. MERGING OF IFAFS AND NRI.**

2 (a) AMENDMENT.—Subsection (b) of the Competi-
3 tive, Special, and Facilities Research Grant Act (7 U.S.C.
4 450i(b)) is amended to read as follows:

5 “(b) COMPETITIVE GRANT PROGRAMS.—

6 “(1) COMPETITIVE BASIS.—The Secretary of
7 Agriculture is authorized to make competitive grants
8 for the purposes and priorities established under this
9 subsection.

10 “(2) TERM.—The term of a competitive grant
11 made under this subsection may not exceed 10
12 years.

13 “(3) GENERAL ADMINISTRATION.—In making
14 grants under this subsection, the Secretary shall—

15 “(A) seek and accept proposals for grants;

16 “(B) determine the relevance and merit of
17 proposals through a system of peer and merit
18 review in accordance with section 103 of the
19 Agricultural Research, Extension, and Edu-
20 cation Reform Act of 1998 (7 U.S.C. 7613);

21 “(C) award grants on the basis of merit,
22 quality, and relevance to advancing the pur-
23 poses and priorities established under para-
24 graphs (7) and (11) of this subsection;

25 “(D) solicit and consider input from per-
26 sons who conduct or use agricultural research,

1 extension, or education in accordance with sec-
2 tion 102(b) of the Agricultural Research, Ex-
3 tension, and Education Reform Act of 1998 (7
4 U.S.C. 7612(b)); and

5 “(E) in seeking proposals for grants under
6 this subsection and in performing peer review
7 evaluations of such proposals, seek the widest
8 participation of qualified scientists in the Fed-
9 eral Government, colleges and universities,
10 State agricultural experiment stations, and the
11 private sector.

12 “(4) ELIGIBLE ENTITIES.—The Secretary may
13 make a grant under this subsection to State agricul-
14 tural experiment stations, all colleges and univer-
15 sities, university research foundations, other re-
16 search institutions and organizations, Federal agen-
17 cies, national laboratories, private organizations or
18 corporations, and individuals, for research to further
19 the programs of the Department of Agriculture.

20 “(5) ADMINISTRATIVE COSTS.—Not more than
21 4 percent of funds made available pursuant to this
22 subsection may be retained by the Secretary to pay
23 administrative costs incurred by the Secretary in
24 carrying out this subsection.

1 “(6) CONSTRUCTION PROHIBITED.—Funds
2 made available for grants under this subsection shall
3 not be used for the construction of a new building
4 or facility or the acquisition, expansion, remodeling,
5 or alteration of an existing building or facility (in-
6 cluding site grading and improvement and architect
7 fees).

8 “(7) PURPOSES.—The purposes of the pro-
9 grams established under paragraph (8) shall reflect
10 the purposes and additional purposes of agricultural
11 research, extension, and education reflected in sec-
12 tions 1402 and 1403 of the National Agricultural
13 Research, Extension, and Teaching Policy Act of
14 1977 (7 U.S.C. 3101 and 3102).

15 “(8) BASIC AND APPLIED RESEARCH PRO-
16 GRAMS.—The Secretary shall establish 2 distinct
17 programs of agricultural research, one to fund fun-
18 damental, basic research pursuant to paragraph (9)
19 to be known as the National Research Initiative and
20 one to fund applied, integrated research, education,
21 and extension pursuant to paragraph (10) to be
22 known as the Initiative for Future Agricultural and
23 Food Systems.

24 “(9) NATIONAL RESEARCH INITIATIVE.—

1 “(A) ALLOCATION.—The allocation of
2 funds to the National Research Initiative shall
3 be as follows:

4 “(i) Not less than 30 percent shall be
5 available to make grants for research to be
6 conducted by multidisciplinary teams.

7 “(ii) Not less than 20 percent shall be
8 available to make grants for research to be
9 conducted by persons conducting mission-
10 linked systems research.

11 “(iii) Not less than 10 percent shall
12 be available to make grants under subpara-
13 graphs (D), (F), and (G) of paragraph
14 (13) for research and education strength-
15 ening and research opportunity.

16 “(iv) Not more than 2 percent may be
17 used for equipment grants under para-
18 graph (13)(D).

19 “(B) MATCHING FUNDS.—Except as pro-
20 vided in this subparagraph, the Secretary may
21 not take the offer or availability of matching
22 funds into consideration in making a grant
23 under this subsection. In the case of grants
24 under paragraph (13)(D), the amount provided
25 under this subsection may not exceed 50 per-

1 cent of the cost of the special research equip-
2 ment or other equipment acquired. The Sec-
3 retary may waive all or part of the matching re-
4 quirement under this subparagraph in the case
5 of a college, university, or research foundation
6 maintained by a college or university that ranks
7 in the lowest one-third of such colleges, univer-
8 sities, and research foundations on the basis of
9 Federal research funds received if the equip-
10 ment to be acquired costs not more than
11 \$25,000 and has multiple uses within a single
12 research project or is usable in more than 1 re-
13 search project.

14 “(10) INITIATIVE FOR FUTURE AGRICULTURAL
15 AND FOOD SYSTEMS MATCHING FUNDS.—As a con-
16 dition of making a grant under this paragraph, the
17 Secretary shall require the funding of the grant be
18 matched with equal matching funds from a non-Fed-
19 eral source if the grant is—

20 “(A) for applied research that is com-
21 modity-specific; and

22 “(B) not of national scope.

23 “(11) RESEARCH PRIORITIES.—The research
24 priorities for the programs established in paragraph
25 (8) shall be consistent with the priorities in effect

1 for the National Research Initiative (7 U.S.C.
2 450i(b)) and Initiative for Future Agricultural and
3 Food Systems (7 U.S.C. 7621) on the day before the
4 date of enactment of this subsection. Priorities
5 under the Initiative for Future Agricultural and
6 Food Systems shall include classical plant and ani-
7 mal breeding.

8 “(12) PROGRAM ADMINISTRATION.—To the
9 greatest extent possible, the Under Secretary for Re-
10 search, Education, and Economics, in conjunction
11 with the Directors of the National Agricultural Re-
12 search Program Offices established in section 7104
13 of the Farm, Nutrition, and Bioenergy Act of 2007,
14 shall allocate these grants to high priority research
15 taking into consideration, when available, the deter-
16 minations made by the National Agricultural Re-
17 search, Extension, Education, and Economics Advi-
18 sory Board (as established under section 1408 of the
19 National Agricultural Research, Extension, and
20 Teaching Policy Act of 1977 (7 U.S.C. 3123).

21 “(13) SPECIAL CONSIDERATIONS.—In addition
22 to making research grants under paragraph (9), the
23 Secretary may conduct a program to improve re-
24 search capabilities in the agricultural, food, and en-
25 vironmental sciences and award the following cat-

1 egories of competitive grants. Grants may be award-
2 ed—

3 “(A) to a single investigator or coinvestiga-
4 tors within the same discipline;

5 “(B) to teams of researchers from dif-
6 ferent areas of agricultural research and sci-
7 entific disciplines;

8 “(C) to multidisciplinary teams that are
9 proposing research on long-term applied re-
10 search problems, with technology transfer a
11 major component of all such grant proposals;

12 “(D) to an institution to allow for the im-
13 provement of the research, development, tech-
14 nology transfer, and education capacity of the
15 institution through the acquisition of special re-
16 search equipment and the improvement of agri-
17 cultural education and teaching; however the
18 Secretary shall use not less than 25 percent of
19 the funds made available for grants under this
20 subparagraph to provide fellowships to out-
21 standing pre- and post-doctoral students for re-
22 search in the agricultural sciences;

23 “(E) to a single investigator or coinvestiga-
24 tors who are beginning their research careers
25 and do not have an extensive research publica-

1 tion record; however, to be eligible for a grant
2 under this subparagraph, an individual shall be
3 within 5 years of the individual’s initial career
4 track position;

5 “(F) to ensure that the faculty of small
6 and mid-sized institutions who have not pre-
7 viously been successful in obtaining competitive
8 grants under this subsection receive a portion
9 of the grants; and

10 “(G) to improve research capabilities in
11 States (as defined in the National Agricultural
12 Research, Extension, and Teaching Policy Act
13 of 1977 (7 U.S.C. 3101 et seq.)) in which insti-
14 tutions have been less successful in receiving
15 funding under this subsection, based on a 3-
16 year rolling average of funding levels.

17 “(14) DIVISION OF FUNDS.—Of the funds made
18 available to carry out this subsection, 60 percent
19 shall be used to fund programs under paragraph (9)
20 and 40 percent shall be used to fund programs
21 under paragraph (10).

22 “(15) TRANSFER OF FUNDS FROM THE INITIA-
23 TIVE FOR FUTURE AGRICULTURE AND FOOD SYS-
24 TEMS.—Funds made available pursuant to section
25 401(b)(3)(D) of the Agricultural Research, Exten-

1 sion, and Education Reform Act of 1998 (7 U.S.C.
2 7621 (b)(3)(D)) shall be transferred to the program
3 established under this subsection.

4 “(16) AUTHORIZATION OF APPROPRIATIONS.—

5 “(A) There is authorized to be appro-
6 priated to carry out this subsection
7 \$500,000,000 for each of fiscal years 2008
8 through 2012.

9 “(B) Funds made available in each fiscal
10 year shall remain available until expended to
11 pay for obligations incurred in that fiscal
12 year.”.

13 (b) REPEALS.—The following provisions are hereby
14 repealed:

15 (1) Section 401 of the Agricultural Research,
16 Extension, and Education Reform Act of 1998 (7
17 U.S.C. 7621), except that section 401(b)(3) of such
18 Act shall not be repealed and shall remain in effect.

19 (2) Subsection (2)(d) of the Competitive, Spe-
20 cial, and Facilities Research Grant Act of 1965 (7
21 U.S.C. 450i(d)).

22 **SEC. 7107. CAPACITY BUILDING GRANTS FOR ASCARR IN-**
23 **STITUTIONS.**

24 (a) GRANT PROGRAM.—

1 (1) IN GENERAL.—The Secretary shall make
2 competitive grants to ASCARR Institutions to assist
3 the ASCARR Institutions in maintaining and ex-
4 panding the capacity of the ASCARR Institutions to
5 conduct education, research, and outreach activities
6 relating to—

7 (A) agriculture;

8 (B) renewable resources; and

9 (C) other similar disciplines.

10 (2) USE OF FUNDS.—An ASCARR Institution
11 that receives a grant under subsection (a)(1) may
12 use the funds made available through the grant to
13 maintain and expand the capacity of the ASCARR
14 Institution—

15 (A) to successfully compete for funds from
16 Federal grants and other sources to carry out
17 educational, research, and outreach activities
18 that address priority concerns of national, re-
19 gional, State, and local interest;

20 (B) to disseminate information relating to
21 priority concerns to—

22 (i) interested members of the agri-
23 culture, renewable resources, and other rel-
24 evant communities;

25 (ii) the public; and

1 (iii) any other interested entity;

2 (C) to encourage members of the agri-
3 culture, renewable resources, and other relevant
4 communities to participate in priority edu-
5 cation, research, and outreach activities by pro-
6 viding matching funding to leverage grant
7 funds; and

8 (D) through—

9 (i) the purchase or other acquisition
10 of equipment and other infrastructure (not
11 including alteration, repair, renovation, or
12 construction of buildings);

13 (ii) the professional growth and devel-
14 opment of the faculty of the ASCARR In-
15 stitution; and

16 (iii) the development of graduate
17 assistantships.

18 (b) AUTHORIZATION OF APPROPRIATIONS.—There
19 are authorized to be appropriated to carry out this section
20 such sums as are necessary for each fiscal year 2008
21 through 2012.

22 **SEC. 7108. ESTABLISHMENT OF RESEARCH LABORATORIES**
23 **FOR ANIMAL DISEASES.**

24 (a) DEFINITIONS.—In this section—

1 (1) ANIMAL DISEASE.—The term “animal dis-
2 ease” has the meaning given the term by the Sec-
3 retary.

4 (2) IMPORT.—The term “import” means to
5 move from a place outside the territorial limits of
6 the United States to a place within the territorial
7 limits of the United States.

8 (3) LIVE VIRUS.—The term “live virus” means
9 a live virus of foot-and-mouth disease or a live virus
10 of any other animal disease that is a threat to the
11 health of livestock, as determined by the Secretary.

12 (4) SECRETARY.—The term “Secretary” means
13 the Secretary of Agriculture.

14 (5) STATE.—The term “State” means any of
15 the States, the District of Columbia, the Common-
16 wealth of Puerto Rico, Guam, the Commonwealth of
17 the Northern Mariana Islands, the Virgin Islands of
18 the United States, or any territory or possession of
19 the United States.

20 (6) UNITED STATES.—The term “United
21 States” means all of the States.

22 (b) ANIMAL DISEASE RESEARCH.—

23 (1) ESTABLISHMENT OF RESEARCH FACILI-
24 TIES.—The Secretary is authorized to establish re-
25 search laboratories, including the acquisition of nec-

1 essary land, buildings, or facilities, for research on
2 animal diseases in the United States.

3 (2) ACTIVITIES AUTHORIZED WHEN DISEASE
4 THREATENS LIVESTOCK.—To the extent the Sec-
5 retary determines that an animal disease constitutes
6 a threat to the livestock industry, the Secretary is
7 authorized to conduct research, diagnostics, and
8 other activities related to the animal disease.

9 (c) RESTRICTIONS REGARDING LIVE VIRUS.—

10 (1) IN GENERAL.—Except as provided in para-
11 graphs (2), (3), and (4), a person or State or Fed-
12 eral agency may not—

13 (A) import a live virus into the United
14 States;

15 (B) transport a live virus within the
16 United States; and

17 (C) store and maintain a live virus at a re-
18 search facility.

19 (2) AUTHORITY OF THE SECRETARY.—The Sec-
20 retary of Agriculture may—

21 (A) import a live virus into the United
22 States;

23 (B) transport a live virus within the
24 United States; and

1 (C) store and maintain a live virus at a re-
2 search facility.

3 (3) PERMITS.—

4 (A) IN GENERAL.—If the Secretary deter-
5 mines that it is in the public interest to do so,
6 the Secretary may issue a permit to allow a pri-
7 vate person or a State or Federal agency to—

8 (i) import a live virus into the United
9 States;

10 (ii) transport a live virus within the
11 United States; and

12 (iii) store and maintain a live virus at
13 a research facility.

14 (B) PERMIT TERMS.—A permit issued
15 under this paragraph shall be subject to terms
16 and conditions prescribed by the Secretary.

17 (4) LIMITATION.—Nothing in this section shall
18 apply to the importation, transportation, storage,
19 and maintenance of any live virus governed by regu-
20 lations promulgated pursuant to section 351A of the
21 Public Health Service Act (42 U.S.C. 262a) or the
22 Agricultural Bioterrorism Protection Act of 2002 (7
23 U.S.C. 8401).

24 (d) AUTHORIZATION OF APPROPRIATIONS.—In addi-
25 tion to funds otherwise available for the control or eradi-

1 cation of animal diseases, there are authorized to be ap-
2 propriated such sums as necessary to carry out this sec-
3 tion.

4 **SEC. 7109. GRAZINGLANDS RESEARCH LABORATORY.**

5 Notwithstanding any other provision of law, without
6 specific authorization by an Act of Congress, the Federal
7 land and facilities at El Reno, Oklahoma, currently admin-
8 istered by the Secretary of Agriculture as the
9 Grazinglands Research Laboratory, shall not at any time,
10 in whole or part, be declared to be excess or surplus Fed-
11 eral property under chapter 5 of subtitle I of title 40,
12 United States Code, or otherwise be conveyed or trans-
13 ferred in whole or in part.

14 **SEC. 7110. RESEARCHER TRAINING.**

15 (a) REQUIREMENT.—The Secretary shall require that
16 persons receiving funds under section 1668(g)(2) of the
17 Food, Agriculture, Conservation, and Trade Act of 1990
18 (7 U.S.C. 5921(g)(2)) to conduct research concerning ge-
19 netically engineered plants, including seed and other prop-
20 agative materials, complete a training program approved
21 by the Secretary.

22 (b) CERTIFICATION OF THIRD-PARTY PROVIDERS.—
23 Not later than 180 days after the date of the enactment
24 of this Act, the Secretary shall establish a system for ap-
25 proving individuals and entities to provide training under

1 subsection (a), including criteria for the evaluation of
2 trainers or potential trainers.

3 (c) EXPERTISE.—In establishing criteria for the eval-
4 uation of potential trainers, the Secretary shall ensure
5 that individuals and entities with expertise in quality man-
6 agement systems, plant breeding and genetics, and the
7 technical aspects of the Federal regulatory process for ag-
8 ricultural biotechnology, are eligible to become approved
9 trainers under subsection (b).

10 **SEC. 7111. FORT RENO SCIENCE PARK RESEARCH FACIL-**
11 **ITY.**

12 The Secretary of Agriculture may lease land to the
13 University of Oklahoma at the Grazinglands Research
14 Laboratory at El Reno, Oklahoma, on such terms and con-
15 ditions as the University and the Secretary may agree in
16 furtherance of cooperative research and existing easement
17 arrangements.

18 **SEC. 7112. ASSESSING THE NUTRITIONAL COMPOSITION OF**
19 **BEEF PRODUCTS.**

20 (a) STUDY.—Not later than 1 year after the date of
21 the enactment of this Act, the Secretary shall award a
22 grant, contract, or other agreement with an appropriate
23 land-grant university to update the Department of Agri-
24 culture's Nutrient Composition Handbook for Beef, also
25 known as Handbook #8-13. The Handbook shall incor-

1 porate accurate and current data collected by the univer-
2 sity to be used by Federal agencies, private industries,
3 health organizations, and consumers to determine impor-
4 tant diet and health-related issues associated with the con-
5 sumption of beef and beef products.

6 (b) AUTHORIZATION OF APPROPRIATIONS.—There
7 are authorized to be appropriated such sums as are nec-
8 essary to carry out this section to be available until ex-
9 pended.

10 **SEC. 7113. SENSE OF CONGRESS REGARDING FUNDING FOR**
11 **HUMAN NUTRITION RESEARCH.**

12 It is the sense of the Congress that—

13 (1) human nutrition research has the potential
14 for improving the health status of the American
15 public through studies that help determine—

16 (A) the food and beverage intakes of
17 Americans and the nutrient composition of the
18 food supply;

19 (B) the relationship between diet and obe-
20 sity, particularly to prevent childhood obesity;

21 (C) the authoritative, peer-reviewed,
22 science-based evidence that forms the basis for
23 Federal nutrition policy, dietary guidelines and
24 programs; and

1 (D) the nutrient requirements for individ-
2 uals at various stages in the lifespan and for
3 vulnerable populations, particularly children
4 and the elderly;

5 (2) human nutrition research holds the poten-
6 tial for identifying factors in crops and livestock that
7 provide nutrition benefits to humans and add value
8 for producers;

9 (3) the potential cost savings to Federal health
10 programs, combined with the boost in revenues for
11 farmers who produce nutritionally enhanced foods,
12 justifies an increase in funding to a level sufficient
13 to conduct this essential research; and

14 (4) the USDA regional human nutritional re-
15 search centers have unique value in linking producer
16 and consumer interests into investigations of food
17 and human nutrition issues and conducting long-
18 term nutrition studies; and activities at these centers
19 should be preserved and coordinated with other
20 human nutrition research activities.

1 **Subtitle B—National Agricultural**
2 **Research, Extension, and Teach-**
3 **ing Policy Act of 1977**

4 **SEC. 7201. ADVISORY BOARD.**

5 Section 1408(g)(1) of the National Agricultural Re-
6 search, Extension, and Teaching Policy Act of 1977 (7
7 U.S.C. 3123(g)(1)) is amended by striking “\$350,000”
8 and inserting “\$500,000”.

9 **SEC. 7202. ADVISORY BOARD TERMINATION.**

10 Section 1408(h) of the National Agricultural Re-
11 search, Extension, and Teaching Policy Act of 1977 (7
12 U.S.C. 3123(h)) is amended by striking “2007” and in-
13 serting “2012”.

14 **SEC. 7203. RENEWABLE ENERGY COMMITTEE.**

15 The National Agricultural Research, Extension, and
16 Teaching Policy Act of 1977 is amended by inserting after
17 section 1408A the following:

18 **“SEC. 1408B. RENEWABLE ENERGY COMMITTEE.**

19 “(a) INITIAL MEMBERS.—Not later than 90 days
20 after the date of the enactment of this section, the execu-
21 tive committee of the Advisory Board shall establish and
22 appoint the initial members of a permanent renewable en-
23 ergy committee that shall be responsible for studying the
24 scope and effectiveness of research, extension, and eco-
25 nomics programs affecting the renewable energy industry.

1 “(b) NON-ADVISORY BOARD MEMBERS.—Individuals
2 who are not members of the Advisory Board may be ap-
3 pointed as members of the renewable energy committee.
4 Members of the renewable energy committee shall serve
5 at the discretion of the executive committee.

6 “(c) REPORT BY RENEWABLE ENERGY COM-
7 MITTEE.—Not later than 180 days after the establishment
8 of the renewable energy committee, and annually there-
9 after, the renewable energy committee shall submit to the
10 Advisory Board a report containing the findings of its
11 study under subsection (a). The renewable energy com-
12 mittee shall include in each report its recommendations.

13 “(d) COORDINATION OF FUNCTIONS.—In carrying
14 out its functions, the Renewable Energy Committee shall
15 coordinate with the Biomass Research and Development
16 Act Committee.

17 “(e) MATTERS TO BE CONSIDERED IN BUDGET REC-
18 OMMENDATION.—In preparing the annual budget rec-
19 ommendations for the Department, the Secretary shall
20 take into consideration those findings and recommenda-
21 tions contained in the most recent report of the renewable
22 energy committee that are adopted by the Advisory Com-
23 mittee.

24 “(f) REPORT BY THE SECRETARY.—In the budget
25 material submitted to Congress by the Secretary in con-

1 nection with the budget submitted pursuant to section
2 1105 of title 31, United States Code, for a fiscal year,
3 the Secretary shall include a report describing how the
4 Secretary addressed each recommendation of the renew-
5 able energy committee described in subsection (e) of this
6 section.”.

7 **SEC. 7204. SPECIALTY CROP COMMITTEE REPORT.**

8 Section 1408A(c) of the National Agricultural Re-
9 search, Extension, and Teaching Policy Act of 1977 (7
10 U.S.C. 3123a(c)) is amended by adding at the end the
11 following:

12 “(4) Analyses of the specialty crop sector, in-
13 cluding the impact of changes in domestic and inter-
14 national markets, production and new product tech-
15 nologies, alternative policies and macroeconomic con-
16 ditions on specialty crop production, use, farm and
17 retail prices, and farm income and financial stability
18 from a national, regional, and farm-level perspective.

19 “(5) Review of the economic state of the spe-
20 cialty crop industry from a regional perspective.

21 “(6) Development of data that provides applied
22 information useful to specialty crop growers, their
23 associations, and other interested beneficiaries in
24 evaluating that industry from a regional and na-
25 tional perspective.”.

1 **SEC. 7205. INCLUSION OF UDC IN GRANTS AND FELLOW-**
2 **SHIPS FOR FOOD AND AGRICULTURAL**
3 **SCIENCES EDUCATION.**

4 Section 1417 of the National Agricultural Research,
5 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
6 3152) is amended—

7 (1) in subsection (b), by inserting “including
8 the University of the District of Columbia,” after
9 “universities,”; and

10 (2) in subsection (d)(2), by inserting “, includ-
11 ing the University of the District of Columbia,”
12 after “universities”.

13 **SEC. 7206. GRANTS AND FELLOWSHIPS FOR FOOD AND AG-**
14 **RICULTURAL SCIENCES EDUCATION.**

15 (a) **EDUCATION TEACHING PROGRAMS.**—Section
16 1417(j) of the National Agricultural Research, Extension
17 and Teaching Policy Act of 1977 (7 U.S.C. 3152(j)) is
18 amended—

19 (1) in the subsection heading, by striking “SEC-
20 ONDARY EDUCATION AND 2-YEAR POSTSECONDARY
21 EDUCATION TEACHING PROGRAMS” and inserting
22 “SECONDARY EDUCATION, 2-YEAR POSTSECONDARY
23 EDUCATION, AND AGRICULTURE IN THE K–12
24 CLASSROOM”; and

25 (2) in paragraph (3)—

1 (A) by striking “secondary schools, and in-
2 stitutions of higher education that award an as-
3 sociate’s degree” and inserting “secondary
4 schools, institutions of higher education that
5 award an associate’s degree, other institutions
6 of higher education, and nonprofit organiza-
7 tions”;

8 (B) in subparagraph (E), by striking
9 “and” at the end;

10 (C) in subparagraph (F), by striking the
11 period at the end and inserting “; and”; and

12 (D) by adding at the end the following:

13 “(G) to support current agriculture in the
14 classroom programs for grades K–12.”.

15 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
16 1417(l) of the National Agricultural Research, Extension,
17 and Teaching Policy Act of 1977 (7 U.S.C. 3152(l)) is
18 amended by striking “2007” and inserting “2012”.

19 (c) REPORT.—Section 1417 of the National Agricul-
20 tural Research, Extension and Teaching Policy Act of
21 1977 is amended by adding at the end the following:

22 “(m) REPORT.—The Secretary shall submit an an-
23 nual report to the Committee on Agriculture of the House
24 of Representatives and the Committee on Agriculture, Nu-
25 trition and Forestry of the Senate detailing the distribu-

1 tion of funds used to implement the teaching programs
2 under subsection (j).”.

3 **SEC. 7207. GRANTS FOR RESEARCH ON PRODUCTION AND**
4 **MARKETING OF ALCOHOLS AND INDUSTRIAL**
5 **HYDROCARBONS FROM AGRICULTURAL COM-**
6 **MODITIES AND FOREST PRODUCTS.**

7 Section 1419(d) of the National Agricultural Re-
8 search, Extension, and Teaching Policy Act of 1977 (7
9 U.S.C. 3154(d)) is amended by striking “2007” and in-
10 serting “2012”.

11 **SEC. 7208. POLICY RESEARCH CENTERS.**

12 Section 1419A of the National Agricultural Research,
13 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
14 3155) is amended—

15 (1) in subsection (b), by inserting “, including
16 the Food Agricultural Policy Research Institute and
17 the Agricultural and Food Policy Center” after “re-
18 search institutions and organizations”; and

19 (2) in subsection (d), by striking “2007” and
20 inserting “2012”.

21 **SEC. 7209. HUMAN NUTRITION INTERVENTION AND**
22 **HEALTH PROMOTION RESEARCH PROGRAM.**

23 Section 1424(d) of the National Agricultural Re-
24 search, Extension, and Teaching Policy Act of 1977 (7

1 U.S.C. 3174(d)) is amended by striking “2007” and in-
2 serting “2012”.

3 **SEC. 7210. PILOT RESEARCH PROGRAM TO COMBINE MED-**
4 **ICAL AND AGRICULTURAL RESEARCH.**

5 Section 1424A(d) of the National Agricultural Re-
6 search, Extension, and Teaching Policy Act of 1977 (7
7 U.S.C. 3174a(d)) is amended by striking “2007” and in-
8 serting “2012”.

9 **SEC. 7211. NUTRITION EDUCATION PROGRAM.**

10 Section 1425(e)(3) of the National Agricultural Re-
11 search, Extension, and Teaching Policy Act of 1977 (7
12 U.S.C. 3175(e)(3)) is amended by striking “2007” and
13 inserting “2012”.

14 **SEC. 7212. CONTINUING ANIMAL HEALTH AND DISEASE RE-**
15 **SEARCH PROGRAMS.**

16 Section 1433(a) of the National Agricultural Re-
17 search, Extension, and Teaching Policy Act of 1977 (7
18 U.S.C. 3195(a)) is amended in the first sentence by strik-
19 ing “2007” and inserting “2012”.

20 **SEC. 7213. COOPERATION AMONG ELIGIBLE INSTITUTIONS.**

21 Section 1433 of the National Agricultural Research,
22 Extension, and Teaching Policy Act of 1977 is amended
23 by adding at the end the following new subsection:

24 “(g) COOPERATION AMONG ELIGIBLE INSTITU-
25 TIONS.—The Secretary, to the maximum extent prac-

1 ticable, shall encourage eligible institutions to cooperate
2 in setting research priorities under this section through
3 the conduct of regular regional and national meetings.”.

4 **SEC. 7214. APPROPRIATIONS FOR RESEARCH ON NATIONAL**
5 **OR REGIONAL PROBLEMS.**

6 Section 1434(a) of the National Agricultural Re-
7 search, Extension, and Teaching Policy Act of 1977 (7
8 U.S.C. 3196(a)) is amended by striking “2007” and in-
9 serting “2012”.

10 **SEC. 7215. AUTHORIZATION LEVEL OF EXTENSION AT 1890**
11 **LAND-GRANT COLLEGES.**

12 Section 1444(a)(2) of the National Agricultural Re-
13 search, Extension, and Teaching Policy Act of 1977 (7
14 U.S.C. 3221(a)(2)) is amended by striking “15 percent”
15 and inserting “20 percent”.

16 **SEC. 7216. AUTHORIZATION LEVEL FOR AGRICULTURAL RE-**
17 **SEARCH AT 1890 LAND-GRANT COLLEGES.**

18 Section 1445(a)(2) of the National Agricultural Re-
19 search, Extension, and Teaching Policy Act of 1977 (7
20 U.S.C. 3222(a)(2)) is amended by striking “25 percent”
21 and inserting “30 percent”.

1 **SEC. 7217. GRANTS TO UPGRADE AGRICULTURE AND FOOD**
2 **SCIENCES FACILITIES AT THE DISTRICT OF**
3 **COLUMBIA LAND GRANT UNIVERSITY.**

4 The National Agricultural Research, Extension, and
5 Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is
6 amended by inserting after section 1447 the following:

7 **“SEC. 1447A. GRANTS TO UPGRADE AGRICULTURE AND**
8 **FOOD SCIENCES FACILITIES AT THE DIS-**
9 **TRICT OF COLUMBIA LAND GRANT UNIVER-**
10 **SITY.**

11 “(a) **PURPOSE.**—It is declared to be the intent of
12 Congress to assist the land grant university in the District
13 of Columbia, as established under section 208 of the Dis-
14 trict of Columbia Public Postsecondary Education Reorga-
15 nization Act of October 26, 1974 (Public Law 93–471)
16 in efforts to acquire, alter, or repair facilities or relevant
17 equipment necessary for conducting agricultural research.

18 “(b) **AUTHORIZATION OF APPROPRIATIONS.**—There
19 are authorized to be appropriated for the purposes of car-
20 rying out the provisions of this section \$750,000 for each
21 of fiscal years 2008 through 2012.”.

1 **SEC. 7218. GRANTS TO UPGRADE AGRICULTURAL AND**
2 **FOOD SCIENCES FACILITIES AT 1890 LAND-**
3 **GRANT COLLEGES, INCLUDING TUSKEGEE**
4 **UNIVERSITY.**

5 Section 1447(b) of the National Agricultural Re-
6 search, Extension, and Teaching Policy Act of 1977 (7
7 U.S.C. 3222b(b)) is amended by striking “2007” and in-
8 serting “2012”.

9 **SEC. 7219. NATIONAL RESEARCH AND TRAINING VIRTUAL**
10 **CENTERS.**

11 Section 1448 of the National Agricultural Research,
12 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
13 3222c) is amended by striking “2007” each place it ap-
14 pears in subsections (a)(1) and (f) and inserting “2012”.

15 **SEC. 7220. MATCHING FUNDS REQUIREMENT FOR RE-**
16 **SEARCH AND EXTENSION ACTIVITIES OF 1890**
17 **INSTITUTIONS.**

18 Section 1449(c) of the National Agricultural Re-
19 search, Extension, and Teaching Policy Act of 1977 (7
20 U.S.C. 3222d(c)) is amended in the first sentence by strik-
21 ing “for each of fiscal years 2003 through 2007,”.

22 **SEC. 7221. HISPANIC-SERVING INSTITUTIONS.**

23 Section 1455(c) of the National Agricultural Re-
24 search, Extension, and Teaching Policy Act of 1977 (7
25 U.S.C. 3241(c)) is amended by striking “2007” and in-
26 serting “2012”.

1 **SEC. 7222. HISPANIC-SERVING AGRICULTURAL COLLEGES**
2 **AND UNIVERSITIES.**

3 (a) IN GENERAL.—The National Agricultural Re-
4 search, Extension and Teaching Policy Act of 1977 is
5 amended by inserting after section 1455 the following:

6 **“SEC. 1456. HISPANIC-SERVING AGRICULTURAL COLLEGES**
7 **AND UNIVERSITIES.**

8 “(a) DEFINITIONS.—As used in this section:

9 “(1) ENDOWMENT FUND.—The term ‘endow-
10 ment fund’ means the Hispanic-Serving Agricultural
11 Colleges and Universities Fund established under
12 subsection (b).

13 “(2) HISPANIC-SERVING AGRICULTURAL COL-
14 LEGE AND UNIVERSITIES.—The term ‘Hispanic-serv-
15 ing agricultural colleges and universities’ means a
16 college or university that—

17 “(A) qualifies as a ‘Hispanic-serving insti-
18 tution’; and

19 “(B) offers associate, bachelor’s, or other
20 accredited degree programs in agriculture-re-
21 lated fields, as determined by the Secretary.

22 “(b) ENDOWMENT.—

23 “(1) IN GENERAL.—In accordance with this
24 subsection, the Secretary of the Treasury shall es-
25 tablish a Hispanic-Serving Agricultural Colleges and
26 Universities Fund. The Secretary of the Treasury

1 may enter into such agreements as are necessary to
2 carry out this subsection.

3 “(2) DEPOSIT TO THE ENDOWMENT FUND.—

4 The Secretary of the Treasury shall deposit in the
5 endowment fund any—

6 “(A) amounts made available through Acts
7 of appropriations, which shall be the endow-
8 ment fund corpus; and

9 “(B) interest earned on the endowment
10 fund corpus.

11 “(3) INVESTMENTS.—The Secretary of the
12 Treasury shall invest the endowment fund corpus
13 and income in interest-bearing obligations of the
14 United States.

15 “(4) WITHDRAWALS AND EXPENDITURES.—The
16 Secretary of the Treasury may not make a with-
17 drawal or expenditure from the endowment fund cor-
18 pus. On September 30, 2008, and each September
19 30 thereafter, the Secretary of the Treasury shall
20 withdraw the amount of the income from the endow-
21 ment fund for the fiscal year and warrant the funds
22 to the Secretary who, after making adjustments for
23 the cost of administering the endowment fund, shall
24 distribute the adjusted income as follows:

1 “(A) 60 percent distributed among the
2 Hispanic-serving agricultural colleges and uni-
3 versities on a pro rata basis based on each in-
4 stitution’s Hispanic enrollment count.

5 “(B) 40 percent distributed in equal shares
6 to the Hispanic-serving agricultural colleges
7 and universities.

8 “(5) AUTHORIZATION OF APPROPRIATIONS.—

9 “(A) IN GENERAL.—For fiscal year 2008,
10 and for each fiscal year thereafter, there is au-
11 thorized to be appropriated to the Department
12 of Agriculture an amount equal to—

13 “(i) \$80,000; multiplied by

14 “(ii) the number of Hispanic-serving
15 agricultural colleges and universities.

16 “(B) PAYMENTS.—For fiscal year 2008,
17 and for each fiscal year thereafter, the Sec-
18 retary shall pay to the treasurer of each His-
19 panic-Serving agricultural college and university
20 an amount equal to—

21 “(i) the total amount made available
22 by appropriations pursuant to paragraph
23 (1); divided by

24 “(ii) the number of Hispanic-serving
25 agricultural colleges and universities.

1 “(C) USE OF FUNDS.—Amounts author-
2 ized to be appropriated under this subsection
3 shall be used in the same manner as is pre-
4 scribed for colleges under the Act of August 30,
5 1890 (commonly known as the Second Morrill
6 Act), and except as otherwise provided in this
7 subsection, the requirements of such Act shall
8 apply to the Hispanic-serving agricultural col-
9 leges and universities.

10 “(D) Amounts appropriated pursuant to
11 this paragraph shall be held and considered to
12 have been granted to Hispanic-serving agricul-
13 tural colleges and universities to establish an
14 endowment pursuant to subsection (b).

15 “(e) INSTITUTIONAL CAPACITY BUILDING
16 GRANTS.—

17 “(1) PURPOSE AND ALLOWABLE USES.—For
18 fiscal year 2008, and for each fiscal year thereafter,
19 the Secretary shall make institutional capacity build-
20 ing grants to assist Hispanic-serving agricultural
21 colleges and universities not including alteration, re-
22 pair, renovation, or construction of buildings.

23 “(2) CRITERIA FOR INSTITUTIONAL CAPACITY
24 BUILDING GRANTS.—

1 “(A) REQUIREMENTS FOR GRANTS.—The
2 Secretary shall make grants under this sub-
3 section on the basis of a competitive application
4 process under which Hispanic-serving agricul-
5 tural colleges and universities may submit ap-
6 plications to the Secretary in such form and
7 manner as the Secretary may prescribe.

8 “(B) BROADER PARTICIPATION AND GEO-
9 GRAPHIC DIVERSITY.—All Hispanic-serving ag-
10 ricultural colleges and universities shall be eligi-
11 ble to compete for grants under this subsection.

12 “(C) DEMONSTRATION OF NEED.—The
13 Secretary shall require as part of an application
14 for a grant under this subsection, a demonstra-
15 tion of need based on criteria stated in sub-
16 section (b)(5). The Secretary may award a
17 grant under this subsection only to an applicant
18 that demonstrates a failure to obtain funding
19 for a project after making a reasonable effort to
20 otherwise obtain the funding.

21 “(D) PAYMENT OF NON-FEDERAL
22 SHARE.—A grant awarded under this sub-
23 section shall be made only if the recipient of the
24 grant pays a non-Federal share in an amount

1 specified by the Secretary and based upon as-
2 sessed institutional needs.

3 “(3) AUTHORIZATION OF APPROPRIATIONS.—

4 There are authorized to be appropriated to the Sec-
5 retary to carry out this subsection, such sums as are
6 necessary for fiscal year 2008, and for each fiscal
7 year thereafter.

8 “(d) COMPETITIVE GRANTS PROGRAM.—The Sec-
9 retary shall establish a competitive grants program to
10 fund basic and applied research at Hispanic-serving agri-
11 cultural colleges and universities in agriculture, human
12 nutrition, food science, bioenergy, and environmental
13 science. There are authorized to be appropriated to the
14 Secretary such sums as are necessary to carry out this
15 subsection for fiscal year 2008 and for each fiscal year
16 thereafter.”.

17 (b) EXTENSION FUNDING.—Section 3 of the Act of
18 May 8, 1914, (commonly known as the Smith-Lever Act),
19 is amended—

20 (1) in subsection (b), by adding at the end the
21 following new paragraph:

22 “(4) There are authorized to be appropriated for fis-
23 cal year 2008, and for each fiscal year thereafter, such
24 sums as are necessary for the purposes set forth in sub-
25 paragraph (D). Such sums shall be in addition to the sums

1 appropriated for the several States and Puerto Rico, the
2 Virgin Islands, and Guam under the provisions of this sec-
3 tion. Such sums shall be distributed on the basis on a com-
4 petitive application process to be developed and imple-
5 mented by the Secretary and paid by the Secretary to the
6 State institutions established in accordance with the provi-
7 sions of the Act of July 2, 1862 (commonly known as the
8 First Morrill Act) and administered by such institutions
9 through cooperative agreements with the Hispanic-serving
10 agricultural colleges and universities in the States of the
11 institutions in accordance with regulations that the Sec-
12 retary shall adopt.”; and

13 (2) in subsection (f), by inserting “or Hispanic-
14 serving agricultural colleges and universities” after
15 “Institution”.

16 **SEC. 7223. INTERNATIONAL AGRICULTURAL RESEARCH, EX-**
17 **TENSION, AND EDUCATION.**

18 Section 1458(a) of the National Agricultural Re-
19 search, Extension, and Teaching Policy Act of 1977 (7
20 U.S.C. 3291(a)) is amended—

21 (1) in paragraph (1)—

22 (A) in subparagraph (A), by striking
23 “and” after the semicolon;

24 (B) in subparagraph (B), by adding “and”
25 at the end; and

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

2 “(C) giving priority to those institutions
3 with existing memorandums of understanding,
4 agreements, or other formal ties to United
5 States institutions, or State or Federal agen-
6 cies;”;

7 (2) in paragraph (3), by inserting “Hispanic-
8 serving agricultural colleges and universities,” after
9 “universities, as defined in section 1456 of the Na-
10 tional Agricultural Research, Extension, and Teach-
11 ing Policy Act of 1977 (7 U.S.C. 3289),”;

12 (3) in paragraph (7)(A), by striking “and land-
13 grant colleges and universities” and inserting “,
14 land-grant colleges and universities, and Hispanic-
15 serving agricultural colleges and universities, as de-
16 fined in section 1456 of the National Agricultural
17 Research, Extension, and Teaching Policy Act of
18 1977 (7 U.S.C. 3289)”;

19 (4) in paragraph (9)(A), by striking “or other
20 colleges and universities” and inserting “, or other
21 colleges and universities, or Hispanic-serving agricul-
22 tural colleges and universities, as defined in section
23 1456 of the National Agricultural Research, Exten-
24 sion, and Teaching Policy Act of 1977 (7 U.S.C.
25 3289)”;

1 (5) by adding at the end the following:

2 “(11) establish a program for the purpose of
3 providing fellowships to United States or foreign
4 students to study at foreign agricultural colleges and
5 universities working under agreements provided for
6 under paragraph (3).”.

7 **SEC. 7224. COMPETITIVE GRANTS FOR INTERNATIONAL AG-**
8 **RICULTURAL SCIENCE AND EDUCATION PRO-**
9 **GRAMS.**

10 Section 1459A(c) of the National Agricultural Re-
11 search, Extension, and Teaching Policy Act of 1977 (7
12 U.S.C. 3292b(c)) is amended by striking “2007” and in-
13 serting “2012”.

14 **SEC. 7225. LIMITATION ON INDIRECT COSTS FOR AGRICUL-**
15 **TURAL RESEARCH, EDUCATION, AND EXTEN-**
16 **SION PROGRAMS.**

17 Section 1462(a) of the National Agriculture Re-
18 search, Extension, and Teaching Policy Act of 1977 (7
19 U.S.C. 3310(a)) is amended by striking “a competitive”
20 and inserting “any”.

21 **SEC. 7226. RESEARCH EQUIPMENT GRANTS.**

22 Section 1462A(e) of the National Agricultural Re-
23 search, Extension, and Teaching Policy Act of 1977 (7
24 U.S.C. 3310a(e)) is amended by striking “2007” and in-
25 serting “2012”.

1 **SEC. 7227. UNIVERSITY RESEARCH.**

2 Section 1463 of the National Agricultural Research,
3 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
4 3311) is amended by striking “2007” each place it ap-
5 pears in subsections (a) and (b) and inserting “2012”.

6 **SEC. 7228. EXTENSION SERVICE.**

7 Section 1464 of the National Agricultural Research,
8 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
9 3312) is amended by striking “2007” and inserting
10 “2012”.

11 **SEC. 7229. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

12 Section 1473D(a) of the National Agricultural Re-
13 search, Extension, and Teaching Policy Act of 1977 (7
14 U.S.C. 3319d(a)) is amended by striking “2007” and in-
15 serting “2012”.

16 **SEC. 7230. AQUACULTURE ASSISTANCE PROGRAMS.**

17 Section 1477 of the National Agricultural Research,
18 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
19 3324) is amended by striking “2007” and inserting
20 “2012”.

21 **SEC. 7231. RANGELAND RESEARCH.**

22 Section 1483(a) of the National Agricultural Re-
23 search, Extension, and Teaching Policy Act of 1977 (7
24 U.S.C. 3336(a)) is amended by striking “2007” and in-
25 serting “2012”.

1 **SEC. 7232. SPECIAL AUTHORIZATION FOR BIOSECURITY**
2 **PLANNING AND RESPONSE.**

3 Section 1484(a) of the National Agricultural Re-
4 search, Extension, and Teaching Policy Act of 1977 (7
5 U.S.C. 3351(a)) is amended by striking “2007” and in-
6 serting “2012”.

7 **SEC. 7233. RESIDENT INSTRUCTION AND DISTANCE EDU-**
8 **CATION GRANTS PROGRAM FOR INSULAR**
9 **AREA INSTITUTIONS OF HIGHER EDUCATION.**

10 (a) DISTANCE EDUCATION GRANTS FOR INSULAR
11 AREAS.—Section 1490(f) of the National Agricultural Re-
12 search, Extension, and Teaching Policy Act of 1977 (7
13 U.S.C. 3362(f)) is amended by striking “2007” and in-
14 serting “2012”.

15 (b) RESIDENT INSTRUCTION GRANTS FOR INSULAR
16 AREAS.—Section 1491 of the National Agricultural Re-
17 search, Extension, and Teaching Policy Act of 1977 (7
18 U.S.C. 3363) is amended—

19 (1) by redesignating subsection (e) as sub-
20 section (c); and

21 (2) in subsection (c) (as so redesignated), by
22 striking “2007” and inserting “2012”.

23 **SEC. 7234. HISPANIC SERVING INSTITUTIONS.**

24 The text of section 1404 of the Research Act of 1977
25 is amended to read as follows: “The term ‘Hispanic Serv-
26 ing Institution’ has the meaning given that term in section

1 502(a)(5) of the Higher Education Act of 1965 (20 U.S.C.
2 1101a(a)(5)).”.

3 **SEC. 7235. SPECIALTY CROPS POLICY RESEARCH INSTI-**
4 **TUTE.**

5 Section 1419A of the National Agricultural Research,
6 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
7 3155) is amended by adding at the end the following:

8 “(e) SPECIALTY CROPS POLICY RESEARCH INSTI-
9 TUTE.—

10 “(1) ESTABLISHMENT.—The Food Agricultural
11 Policy Research Institute shall establish a satellite
12 institute, called the Specialty Crops Policy Research
13 Institute, hereinafter referred to as the Institute, at
14 accredited research universities within States with
15 significant specialty crop industries to fulfill the ob-
16 jectives described in subsection (e)(3) of this section.

17 “(2) MANAGEMENT.—The Institute shall be co-
18 ordinated and managed by an appointed university
19 and will have the discretion to coordinate and facili-
20 tate the Institute’s economic and policy research ac-
21 tivities and those of additional member universities
22 and institutions.

23 “(3) INSTITUTE OBJECTIVES.—Consistent with
24 the provisions of subsections (a) and (c) of this sec-
25 tion, the Institute shall—

1 “(A) produce and disseminate analysis of
2 the specialty crop sector, including the impact
3 of changes in domestic and international mar-
4 kets, production, new product technologies,
5 web-based risk management tools, alternative
6 policies and macroeconomic conditions on spe-
7 cialty crop production, use, farm and retail
8 prices, and farm income and financial stability
9 from a national, regional, and farm-level per-
10 spective; and

11 “(B) produce and disseminate an annual
12 review of the economic state of the specialty
13 crop industry nationally, regionally, and by-
14 state.

15 “(4) AUTHORIZATION OF APPROPRIATION.—
16 There are authorized to be appropriated such sums
17 as are necessary in each fiscal year through 2012 to
18 carry out this section.”.

19 **SEC. 7236. EMPHASIS OF HUMAN NUTRITION INITIATIVE.**

20 Section 1424(b) of the National Agricultural Re-
21 search, Extension, and Teaching Policy Act of 1977 (7
22 U.S.C. 3174(b)) is amended—

23 (1) in paragraph (1), by striking “and,”;

24 (2) in paragraph (2), by striking the comma
25 and inserting “; and”; and

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

2 “(3) proposals that examine the efficacy of cur-
3 rent agriculture policies in promoting the health and
4 welfare of economically disadvantaged populations,”.

5 **SEC. 7237. GRANTS TO UPGRADE AGRICULTURE AND FOOD**
6 **SCIENCES FACILITIES AT INSULAR AREA**
7 **LAND-GRANT INSTITUTIONS.**

8 The National Agricultural Research, Extension, and
9 Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is
10 amended by inserting after section 1447A the following:

11 **“SEC. 1447B. GRANTS TO UPGRADE AGRICULTURE AND**
12 **FOOD SCIENCES FACILITIES AND EQUIP-**
13 **MENT AT INSULAR AREA LAND-GRANT INSTI-**
14 **TUTIONS.**

15 “(a) PURPOSE.—It is declared to be the intent of
16 Congress to assist the land grant institutions in the insu-
17 lar areas in efforts to acquire, alter, or repair facilities
18 or relevant equipment necessary for conducting agricul-
19 tural research.

20 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
21 are authorized to be appropriated for the purposes of car-
22 rying out the provisions of this section \$8,000,000 for
23 each of fiscal years 2008 through 2012.

24 “(c) METHOD OF AWARDED GRANTS.—Grants
25 awarded pursuant to this section shall be made in such

1 amounts and under such terms and conditions as the Sec-
2 retary shall determine necessary for carrying out the pur-
3 poses of this section.

4 “(d) REGULATIONS.—The Secretary may promulgate
5 such rules and regulations as the Secretary may consider
6 necessary to carry out the provisions of this section.”.

7 **Subtitle C—Food, Agriculture, Con-** 8 **servation, and Trade Act of 1990**

9 **SEC. 7301. NATIONAL GENETICS RESOURCES PROGRAM.**

10 Section 1635(b) of the Food, Agriculture, Conserva-
11 tion, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amend-
12 ed by striking “2007” and inserting “2012”.

13 **SEC. 7302. NATIONAL AGRICULTURAL WEATHER INFORMA-** 14 **TION SYSTEM.**

15 Section 1641(e) of the Food, Agriculture, Conserva-
16 tion, and Trade Act of 1990 (7 U.S.C. 5855(e)) is amend-
17 ed by striking “1991 through 1997” and inserting “2008
18 through 2012”.

19 **SEC. 7303. PARTNERSHIPS.**

20 Section 1672(d) of the Food, Agriculture, Conserva-
21 tion, and Trade Act of 1990 (7 U.S.C. 5925(d)) is amend-
22 ed by striking “may” and inserting “shall”.

23 **SEC. 7304. AFLATOXIN RESEARCH AND EXTENSION.**

24 Section 1672(e)(3) of the Food, Agriculture, Con-
25 servation, and Trade Act of 1990 (7 U.S.C. 5925(e)(3))

1 is amended by striking “and controlling aflatoxin in the
2 food and feed chains.” and inserting “improving, and
3 eventually commercializing aflatoxin controls in corn and
4 other affected agricultural products and crops.”.

5 **SEC. 7305. HIGH-PRIORITY RESEARCH AND EXTENSION**
6 **AREAS.**

7 Section 1672(e) of the Food, Agriculture, Conserva-
8 tion, and Trade Act of 1990 (7 U.S.C. 5925(e)) is amend-
9 ed by adding the following:

10 “(46) FARMED AND WILD CERVID DISEASE AND
11 APPLIED GENETICS RESEARCH.—Research grants
12 may be made under this section for the purpose of
13 investigating the major infectious, parasitic and
14 toxic diseases of importance to farmed and wild
15 cervids.

16 “(47) AIR EMISSIONS FROM LIVESTOCK OPER-
17 ATIONS.—Research and extension grants may be
18 made under this section for the purpose of con-
19 ducting field verification tests and developing mitiga-
20 tion options for air emissions from animal feeding
21 operations.

22 “(48) SWINE GENOME PROJECT.—Research
23 grants may be made under this section to conduct
24 swine genome research and to map the swine ge-
25 nome.

1 “(49) CATTLE FEVER TICK PROGRAM.—Re-
2 search and extension grants may be made to study
3 cattle fever ticks to facilitate understanding of the
4 role of wildlife in the persistence and spread of cattle
5 fever ticks; to develop advanced methods for eradi-
6 cation of cattle fever ticks; and to improve manage-
7 ment of diseases related to cattle fever ticks that are
8 associated with wildlife, livestock, and human health.

9 “(50) COLONY COLLAPSE DISORDER PRO-
10 GRAM.—Research and extension grants may be made
11 to survey and collect data of honey bee colony pro-
12 duction and health; research various factors possibly
13 contributing to or associated with colony collapse
14 disorder; and develop mitigative and preventative
15 measures to improve bee health.

16 “(51) SYNTHETIC GYPSUM FROM ELECTRIC
17 POWER PLANTS RESEARCH.—Research and exten-
18 sion grants may be made to study the uses of syn-
19 thetic gypsum from electric power plants to reme-
20 diate soil and nutrient losses.

21 “(52) CRANBERRY RESEARCH PROGRAM.—Re-
22 search and extension grants may be made to study
23 new technologies to assist cranberry growers in com-
24 plying with Federal and State environmental regula-
25 tions, increase production, develop new growing

1 techniques, establish more efficient growing meth-
2 odologies, and educate farmers about sustainable
3 growth practices.

4 “(53) SORGHUM RESEARCH INITIATIVE.—Re-
5 search and extension grants may be made to study
6 the use of sorghum as a bioenergy feedstock, pro-
7 mote diversification in, and the environmental sus-
8 tainability of sorghum production, and promote
9 water conservation through the use of sorghum.

10 “(54) BEAN HEALTH RESEARCH PROGRAM.—
11 Research and extension grants may be made to
12 study bean-based solutions to chronic health and nu-
13 tritional concerns in both developed and developing
14 countries, and to increase bean consumption.”.

15 **SEC. 7306. HIGH-PRIORITY RESEARCH AND EXTENSION INI-**
16 **TIATIVES.**

17 Section 1672(h) of the Food, Agriculture, Conserva-
18 tion, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amend-
19 ed by striking “2007” and inserting “2012”.

20 **SEC. 7307. NUTRIENT MANAGEMENT RESEARCH AND EX-**
21 **TENSION INITIATIVE.**

22 Section 1672A of the Food, Agriculture, Conserva-
23 tion, and Trade Act of 1990 (7 U.S.C. 5925a) is amend-
24 ed—

1 (1) by redesignating subsection (g) as sub-
2 section (f);

3 (2) in subsection (d), by inserting “or address
4 unique regional concerns” after “entities”;

5 (3) in subsection (e)(1)(B), by inserting “and
6 dairy cattle waste” after “swine waste”; and

7 (4) in subsection (f) (as so redesignated in
8 paragraph (1)), by striking “2007” and inserting
9 “2012”.

10 **SEC. 7308. AGRICULTURAL TELECOMMUNICATIONS PRO-**
11 **GRAM.**

12 Section 1673(h) of the Food, Agriculture, Conserva-
13 tion, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amend-
14 ed by striking “2007” and inserting “2012”.

15 **SEC. 7309. ASSISTIVE TECHNOLOGY PROGRAM FOR FARM-**
16 **ERS WITH DISABILITIES.**

17 Section 1680(c)(1) of the Food, Agriculture, Con-
18 servation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1))
19 is amended by striking “2007” and inserting “2012”.

20 **SEC. 7310. ORGANIC RESEARCH.**

21 (a) IN GENERAL.—The Organic Agriculture Re-
22 search and Extension Initiative (section 1672B of the
23 Food, Agriculture, Conservation, and Trade Act of 1990
24 (7 U.S.C. 5925b)) is amended—

25 (1) in subsection (a)—

1 (A) in paragraph (5), by striking “and”
2 after the semicolon;

3 (B) in paragraph (6), at the end by strik-
4 ing the period and inserting a semicolon; and

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

6 “(7) examining optimal conservation and envi-
7 ronmental outcomes relating to organically produced
8 agricultural products; and

9 “(8) developing new and improved seed vari-
10 eties that are particularly suited for organic agri-
11 culture.”; and

12 (2) by adding at the end the following—

13 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
14 is authorized to be appropriated \$25,000,000 for each of
15 fiscal years 2009 through 2012.

16 “(g) ADDITIONAL FUNDING.—In addition to funds
17 made available under subsection (f), of the funds of the
18 Commodity Credit Corporation, the Secretary shall make
19 available to carry out this section a total of \$25,000,000
20 for fiscal years 2008 through 2012.”.

21 (b) COORDINATION.—In carrying out this section, the
22 Secretary shall ensure that the Director of the applicable
23 Program Office established under section 7104(a) coordi-
24 nates projects and activities carried out under this section

1 to ensure, to the maximum extent practicable, that dupli-
2 cation of effort is eliminated or minimized.

3 **SEC. 7311. NATIONAL RURAL INFORMATION CENTER**
4 **CLEARINGHOUSE.**

5 Section 2381(e) of the Food, Agriculture, Conserva-
6 tion, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is
7 amended by striking “2007” and inserting “2012”.

8 **SEC. 7312. NEW ERA RURAL TECHNOLOGY PROGRAM.**

9 (a) FUNCTIONS.—

10 (1) The Secretary shall establish the “New Era
11 Rural Technology Program”, to make grants avail-
12 able for technology development, applied research,
13 and training to aid in the development of an agri-
14 culture-based renewable energy workforce. This ini-
15 tiative shall support the fields of bioenergy, pulp and
16 paper manufacturing, and for agriculture-based re-
17 newable energy resources.

18 (2) To receive funding under this section an en-
19 tity—

20 (A) shall be a rural community college or
21 advanced technological center, in existence on
22 the date of the enactment of this Act, that par-
23 ticipates in agricultural or bioenergy research
24 and applied research;

1 (B) shall have a proven record of develop-
2 ment and implementation of programs to meet
3 the needs of students, educators, and business
4 and industry to supply the agriculture-based,
5 renewable energy or pulp and paper manufac-
6 turing fields with certified technicians as deter-
7 mined by the Secretary of Agriculture; and

8 (C) shall have the ability to leverage exist-
9 ing partnerships and occupational outreach and
10 training programs for secondary schools, 4-year
11 institutions and relevant non-profit organiza-
12 tions.

13 (b) LIMITATION ON AUTHORIZATION OF APPROPRIA-
14 TIONS.—To carry out this section, there are authorized
15 to be appropriated such sums as necessary for each of the
16 fiscal years 2008 through 2012.

17 (c) COMMUNITY COLLEGES.—In this section, the
18 term “community college” means an institution of higher
19 education—

20 (1) that admits as regular students persons who
21 are beyond the age of compulsory school attendance
22 in the State in which the institution is located and
23 who have the ability to benefit from the training of-
24 fered by the institution;

1 (2) that does not provide an educational pro-
2 gram for which it awards a bachelor's degree, or an
3 equivalent degree; and

4 (3) that—

5 (A) provides an educational program of not
6 less than two years that is acceptable for full
7 credit toward such a degree; or

8 (B) offers a two-year program in engineer-
9 ing, technology, mathematics, or the physical,
10 chemical or biological sciences, designed to pre-
11 pare a student to work as a technician or at the
12 semiprofessional level in engineering, scientific,
13 or other technological fields requiring the un-
14 derstanding and application of basic engineer-
15 ing, scientific, or mathematical principles of
16 knowledge.

17 (d) GRANT PRIORITY.—Preference shall be given to
18 rural community colleges working in partnership to im-
19 prove information sharing capacity and to maximize the
20 ability to meet the requirements of this section.

1 **Subtitle D—Agricultural Research,**
2 **Extension, and Education Re-**
3 **form Act of 1998**

4 **SEC. 7401. PARTNERSHIPS FOR HIGH-VALUE AGRICUL-**
5 **TURAL PRODUCT QUALITY RESEARCH.**

6 Section 402(g) of the Agricultural Research, Exten-
7 sion, and Education Reform Act of 1998 (7 U.S.C.
8 7622(g)) is amended by striking “2007” and inserting
9 “2012”.

10 **SEC. 7402. PRECISION AGRICULTURE.**

11 Section 403(i)(1) of the Agricultural Research, Ex-
12 tension, and Education Reform Act of 1998 (7 U.S.C.
13 7623(i)(1)) is amended by striking “2007” and inserting
14 “2012”.

15 **SEC. 7403. BIOBASED PRODUCTS.**

16 (a) **PILOT PROJECT.**—Section 404(e)(2) of the Agri-
17 cultural Research, Extension, and Education Reform Act
18 of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking
19 “2007” and inserting “2012”.

20 (b) **AUTHORIZATION OF APPROPRIATIONS.**—Section
21 404(h) of the Agricultural Research, Extension, and Edu-
22 cation Reform Act of 1998 (7 U.S.C. 7624(h)) is amended
23 by striking “2007” and inserting “2012”.

1 **SEC. 7404. THOMAS JEFFERSON INITIATIVE FOR CROP DI-**
2 **VERSIFICATION.**

3 Section 405(h) of the Agricultural Research, Exten-
4 sion, and Education Reform Act of 1998 (7 U.S.C.
5 7625(h)) is amended by striking “2007” and inserting
6 “2012”.

7 **SEC. 7405. INTEGRATED RESEARCH, EDUCATION, AND EX-**
8 **TENSION COMPETITIVE GRANTS PROGRAM.**

9 Section 406(f) of the Agricultural Research, Exten-
10 sion, and Education Reform Act of 1998 (7 U.S.C.
11 7626(f)) is amended by striking “2007” and inserting
12 “2012”.

13 **SEC. 7406. FUSARIUM GRAMINEARUM GRANTS.**

14 Section 408 of the Agricultural Research, Extension,
15 and Education Reform Act of 1998 (7 U.S.C. 7628(e))
16 is amended—

17 (1) in the heading for such section, by striking
18 “GRANT” and inserting “GRANTS”; and

19 (2) in subsection (e), by striking “2007” and
20 inserting “2012”.

21 **SEC. 7407. BOVINE JOHNE’S DISEASE CONTROL PROGRAM.**

22 Section 409(b) of the Agricultural Research, Exten-
23 sion, and Education Reform Act of 1998 (7 U.S.C.
24 7629(b)) is amended by striking “2007” and inserting
25 “2012”.

1 **SEC. 7408. GRANTS FOR YOUTH ORGANIZATIONS.**

2 Section 410 of the Agricultural Research, Extension,
3 and Education Reform Act of 1998 (7 U.S.C. 7630) is
4 amended by striking subsections (b) and (c) and inserting
5 the following:

6 “(b) FLEXIBILITY.—The Secretary shall provide
7 maximum flexibility in content delivery to each organiza-
8 tion receiving funds under this section so as to ensure that
9 the unique goals of each organization, as well as the local
10 community needs are fully met.

11 “(c) REDISTRIBUTION OF FUNDING WITHIN ORGA-
12 NIZATIONS AUTHORIZED.—Recipients of funds under this
13 section are authorized to redistribute all or part of the
14 funds received to individual councils or local chapters
15 within such organization without further need of approval
16 from the Secretary.

17 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
18 are authorized to be appropriated to carry out this section
19 such sums as are necessary for each of fiscal years 2008
20 through 2012.”.

21 **SEC. 7409. AGRICULTURAL BIOTECHNOLOGY RESEARCH**
22 **AND DEVELOPMENT FOR DEVELOPING COUN-**
23 **TRIES.**

24 Section 411(c) of the Agricultural Research, Exten-
25 sion, and Education Reform Act of 1998 (7 U.S.C.

1 7631(c)) is amended by striking “2007” and inserting
2 “2012”.

3 **SEC. 7410. AGRICULTURAL BIOENERGY AND BIOBASED**
4 **PRODUCTS RESEARCH INITIATIVE.**

5 Title IV of the Agricultural Research, Extension, and
6 Education Reform Act of 1998 (7 U.S.C. 7621 et seq.)
7 is amended by adding at the end the following:

8 **“SEC. 412. AGRICULTURAL BIOENERGY AND BIOBASED**
9 **PRODUCTS RESEARCH INITIATIVE.**

10 “(a) DEFINITION.—For the purposes of this section,
11 the term ‘Initiative’ means the agricultural bioenergy and
12 biobased products research initiative established by sub-
13 section (b).

14 “(b) ESTABLISHMENT.—There is established within
15 the Department a bioenergy and biobased products re-
16 search initiative to enhance the production, sustainability,
17 and conversion of biomass to renewable fuels and related
18 products.

19 “(c) LABORATORY NETWORK.—

20 “(1) IN GENERAL.—The Secretary shall carry
21 out the Initiative through a bioenergy and biobased
22 product laboratory network that may consist of—

23 “(A) Federal agencies;

24 “(B) national laboratories;

25 “(C) colleges and universities;

1 “(D) research institutions and organiza-
2 tions;

3 “(E) private organizations or corporations;

4 “(F) State agricultural experiment sta-
5 tions; and

6 “(G) individuals.

7 “(2) RESEARCH AND DEVELOPMENT OBJEC-
8 TIVES.—The laboratory network shall focus on im-
9 proving biomass production and sustainability, and
10 improving biomass conversion in biorefineries, by—

11 “(A) leveraging the broad scientific capa-
12 bilities of the Department in—

13 “(i) plant genetics and breeding;

14 “(ii) crop production;

15 “(iii) soil and water science;

16 “(iv) use of agricultural waste;

17 “(v) carbohydrate, lipid, protein, and
18 lignin chemistry and biochemistry;

19 “(vi) enzyme development;

20 “(vii) fermentation;

21 “(viii) microbiology;

22 “(ix) cellulosic gasification; and

23 “(x) ethanol by-product utilization.

24 “(B) supporting bioenergy and biobased
25 product research that will enhance the produc-

1 tion, sustainability, and conversion of biomass
2 to renewable fuels and related products; and

3 “(C) supporting bioenergy and biobased
4 product research, and the dissemination of that
5 research, that will assist in achieving the goals
6 of this section.

7 “(d) COORDINATION.—In carrying out the Initiative,
8 the Secretary shall ensure that the Director of the applica-
9 ble Program office established under section 7104(a)(1)
10 shall coordinate projects and activities carried out under
11 the Initiative with projects and activities under the Bio-
12 mass Research and Development Act of 2000 (7 U.S.C.
13 8601 et seq) to ensure, to the maximum extent prac-
14 ticable, that—

15 “(1) duplication of effort is eliminated or mini-
16 mized; and

17 “(2) the respective strengths of the Department
18 and the Department of Energy are maximized.

19 “(e) RESEARCH PROJECTS.—In carrying out this
20 section, the Secretary shall award grants on a competitive
21 basis.

22 “(f) ADMINISTRATION.—

23 “(1) IN GENERAL.—For grants awarded under
24 subsection (e)(2), the Secretary shall—

25 “(A) seek and accept proposals for grants;

1 “(B) determine the relevance and merit of
2 proposals through a system of peer review in
3 accordance with section 103 of the Agricultural
4 Research, Extension, and Education Reform
5 Act of 1998 (7 U.S.C. 7613); and

6 “(C) award grants on the basis of merit,
7 quality, and relevance.

8 “(2) TERM.—A grant under this section shall
9 have a term that does not exceed 5 years.

10 “(3) OTHER CONDITIONS.—The Secretary may
11 set such other conditions on the award of a grant
12 under this section as the Secretary determines ap-
13 propriate.

14 “(g) BUILDINGS AND FACILITIES.—Funds made
15 available under this section shall not be used for the con-
16 struction of a new building or facility or the acquisition,
17 expansion, remodeling, or alteration of an existing build-
18 ing or facility (including site grading and improvement
19 and architect fees).

20 “(h) FUNDING.—There is authorized to be appro-
21 priated \$50,000,000 for each of fiscal years 2008 through
22 2012 to carry out this section.”.

23 **SEC. 7411. SPECIALTY CROP RESEARCH INITIATIVE.**

24 (a) IN GENERAL.—Title IV of the Agricultural Re-
25 search, Extension, and Education Reform Act of 1998 (7

1 U.S.C. 7621 et seq.), as amended by section 7410, is fur-
2 ther amended by adding at the end the following:

3 **“SEC. 413. SPECIALTY CROP RESEARCH INITIATIVE.**

4 “(a) DEFINITIONS.—In this section:

5 “(1) INITIATIVE.—The term ‘Initiative’ means
6 the specialty crop research initiative established by
7 subsection (b).

8 “(2) SPECIALTY CROP.—The term ‘specialty
9 crop’ shall have the meaning given that term in sec-
10 tion 3(1) of the Specialty Crops Competitiveness Act
11 of 2004 (7 U.S.C. 1621 note).

12 “(b) ESTABLISHMENT.—There is established within
13 the Department a specialty crop research initiative to ad-
14 dress the critical needs of the specialty crop industry by
15 developing and disseminating science-based tools to ad-
16 dress needs of specific crops and their regions, including—

17 “(1) research in—

18 “(A) plant breeding, genetics, and
19 genomics to improve crop characteristics, such
20 as—

21 “(i) product appearance;

22 “(ii) environmental responses and tol-
23 erances;

24 “(iii) nutrient management;

- 1 “(iv) pest and disease management;
2 and
3 “(v) enhanced phytonutrient content;
4 “(B) safety;
5 “(C) quality;
6 “(D) yield;
7 “(E) taste;
8 “(F) shelf life;
9 “(G) policy and marketing; and
10 “(H) specialty crop pollination;
11 “(2) efforts to identify and address threats
12 from invasive species;
13 “(3) efforts to improve agricultural production
14 by developing more technologically efficient and ef-
15 fective applications of water, nutrients, and pes-
16 ticides;
17 “(4) new innovations and technology, such as
18 enhancing mechanization and reducing reliance on
19 labor; and
20 “(5) production efficiency, productivity, profit-
21 ability and marketing.
22 “(c) ELIGIBLE ENTITIES.—The Secretary may carry
23 out the Initiative through—
24 “(1) Federal agencies;
25 “(2) national laboratories;

1 “(3) colleges and universities;

2 “(4) research institutions and organizations;

3 “(5) private organizations or corporations;

4 “(6) State agricultural experiment stations; and

5 “(7) individuals.

6 “(d) RESEARCH PROJECTS.—In carrying out this
7 section, the Secretary shall award grants on a competitive
8 basis.

9 “(e) ADMINISTRATION.—

10 “(1) IN GENERAL.—For grants awarded under
11 subsection (d) the Secretary shall—

12 “(A) seek and accept proposals for grants;

13 “(B) determine the relevance and merit of
14 proposals through a system of peer review in
15 accordance with section 103; and

16 “(C) award grants on the basis of merit,
17 quality, and relevance.

18 “(2) TERM.—A grant under this section shall
19 have a term that does not exceed 5 years.

20 “(3) OTHER CONDITIONS.—The Secretary may
21 set such other conditions on the award of a grant
22 under this section as the Secretary determines ap-
23 propriate.

24 “(f) BUILDINGS AND FACILITIES.—Funds made
25 available under this section shall not be used for the con-

1 construction of a new building or facility or the acquisition,
2 expansion remodeling, or alteration of an existing building
3 or facility (including site grading and improvement and
4 architect fees).

5 “(g) FUNDING.—There is authorized to be appro-
6 priated \$100,000,000 for each of fiscal years 2008
7 through 2012 to carry out this section.

8 “(h) ADDITIONAL FUNDING.—In addition to funds
9 made available under subsection (g), of the funds of the
10 Commodity Credit Corporation, the Secretary shall make
11 available to carry out this section a total of \$215,000,000
12 for fiscal years 2008 through 2012.”.

13 (b) COORDINATION.— In carrying out this section,
14 the Secretary shall ensure that the Director of the applica-
15 ble Program Office established under section 7104(a) co-
16 ordinates projects and activities carried out under this sec-
17 tion to ensure, to the maximum extent practicable, that
18 duplication of effort is eliminated or minimized.

19 **SEC. 7412. OFFICE OF PEST MANAGEMENT POLICY.**

20 Section 614(f) of the Agricultural Research, Exten-
21 sion, and Education Reform Act of 1998 (7 U.S.C.
22 7653(f)) is amended by striking “2007” and inserting
23 “2012”.

1 **Subtitle E—Other Laws**

2 **SEC. 7501. CRITICAL AGRICULTURAL MATERIALS ACT.**

3 Section 16(a) of the Critical Agricultural Materials
4 Act (7 U.S.C. 178n(a)) is amended by striking “2007”
5 and inserting “2012”.

6 **SEC. 7502. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**

7 **ACT OF 1994.**

8 (a) ENDOWMENT FOR 1994 INSTITUTIONS.—Section
9 533(b) of the Equity in Educational Land-Grant Status
10 Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)
11 is amended in the first sentence by striking “2007” and
12 inserting “2012”.

13 (b) INSTITUTIONAL CAPACITY BUILDING GRANTS.—
14 Section 535 of the Equity in Educational Land-Grant Sta-
15 tus Act of 1994 (7 U.S.C. 301 note; Public Law 103–
16 382) is amended by striking “2007” each place it appears
17 and inserting “2012”.

18 (c) RESEARCH GRANTS.—Section 536(c) of the Eq-
19 uity in Educational Land-Grant Status Act of 1994 (7
20 U.S.C. 301 note; Public Law 103–382) is amended in the
21 first sentence by striking “2007” and inserting “2012”.

1 **SEC. 7503. AGRICULTURAL EXPERIMENT STATION RE-**
2 **SEARCH FACILITIES ACT.**

3 Section 6(a) of the Research Facilities Act (7 U.S.C.
4 390d(a)) is amended by striking “2007” and inserting
5 “2012”.

6 **SEC. 7504. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
7 **SION, AND TEACHING POLICY ACT AMEND-**
8 **MENTS OF 1985.**

9 Section 1431 of the National Agricultural Research,
10 Extension, and Teaching Policy Act Amendments of 1985
11 (Public Law 99–198; 99 Stat. 1556) is amended by strik-
12 ing “2007” and inserting “2012”.

13 **SEC. 7505. COMPETITIVE, SPECIAL, AND FACILITIES RE-**
14 **SEARCH GRANT ACT (NATIONAL RESEARCH**
15 **INITIATIVE).**

16 Section 2 of the Competitive, Special, and Facilities
17 Research Grant Act (7 U.S.C. 450i) is amended—

18 (1) in subsection (b)(10), by striking “2007”
19 and inserting “2012”; and

20 (2) by striking subsection (g).

21 **SEC. 7506. AGRICULTURAL RISK PROTECTION ACT OF 2000**
22 **(CARBON CYCLE RESEARCH).**

23 Section 221(g) of the Agricultural Risk Protection
24 Act of 2000 (7 U.S.C. 6711(g)) is amended by striking
25 “2007” and inserting “2012”.

1 **SEC. 7507. RENEWABLE RESOURCES EXTENSION ACT OF**
2 **1978.**

3 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
4 6 of the Renewable Resources Extension Act of 1978 (16
5 U.S.C. 1675) is amended by striking “2007” and insert-
6 ing “2012”.

7 (b) TERMINATION DATE.—Section 8 of the Renew-
8 able Resources Extension Act of 1978 (16 U.S.C. 1671
9 note; Public Law 95–306) is amended by striking “2007”
10 and inserting “2012”.

11 **SEC. 7508. NATIONAL AQUACULTURE ACT OF 1980.**

12 Section 10 of the National Aquaculture Act of 1980
13 (16 U.S.C. 2809) is amended by striking “2007” each
14 place it appears and inserting “2012”.

15 **SEC. 7509. CONSTRUCTION OF A CHINESE GARDEN AT THE**
16 **NATIONAL ARBORETUM.**

17 The Act of March 4, 1927 (20 U.S.C. 191 et seq.),
18 is amended by adding at the end the following:

19 **“SEC. 197. CONSTRUCTION OF A CHINESE GARDEN AT THE**
20 **NATIONAL ARBORETUM.**

21 “A Chinese Garden may be constructed at the Na-
22 tional Arboretum established under this Act with—

23 “(1) funds accepted under the provisions of sec-
24 tion 195 (20 U.S.C. 195);

25 “(2) authorities provided to the Secretary of
26 Agriculture under section 196 (20 U.S.C. 196); and

1 “(3) appropriations provided for this purpose.”.

2 **SEC. 7510. PUBLIC EDUCATION REGARDING USE OF BIO-**
3 **TECHNOLOGY IN PRODUCING FOOD FOR**
4 **HUMAN CONSUMPTION.**

5 Section 10802(b) of the Farm Security and Rural In-
6 vestment Act of 2002 (7 U.S.C. 5921a(b)) is amended by
7 striking “2007” and inserting “2012”.

8 **SEC. 7511. FRESH CUT PRODUCE SAFETY GRANTS.**

9 (a) IN GENERAL.—The Secretary may award com-
10 petitive research and extension grants to eligible entities
11 to enable such entities to design, implement, and evaluate
12 innovative, cost-effective programs to improve and en-
13 hance the safety of fresh cut produce.

14 (b) ELIGIBLE ENTITIES.—To be eligible to receive a
15 grant under subsection (a) an entity shall—

16 (1) be a university, college, or other entity des-
17 ignated by the Secretary; and

18 (2) have developed partnerships with producers
19 of fresh cut produce.

20 (c) USE OF FUNDS.—An entity shall use funds re-
21 ceived under a grant under this section to—

22 (1) improve sanitation and food safety practices
23 in the processing of fresh cut produce;

24 (2) develop improved techniques to monitor and
25 inspect fresh cut produce;

1 (3) develop efficient, rapid and sensitive meth-
2 ods to detect contaminants in fresh cut produce;

3 (4) determine the sources of contamination in
4 fresh cut produce;

5 (5) develop methods to reduce or destroy harm-
6 ful pathogens before, during, and after processing of
7 fresh cut produce; and

8 (6) conduct other research as determined ap-
9 propriate by the Secretary.

10 (d) MATCHING FUNDS REQUIRED.—The Secretary
11 shall require the recipient of a grant under this section
12 to provide funds or in-kind support from non-Federal
13 sources in an amount at least equal to the amount pro-
14 vided by the Federal Government.

15 (e) COORDINATION.—In carrying out this section, the
16 Secretary shall ensure that the Director of the applicable
17 Program Office established under section 7104(a) coordi-
18 nates projects and activities carried out under this section
19 to ensure, to the maximum extent practicable, that dupli-
20 cation of effort is eliminated or minimized.

21 (f) AUTHORIZATION OF APPROPRIATIONS.—There
22 are authorized to be appropriated such sums as are nec-
23 essary to carry out this section for each of fiscal years
24 2008 through 2012.

1 (g) ADDITIONAL FUNDING.—In addition to funds
2 made available under subsection (f), of the funds of the
3 Commodity Credit Corporation, the Secretary shall make
4 available to carry out this section a total of \$25,000,000
5 for fiscal years 2008 through 2012.

6 **SEC. 7512. UDC/EFNEP ELIGIBILITY.**

7 Section 208 of the District of Columbia Public Post-
8 secondary Education Reorganization Act (Public Law 93-
9 471) is amended—

10 (1) in subsection (b)(2), by striking “, except”
11 and all that follows through the period and inserting
12 a period;

13 (2) in subsection (c), by striking “section 3”
14 each place it appears and inserting “section 3(e)”;
15 and

16 (3) in subsection (c), by striking “such sums
17 may be used to pay” and all that follows through
18 “work.”.

19 **SEC. 7513. HATCH ACT OF 1987.**

20 Section 3(d)(4) of the Hatch Act of 1887 (7 U.S.C.
21 351e(d)(4)) is amended—

22 (1) in the paragraph heading, by inserting
23 “AND THE DISTRICT OF COLUMBIA” after “AREAS”;

24 (2) in subparagraph (A), by inserting “ and the
25 District of Columbia” after “United States”;

1 (3) in subparagraph (A), by inserting “and the
2 District of Columbia” after “respectively,”; and

3 (4) in subparagraph (B), by inserting “or the
4 District of Columbia” after “area”.

5 **Subtitle F—Additional Provisions**

6 **SEC. 7601. MERIT REVIEW OF EXTENSION AND EDU-** 7 **CATIONAL GRANTS.**

8 Section 103 of the Agricultural Research, Extension,
9 and Education Reform Act of 1998 (7 U.S.C. 7613) is
10 amended in subsection (a)(2)(A), by striking “Cooperative
11 State Research, Education, and Extension Service of the
12 Department” and inserting “the National Institute for
13 Food and Agriculture.”.

14 **SEC. 7602. REVIEW OF PLAN OF WORK REQUIREMENTS.**

15 (a) REVIEW.—The Secretary shall work with univer-
16 sity partners in extension and research to review and iden-
17 tify measures to streamline the submission, reporting
18 under, and implementation of plan of work requirements
19 including those under—

20 (1) section 1444(d) and 1445(c) of the National
21 Agricultural Research, Extension, and Teaching Pol-
22 icy Act of 1977 (7 U.S.C. 3221(d) and 3222(c), re-
23 spectively);

24 (2) section 7 of the Hatch Act of 1887 (7
25 U.S.C. 361g); and

1 (3) section 4 of the Smith-Lever Act (7 U.S.C.
2 344).

3 (b) REPORT.—Not later than 180 days after the date
4 of the enactment of this Act, the Secretary shall provide
5 to the Committee on Agriculture of the House of Rep-
6 resentatives and the Committee on Agriculture, Nutrition,
7 and Forestry of the Senate a report regarding the review
8 carried out under subsection (a). The report shall include
9 recommendations—

10 (1) to reduce the administrative burden and
11 workload upon institutions associated with plan of
12 work compliance while meeting Department report-
13 ing needs for inputs, outputs, and outcome indica-
14 tors;

15 (2) to streamline the submission and reporting
16 requirements of the plan of work such that it is of
17 practical utility to both the department and the in-
18 stitution; and

19 (3) for any legislative changes necessary to
20 carry out the plan of work improvements.

21 (c) CONSULTATION.—In carrying out the review and
22 formulating and compiling the recommendations, the Sec-
23 retary shall consult with the land grant institutions.

1 **SEC. 7603. MULTISTATE AND INTEGRATION FUNDING.**

2 (a) FUNDS EXPENDED ON INTEGRATION OF RE-
3 SEARCH AND EXTENSION.—Section 3 of the Hatch Act
4 of 1887 (7 U.S.C. 361c) is amended—

5 (1) in subsection (i)(2)(B), by striking “the
6 lesser of” and inserting “25 percent”; and

7 (2) by striking clauses (i) and (ii).

8 (b) FUNDS EXPENDED ON MULTISTATE COOPERA-
9 TIVE EXTENSION ACTIVITIES.—Section 3 of the Smith
10 Lever Act (7 U.S.C. 343) is amended—

11 (1) in subsection (h)(2)(B), by striking “the
12 lesser of” and inserting “25 percent”; and

13 (2) by striking clauses (i) and (ii).

14 **SEC. 7604. EXPANDED FOOD AND NUTRITION EDUCATION**
15 **PROGRAM.**

16 (a) FUNDING TO 1862, 1890, AND INSULAR AREA
17 INSTITUTIONS.—Section 1425(c)(2)(B) of the National
18 Agriculture Research, Extension, and Teaching Policy Act
19 of 1977 (7 U.S.C. 3175(c)(2)(B)) is amended—

20 (1) in the prefatory material, by striking
21 “among the States”;

22 (2) by striking clause (i) and inserting the fol-
23 lowing:

24 “(i) \$100,000 shall be distributed to
25 each of the land grant colleges and univer-
26 sities;”;

1 (3) by redesignating clause (ii) as clause (iii);

2 (4) by inserting after clause (i) the following:

3 “(ii) subject to subsection (d), of the
4 remainder, 10 percent in fiscal year 2008,
5 11 percent in fiscal year 2009, 12 percent
6 in fiscal year 2010, 13 percent in fiscal
7 year 2011, 14 percent in fiscal year 2012,
8 and 15 percent in fiscal year 2013 and
9 each fiscal year thereafter, shall be allo-
10 cated to each 1890 Institution (as defined
11 in section 2 of the Agricultural Research,
12 Extension, and Education Reform Act of
13 1998) in an amount that bears the same
14 ratio to the total amount to be allocated
15 under this clause as the population of the
16 State living at or below 125 percent of the
17 income poverty guidelines prescribed by the
18 Office of Management and Budget (ad-
19 justed pursuant to section 673(2) of the
20 Omnibus Budget Reconciliation Act of
21 1981 (42 U.S.C. 9902)), bears to the total
22 population of all the States that have 1890
23 Institutions living at or below 125 percent
24 of the income poverty guidelines, as deter-
25 mined by the last preceding decennial cen-

1 sus at the time each such additional
2 amount is first appropriated: *Provided*,
3 That the total allocated under this clause
4 shall not exceed: (I) the amount of the
5 funds appropriated for the conduct of the
6 expanded food and nutrition education pro-
7 gram for the fiscal year that are in excess
8 of the amount appropriated for the con-
9 duct of the program for the fiscal year
10 ending September 30, 2007, reduced by
11 (II) any amounts expended pursuant to
12 any adjustment under subsection (d);
13 and”; and

14 (5) by amending clause (iii), as redesignated—

15 (A) by striking “allocated to each State”
16 and inserting “allocated to the institution eligi-
17 ble to receive funds under the Act of July 2,
18 1862 (and including the appropriate insular
19 area institution) in each State (and the Univer-
20 sity of the District of Columbia, notwith-
21 standing section 208(c) of Public Law 93-
22 471)”; and

23 (B) by striking “subparagraph.” and in-
24 serting “subparagraph: *Provided*, That the total
25 allocated under this clause to the University of

1 the District of Columbia shall not exceed: (I)
2 the amount described in the proviso to clause
3 (ii), reduced further by (II) the amount allo-
4 cated under clause (ii).”.

5 (b) AUTHORIZATION.—Section 1425(c)(3) of the Na-
6 tional Agriculture Research, Extension, and Teaching Pol-
7 icy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by
8 striking “\$83,000,000 for each of fiscal years 1996
9 through 2007” and inserting “\$90,000,000 for each of fis-
10 cal years 2008 through 2014”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section take effect on October 1, 2007.

13 **SEC. 7605. GRANTS TO 1890 SCHOOLS TO EXPAND EXTEN-**
14 **SION CAPACITY.**

15 Section 1417(b)(4) of the National Agricultural Re-
16 search, Extension, and Teaching Policy Act of 1977 (7
17 U.S.C. 3152(b)(4)) is amended by striking “teaching and
18 research” and inserting “teaching, research, and exten-
19 sion”.

20 **SEC. 7606. BORLAUG INTERNATIONAL AGRICULTURAL**
21 **SCIENCE AND TECHNOLOGY FELLOWSHIP**
22 **PROGRAM.**

23 (a) ESTABLISHMENT.—

24 (1) IN GENERAL.—The Secretary of Agriculture
25 shall establish a fellowship program to be known as

1 the “Borlaug International Agricultural Science and
2 Technology Fellowship Program,” to provide fellow-
3 ships for scientific training to individuals from eligi-
4 ble countries (as described under subsection (b))
5 who specialize in agricultural education, research,
6 and extension for study in the United States.

7 (2) PROGRAMS.—The Secretary shall carry out
8 the program established under paragraph (1)
9 through 3 programs designed to assist individual fel-
10 lowship recipients as follows:

11 (A) A Graduate Studies Program in Agri-
12 culture to assist individuals who participate in
13 graduate agricultural degree training at a
14 United States institution.

15 (B) An Individual Career Improvement
16 Program to assist agricultural scientists from
17 developing countries to upgrade skills and un-
18 derstanding in agricultural science and tech-
19 nology.

20 (C) The Borlaug Agricultural Policy Exec-
21 utive Leadership Course to assist senior agri-
22 cultural policy makers from eligible countries
23 with an initial focus on sub-Saharan Africa and
24 from the newly independent states of the former
25 Soviet Union.

1 (b) ELIGIBLE COUNTRIES.—Developing countries, as
2 determined by the Secretary using a gross national income
3 per capita test, shall be eligible to participate in the pro-
4 gram established under this section.

5 (c) PURPOSE OF FELLOWSHIPS.—Fellowships under
6 this section shall promote food security and economic
7 growth in eligible countries by educating a new generation
8 of agricultural scientists, increasing scientific knowledge
9 and collaborative research to improve agricultural produc-
10 tivity, and extending this knowledge to users and their
11 intermediaries in the market place. Fellowships shall sup-
12 port—

13 (1) training and collaborative research opportu-
14 nities through exchanges for entry-level international
15 agricultural research scientists, faculty, and policy-
16 makers from eligible countries;

17 (2) collaborative research to improve agricul-
18 tural productivity;

19 (3) the transfer of new science and agricultural
20 technologies to strengthen agricultural practice; and

21 (4) the reduction of barriers to technology
22 adoption.

23 (d) FELLOWSHIP RECIPIENTS.—

24 (1) ELIGIBLE CANDIDATES.—The Secretary
25 may provide fellowships under the program author-

1 ized by this section to individuals from eligible coun-
2 tries who specialize in or have experience in agricul-
3 tural education, research, extension, or related fields,
4 including individuals from the public and private
5 sectors, and private agricultural producers.

6 (2) CANDIDATE IDENTIFICATION.—The Sec-
7 retary shall utilize the expertise of United States
8 land-grant and similar universities, international or-
9 ganizations working in agricultural research and
10 outreach, and national agricultural research organi-
11 zations to help identify program candidates for fel-
12 lowships under this section from both the public and
13 private sectors of eligible countries.

14 (e) USE OF FELLOWSHIPS.—Fellowships shall pro-
15 mote collaborative programs between agricultural profes-
16 sionals of eligible countries with those of the United States
17 and the international agricultural research system and, as
18 appropriate, with United States entities conducting re-
19 search. They will be used to support fellowship recipients
20 through the Graduate Studies Program in Agriculture es-
21 tablished under subsection (a)(2)(A).

22 (f) PROGRAM IMPLEMENTATION.—The Secretary
23 shall provide for the management, coordination, evaluation
24 and monitoring of the overall Borlaug International Agri-
25 cultural Science and Technology Fellowship Program and

1 for the individual programs described in subsection (a)(2),
2 except that the Secretary may contract out to one or more
3 collaborating universities the management of one or more
4 of the fellowship programs.

5 (g) AUTHORIZATION OF APPROPRIATIONS.—There
6 are authorized to be appropriated without fiscal year limi-
7 tation such sums as may be necessary to carry out the
8 program established under this section.

9 **SEC. 7607. COST RECOVERY.**

10 Section 1473A of the National Agricultural Research,
11 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
12 3319a) is amended by striking “not exceeding 10 percent
13 of the direct cost” and inserting “not exceeding 19 percent
14 of the direct cost”.

15 **SEC. 7608. ORGANIC FOOD AND AGRICULTURAL SYSTEMS**
16 **FUNDING.**

17 It is the sense of Congress that the Secretary of Agri-
18 culture should use a share of Agricultural Research Serv-
19 ice’s total annual funding for research specific to organic
20 food and agricultural systems that is at least commensu-
21 rate with the organic sector’s market, in order to facilitate
22 the development of this growing sector. A portion of
23 these funds should be used to disseminate research results
24 through the National Agriculture Library’s Alternative
25 Farming Systems Information Center.

1 **TITLE VIII—FORESTRY**

 Subtitle A—Cooperative Forestry Assistance Act of 1978

- Sec. 8001. National priorities for private forest conservation.
 Sec. 8002. Long-term, State-wide assessments and strategies for forest re-
 sources.
 Sec. 8003. Assistance to the Federated States of Micronesia, the Republic of
 the Marshall Islands, and the Republic of Palau.
 Sec. 8004. Changes to Forest Resource Coordinating Committee.
 Sec. 8005. Changes to State Forest Stewardship Coordinating Committees.
 Sec. 8006. Competition in programs under Cooperative Forestry Assistance Act
 of 1978.
 Sec. 8007. Cooperative forest innovation partnership projects.

 Subtitle B—Amendments to Other Laws

- Sec. 8101. Healthy forest reserve program.
 Sec. 8102. Emergency forest restoration program.
 Sec. 8103. Office of International Forestry.
 Sec. 8104. Rural revitalization technologies.

 Subtitle C—Miscellaneous Provisions

- Sec. 8201. Hispanic-serving institution agricultural land national resources
 leadership program.

2 **Subtitle A—Cooperative Forestry**
 3 **Assistance Act of 1978**

4 **SEC. 8001. NATIONAL PRIORITIES FOR PRIVATE FOREST**
 5 **CONSERVATION.**

6 Section 2 of the Cooperative Forestry Assistance Act
 7 of 1978 (16 U.S.C. 2101) is amended—

8 (1) by redesignating subsections (c) and (d) as
 9 subsections (e) and (f), respectively; and

10 (2) by inserting after subsection (b) the fol-
 11 lowing new subsections:

12 “(c) PRIORITIES.—In allocating funds appropriated
 13 or otherwise made available under this Act, the Secretary
 14 shall focus on the following national private forest con-

1 servation priorities, notwithstanding other priorities speci-
2 fied elsewhere in this Act:

3 “(1) Conserving and managing working forest
4 landscapes for multiple values and uses.

5 “(2) Protecting forests from threats, including
6 wildfire, hurricane, tornado, windstorm, snow or ice
7 storm, flooding, drought, invasive species, or insect
8 or disease outbreak, and restoring appropriate forest
9 types in response to such threats.

10 “(3) Enhancing public benefits from private
11 forests, including air and water quality, soil con-
12 servation, biological diversity, carbon storage, forest
13 products, forestry-related jobs, production of renew-
14 able energy, wildlife and wildlife habitat, and recre-
15 ation.

16 “(d) REPORTING REQUIREMENT.—Not later than
17 September 30, 2011, the Secretary shall submit to Con-
18 gress a report describing how funding was used under this
19 Act and through other programs administered by the Sec-
20 retary to address the national priorities specified in sub-
21 section (c) and the outcomes achieved in meeting the na-
22 tional priorities.”.

1 **SEC. 8002. LONG-TERM, STATE-WIDE ASSESSMENTS AND**
2 **STRATEGIES FOR FOREST RESOURCES.**

3 The Cooperative Forestry Assistance Act of 1978 is
4 amended by inserting after section 2 (16 U.S.C. 2101)
5 the following new section:

6 **“SEC. 2A. STATE-WIDE ASSESSMENT AND STRATEGIES FOR**
7 **FOREST RESOURCES.**

8 “(a) ASSESSMENT AND STRATEGIES FOR FOREST
9 RESOURCES.—For a State to be eligible to receive funds
10 under the authorities of this Act, the State forester of the
11 State or equivalent State official shall develop and submit
12 to the Secretary, not later than two years after the date
13 of the enactment of the Farm, Nutrition, and Bioenergy
14 Act of 2007, the following:

15 “(1) A State-wide assessment of forest resource
16 conditions, including—

17 “(A) the conditions and trends of forest re-
18 sources in that State;

19 “(B) the threats to forest lands and re-
20 sources in that State consistent with the na-
21 tional priorities specified in section 2(c);

22 “(C) any areas or regions of that State
23 that are of priority; and

24 “(D) any areas, known as multi-State
25 areas, that are of priority to more than just
26 that State.

1 “(2) A State-wide forest resource strategy, in-
2 cluding—

3 “(A) strategies for addressing threats to
4 forest resources in the State outlined in the as-
5 sessment required by paragraph (1); and

6 “(B) a description of the resources avail-
7 able to the State forester or equivalent State of-
8 ficial from all sources to address the State-wide
9 strategy required by subparagraph (A).

10 “(b) UPDATING.—The State forester or equivalent
11 State official shall submit the State-wide strategy required
12 by subsection (a)(2) on an annual basis. The State-wide
13 assessment of forest resource conditions required by sub-
14 section (a)(1) shall be updated as the Secretary or State
15 Forester or equivalent State official determines to be nec-
16 essary.

17 “(c) COORDINATION.—In developing the State-wide
18 assessment and annual strategy under subsection (a), the
19 State forester or equivalent State official shall coordinate
20 with—

21 “(1) the State Forest Stewardship Coordinating
22 Committee established for the State under section
23 19(b);

1 “(2) the State wildlife agency to incorporate
2 any overlapping priorities included in State wildlife
3 action plans; and

4 “(3) the State Technical Committee.

5 “(d) FUNDING.—Of the funds available under this
6 Act for a fiscal year, the Secretary may not use more than
7 \$10,000,000 to implement this section for that fiscal year.
8 Use of funds for implementing this section shall be con-
9 sistent with the original authorities for such funds.”.

10 **SEC. 8003. ASSISTANCE TO THE FEDERATED STATES OF MI-**
11 **CRONESIA, THE REPUBLIC OF THE MAR-**
12 **SHALL ISLANDS, AND THE REPUBLIC OF**
13 **PALAU.**

14 Section 13(d)(1) of the Cooperative Forestry Act of
15 1978 (16 U.S.C. 2109(d)(1)) is amended by striking “the
16 Trust Territory of the Pacific Islands,” and inserting “the
17 Federated States of Micronesia, the Republic of the Mar-
18 shall Islands, the Republic of Palau,”.

19 **SEC. 8004. CHANGES TO FOREST RESOURCE COORDI-**
20 **NATING COMMITTEE.**

21 Section 19 of the Cooperative Forestry Assistance
22 Act of 1978 (16 U.S.C. 2113) is amended by striking sub-
23 section (a) and inserting the following new subsection:

24 “(a) FOREST RESOURCE COORDINATING COM-
25 MITTEE.—

1 “(1) ESTABLISHMENT.—The Secretary shall es-
2 tablish a committee, to be known as the ‘Forest Re-
3 source Coordinating Committee’ (in this section re-
4 ferred to as the ‘Coordinating Committee’), to co-
5 ordinate private non-industrial forestry activities
6 within the Department of Agriculture and with the
7 private sector.

8 “(2) COMPOSITION.—The Coordinating Com-
9 mittee shall be composed of the following:

10 “(A) The Chief of the Forest Service.

11 “(B) The Chief of the Natural Resources
12 Conservation Service.

13 “(C) The Director of the Farm Service
14 Agency.

15 “(D) The Administrator of the Cooperative
16 State Research, Education, and Extension Serv-
17 ice.

18 “(E) Non-Federal representatives ap-
19 pointed by the Secretary to 3 year terms, al-
20 though initial appointees shall have staggered
21 terms, including the following persons:

22 “(i) At least three State foresters or
23 equivalent State officials from geographi-
24 cally diverse regions of the United States.

1 “(ii) A representative of a State fish
2 and wildlife agency.

3 “(iii) A private non-industrial forest
4 landowner.

5 “(iv) A forest industry representative.

6 “(v) A conservation organization rep-
7 resentative.

8 “(vi) A land-grant university or col-
9 lege representative.

10 “(vii) A private forestry consultant.

11 “(viii) A representative from a State
12 Technical Committee established under
13 section 1261 of the Food Security Act of
14 1985 (16 U.S.C. 3861).

15 “(ix) Such other persons as deter-
16 mined by the Secretary to be appropriate.

17 “(3) CHAIRPERSON.—The Chief of the Forest
18 Service shall serve as chairperson of the Coordi-
19 nating Committee.

20 “(4) DUTIES.—The Coordinating Committee
21 shall—

22 “(A) provide direction and coordination of
23 actions within the Department of Agriculture,
24 and coordination with State agencies and the
25 private sector, to effectively address the na-

1 tional priorities specified in section 2(c), with
2 specific focus on private non-industrial forest
3 landowners;

4 “(B) clarify individual agency responsibil-
5 ities of each agency represented on the Coordin-
6 ating Committee concerning the national pri-
7 orities specified in section 2(c), with specific
8 focus on private non-industrial forested land;

9 “(C) provide advice on the allocation of
10 funds, including the competitive funds set-aside
11 by sections 8006 and 8007 of the Farm, Nutri-
12 tion, and Bioenergy Act of 2007; and

13 “(D) assist the Secretary in developing and
14 reviewing the report required by section 2(d).

15 “(5) MEETING.—The Coordinating Committee
16 shall meet biannually to discuss progress in address-
17 ing the national priorities specified in section 2(c)
18 and issues regarding non-industrial private forest
19 land.

20 “(6) COMPENSATION.—

21 “(A) FEDERAL MEMBERS.—Members of
22 the Coordinating Committee who are full-time
23 officers or employees of the United States shall
24 receive no additional pay, allowances, or bene-
25 fits by reason of their service on the Committee.

1 “(B) NON-FEDERAL MEMBERS.—Non-fed-
2 eral members of the Coordinating Committee
3 shall serve without pay, but may be reimbursed
4 for reasonable costs incurred while performing
5 their duties on behalf of the Committee.”.

6 **SEC. 8005. CHANGES TO STATE FOREST STEWARDSHIP CO-**
7 **ORDINATING COMMITTEES.**

8 Section 19(b) of the Cooperative Forestry Assistance
9 Act of 1978 (16 U.S.C. 2113(b)) is amended—

10 (1) in paragraph (1)(B)(ii)—

11 (A) by striking “and” at the end of sub-
12 clause (VII); and

13 (B) by adding at the end the following new
14 subclause:

15 “(IX) the State Technical Com-
16 mittee.”.

17 (2) in paragraph (2)(C), by striking “a Forest
18 Stewardship Plan under paragraph (3)” and insert-
19 ing “the State-wide assessment and strategy regard-
20 ing forest resource conditions under section 2A”;

21 (3) by striking paragraphs (3) and (4); and

22 (4) by redesignating paragraphs (5) and (6) as
23 paragraphs (3) and (4), respectively.

1 **SEC. 8006. COMPETITION IN PROGRAMS UNDER COOPERA-**
2 **TIVE FORESTRY ASSISTANCE ACT OF 1978.**

3 (a) COMPETITION.—Beginning not later than 3 years
4 after the date of the enactment of this Act, the Secretary
5 of Agriculture shall competitively allocate a portion, to be
6 determined by the Secretary, of the funds available under
7 the Cooperative Forestry Assistance Act of 1978 (16
8 U.S.C. 2101 et seq.) to State foresters or equivalent State
9 officials.

10 (b) DETERMINATION.—In determining the competi-
11 tive allocation of funds under subsection (a), the Secretary
12 shall consult with the Forest Resource Coordinating Com-
13 mittee established by section 19(a) of the Cooperative For-
14 estry Assistance Act of 1978 (16 U.S.C. 2113(a)).

15 (c) PRIORITY.—The Secretary shall give priority for
16 funding to States for which the strategies submitted under
17 section 2A(a)(2) of the Cooperative Forestry Assistance
18 Act of 1978 will best promote the national priorities speci-
19 fied in section 2(c) of such Act.

20 **SEC. 8007. COOPERATIVE FOREST INNOVATION PARTNER-**
21 **SHIP PROJECTS.**

22 (a) COOPERATIVE FOREST INNOVATION PARTNER-
23 SHIP PROJECTS.—The Secretary of Agriculture may com-
24 petitively allocate not more than 5 percent of funding
25 available under the Cooperative Forestry Assistance Act
26 of 1978 (16 U.S.C. 2101 et seq.) to support innovative

1 national, regional, or local education, outreach, or tech-
2 nology transfer projects that the Secretary determines
3 would substantially increase the ability of the Department
4 of Agriculture to address the national priorities specified
5 in section 2(c) of such Act.

6 (b) ELIGIBILITY.—Notwithstanding the eligibility
7 limitations contained within the Cooperative Forestry As-
8 sistance Act of 1978, any State or local government, In-
9 dian tribe, land-grant college or university, or private enti-
10 ty shall be eligible for funds under subsection (a).

11 (c) COST-SHARE REQUIREMENT.—In carrying out
12 subsection (a), the Secretary shall not cover more than
13 50 percent of the total cost of a project under such sub-
14 section. In calculating the total cost of a project and con-
15 tributions made with regard to the project, the Secretary
16 shall include in-kind contributions.

17 **Subtitle B—Amendments to Other** 18 **Laws**

19 **SEC. 8101. HEALTHY FOREST RESERVE PROGRAM.**

20 Section 508 of the Healthy Forests Restoration Act
21 of 2003 (16 U.S.C. 6578) is amended to read as follows:

22 **“SEC. 508. FUNDING.**

23 “Notwithstanding any other provision of law, of the
24 funds of the Commodity Credit Corporation, the Secretary
25 shall make available to carry out this title \$10,000,000

1 for each of fiscal years 2008 through 2012. Such funds
2 shall remain available until expended.”.

3 **SEC. 8102. EMERGENCY FOREST RESTORATION PROGRAM.**

4 (a) ESTABLISHMENT.—Title IV of the Agricultural
5 Credit Act of 1978 (16 U.S.C. 2201–2205) is amended—

6 (1) by redesignating sections 404, 405, and 406
7 as sections 405, 406, and 407, respectively; and

8 (2) by inserting after section 403 the following
9 new section:

10 **“SEC. 404. EMERGENCY FOREST RESTORATION PROGRAM.**

11 “(a) AVAILABILITY OF ASSISTANCE.—The Secretary
12 of Agriculture is authorized to provide financial and tech-
13 nical assistance to an owner of non-industrial private for-
14 est lands to assist with developing and implementing an
15 approved plan in accordance with subsection (c)(2).

16 “(b) AMOUNT OF ASSISTANCE.—

17 “(1) COST SHARE.—Payments under subsection
18 (a) may not cover more than 75 percent of the total
19 cost of measures implemented pursuant to an ap-
20 proved plan in accordance with subsection (c)(2).

21 “(2) ANNUAL LIMIT.—An owner of non-indus-
22 trial private forest lands may not receive more than
23 \$50,000 per year under this section.

24 “(c) ELIGIBILITY.—To be eligible for assistance
25 under this section, a landowner must—

1 “(1) have suffered a loss of, or damage to, non-
2 industrial private forest land due to events, including
3 wildfires, hurricanes, drought, windstorms, insect
4 and disease, ice storms, or invasive species, as deter-
5 mined by the Secretary; and

6 “(2) develop a plan, in cooperation with the
7 Secretary, and agree to implement the plan during
8 the 10-year period beginning on the date of the loss,
9 that—

10 “(A) provides for reforestation, rehabilita-
11 tion, and related measures for the non-indus-
12 trial private forest land;

13 “(B) restores the land and related natural
14 resources;

15 “(C) uses best management practices on
16 the forest land, in accordance with the best
17 management practices as determined by the
18 Secretary; and

19 “(D) incorporates good stewardship and
20 conservation practices on the land, while main-
21 taining the land in a forested state.

22 “(d) INSECT AND DISEASE THREATS.—Notwith-
23 standing subsection (c)(1), non-industrial private forest
24 lands are eligible under this section if the Secretary deter-
25 mines that the lands are under an imminent threat of loss

1 or damage by insect or disease and immediate action
2 would help to avoid the loss or damage.

3 “(e) NON-INDUSTRIAL PRIVATE FOREST LAND DE-
4 FINED.—In this section, the term ‘non-industrial private
5 forest land’ means rural lands, as determined by the Sec-
6 retary, that—

7 “(1) have existing tree cover or had tree cover
8 within the preceding 10 years; and

9 “(2) are owned by any non-industrial private
10 individual, group, association, corporation, Indian
11 tribe, or other private legal entity so long as the in-
12 dividual, group, association, corporation, tribe, or
13 entity has definitive decision-making authority over
14 the lands.”.

15 (b) REGULATIONS.—Not later than one year after the
16 date of the enactment of this Act, the Secretary of Agri-
17 culture shall issue regulations to carry out section 404 of
18 the Agricultural Credit Act of 1978, as added by sub-
19 section (a).

20 **SEC. 8103. OFFICE OF INTERNATIONAL FORESTRY.**

21 Section 2405(d) of the Global Climate Change Pre-
22 vention Act of 1990 (7 U.S.C. 6704(d)) is amended by
23 striking “2007” and inserting “2012”.

1 **SEC. 8104. RURAL REVITALIZATION TECHNOLOGIES.**

2 Section 2371(d)(2) of the Food, Agriculture, Con-
3 servation, and Trade Act of 1990 (7 U.S.C. 6601(d)(2))
4 is amended by striking “2004 through 2008” and insert-
5 ing “2008 through 2012”.

6 **Subtitle C—Miscellaneous**
7 **Provisions**

8 **SEC. 8201. HISPANIC-SERVING INSTITUTION AGRICUL-**
9 **TURAL LAND NATIONAL RESOURCES LEAD-**
10 **ERSHIP PROGRAM.**

11 (a) GRANT AUTHORITY.—The Secretary of Agri-
12 culture may make grants, on a competitive basis, to His-
13 panic-serving institutions for the purpose of establishing
14 an undergraduate scholarship program to assist in the re-
15 cruitment, retention, and training of Hispanics and other
16 under-represented groups in forestry and related fields.

17 (b) USE OF GRANT FUNDS.—Grants made under this
18 section shall be used to recruit, retain, train, and develop
19 professionals to work in forestry and related fields with
20 Federal agencies, such as the Forest Service, State agen-
21 cies, and private-sector entities.

22 (c) DEFINITION OF HISPANIC-SERVING INSTITU-
23 TION.—In this section, the term “Hispanic-serving institu-
24 tion” has the meaning given that term in section
25 502(a)(5) of the Higher Education Act of 1965 (20 U.S.C.
26 1101a(a)(5)).

1 (d) AUTHORIZATION OF APPROPRIATIONS.—There
 2 are authorized to be appropriated to the Secretary for
 3 each of fiscal years 2008 through 2012 such sums as may
 4 be necessary to carry out this section.

5 **TITLE IX—ENERGY**

- Sec. 9001. Table of contents.
- Sec. 9002. Federal procurement of biobased products.
- Sec. 9003. Loan guarantees for biorefineries and biofuel production plants.
- Sec. 9004. Energy audit and renewable energy development program.
- Sec. 9005. Renewable energy systems and energy efficiency improvements.
- Sec. 9006. Biomass Research and Development Act of 2000.
- Sec. 9007. Adjustments to the bioenergy program.
- Sec. 9008. Research, extension, and educational programs on biobased energy technologies and products.
- Sec. 9009. Energy Council of the Department of Agriculture.
- Sec. 9010. Farm energy production pilot program.
- Sec. 9011. Rural energy self-sufficiency initiative.
- Sec. 9012. Agricultural biofuels from biomass internship pilot program.
- Sec. 9013. Feedstock flexibility program for bioenergy producers.
- Sec. 9014. Biomass inventory report.
- Sec. 9015. Future farmsteads program.
- Sec. 9016. Sense of Congress on renewable energy.

6 **SEC. 9001. TABLE OF CONTENTS.**

7 Title IX of the Farm Security and Rural Investment
 8 Act of 2002 (7 U.S.C. 8101 et seq.) is amended by insert-
 9 ing before section 9001 the following new section:

10 **“SEC. 9000. TABLE OF CONTENTS.**

11 “The table of contents of this title is as follows:

“TITLE IX—ENERGY

- “Sec. 9000. Short title; table of contents.
- “Sec. 9001. Definitions.
- “Sec. 9002. Federal procurement of biobased products.
- “Sec. 9003. Biorefinery development grants.
- “Sec. 9004. Biodiesel fuel education program.
- “Sec. 9005. Energy audit and renewable energy development program.
- “Sec. 9006. Rural energy for America program.
- “Sec. 9007. Hydrogen and fuel cell technologies.
- “Sec. 9008. Biomass Research and Development Act of 2000.
- “Sec. 9009. Cooperative research and extension projects.
- “Sec. 9010. Continuation of bioenergy program.

“Sec. 9011. Research, extension, and educational programs on biobased energy technologies and products.

“Sec. 9012. Energy Council of the Department of Agriculture.

“Sec. 9013. Farm energy production pilot program.

“Sec. 9014. Rural energy self-sufficiency initiative.

“Sec. 9015. Agricultural Biofuels from Biomass Internship Pilot Program.

“Sec. 9016. Feedstock flexibility program for bioenergy producers.”.

1 **SEC. 9002. FEDERAL PROCUREMENT OF BIOBASED PROD-**
2 **UCTS.**

3 (a) COMPOSITION OF BIOBASED PRODUCTS.—Sec-
4 tion 9002(c)(1) of the Farm Security and Rural Invest-
5 ment Act of 2002 (7 U.S.C. 8102(c)(1)) is amended by
6 inserting “, composed of at least five percent of inter-
7 mediate ingredients and feedstocks (such as biopolymers,
8 methyl soyate, and soy polyols) as designated by the Sec-
9 retary,” after “highest percentage of biobased products
10 practicable”.

11 (b) PROCUREMENT GUIDELINE CONSIDERATIONS.—
12 Section 9002(e)(2)(B) of the Farm Security and Rural In-
13 vestment Act of 2002 (7 U.S.C. 8102(e)(2)(B)) is amend-
14 ed by striking “life cycle costs” and inserting “information
15 on life cycle costs if such information is appropriate and
16 available”.

17 (c) LABELING REQUIREMENTS AND REVISED DEAD-
18 LINE.—Section 9002(h) of the Farm Security and Rural
19 Investment Act of 2002 (7 U.S.C. 8102(h)) is amended—

20 (1) in paragraph (2)—

21 (A) by striking “Within one year after the
22 date of enactment of this Act” and inserting

1 “Not later than 90 days after the date of enact-
2 ment of the (Farm, Nutrition, and Bioenergy
3 Act of 2007),”; and

4 (B) by adding at the end the following:
5 “Criteria shall be issued for finished products
6 and intermediate ingredients and feedstocks.”;

7 (2) by redesignating paragraphs (3) and (4) as
8 paragraphs (4) and (5), respectively, and inserting
9 after paragraph (2) the following:

10 “(3) CONSULTATION.—In developing the eligi-
11 bility criteria for the labeling program under this
12 section, the Secretary shall consult with other Fed-
13 eral agencies and with non-governmental groups
14 with an interest in biobased products including small
15 and large producers of biobased materials and prod-
16 ucts, industry, trade organizations, academia, con-
17 sumer organizations, and environmental organiza-
18 tions.”.

19 (d) AUTHORIZATION OF APPROPRIATIONS.—Para-
20 graph (1) of section 9002(k) of the Farm Security and
21 Rural Investment Act of 2002 (7 U.S.C. 8102(k)) is
22 amended to read as follows:

23 “(1) AUTHORIZATION OF APPROPRIATIONS.—

24 “(A) FEDERAL PROCUREMENT.—There
25 are authorized to be appropriated \$1,000,000

1 for each of fiscal years 2008 through 2013 to
2 implement the provisions of this section other
3 than subsection (h).

4 “(B) LABELING.—There are authorized to
5 be appropriated \$1,000,000 for each of fiscal
6 years 2008 through 2013 to implement sub-
7 section (h) of this section.”.

8 (e) REPORT REQUIREMENTS.—

9 (1) REPORT BY AGENCIES TO ADMINISTRATOR
10 FOR FEDERAL PROCUREMENT POLICY.—Subsection
11 (f) of section 9002 of the Farm Security and Rural
12 Investment Act of 2002 (7 U.S.C. 8102) is amend-
13 ed—

14 (A) by striking “The Office of” and insert-
15 ing “(1) The Administrator for”; and

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

18 “(2) To assist the Administrator for Federal Pro-
19 curement Policy in preparing the report to Congress re-
20 quired under paragraph (1), each procuring agency each
21 year shall submit to the Administrator a report covering
22 the following:

23 “(A) Actions taken to implement subsections
24 (c), (d), and (g) of this section.

1 “(B) The results of the annual review and mon-
2 itoring program established under subsection
3 (g)(2)(C).

4 “(C) The number of contracts entered into by
5 the agency during the year covered by the report
6 that include the procurement of biobased products.

7 “(D) A list of the biobased products procured
8 by the agency during the year covered by the re-
9 port.”.

10 (2) REPORT BY SECRETARY TO CONGRESS ON
11 IMPLEMENTATION OF SECTION.—Section 9002 of
12 the Farm Security and Rural Investment Act of
13 2002 (7 U.S.C. 8102) is amended by adding at the
14 end the following new subsection:

15 “(1) REPORT BY SECRETARY TO CONGRESS ON IM-
16 PLEMENTATION OF SECTION.—Not later than six months
17 after the date of the enactment of the Farm, Nutrition,
18 and Bioenergy Act of 2007, and each year thereafter, the
19 Secretary shall submit to Congress a report on the imple-
20 mentation of this section. The report shall include the fol-
21 lowing:

22 “(1) A comprehensive management plan defin-
23 ing tasks, milestones, and funding allocations for
24 fully implementing this section.

1 tively, and inserting after subsection (c) the fol-
2 lowing:

3 “(d) LOAN GUARANTEES.—

4 “(1) IN GENERAL.—The Secretary shall make
5 loan guarantees to eligible entities to assist in pay-
6 ing the cost of development and construction of bio-
7 refineries and biofuel production plants (including
8 retrofitting) to carry out projects to demonstrate the
9 commercial viability of 1 or more processes for con-
10 verting biomass to fuels or chemicals.

11 “(2) LIMITATIONS.—

12 “(A) MAXIMUM PERCENTAGE OF LOAN
13 GUARANTEED.—A loan guarantee under para-
14 graph (1) shall be for not more than 90 percent
15 of the principal and interest due on the loan.

16 “(B) TOTAL AMOUNTS GUARANTEED.—
17 The total amount of principal and interest
18 guaranteed under paragraph (1) shall not ex-
19 ceed—

20 “(i) \$1,000,000,000, in the case of
21 loans valued at not more than
22 \$100,000,000; or

23 “(ii) \$1,000,000,000, in the case of
24 loans valued at more than \$100,000,000
25 but not more than \$250,000,000.

1 “(C) MAXIMUM TERM OF LOAN GUARAN-
2 TEED.—The Secretary shall determine the max-
3 imum term of a loan guarantee provided under
4 paragraph (1).”;

5 (4) in subsection (f) (as so redesignated)—

6 (A) in paragraph (2)(B)—

7 (i) by striking “and” at the end of
8 clause (viii);

9 (ii) by striking the period at the end
10 of clause (ix) and inserting “; and”; and

11 (iii) by adding at the end the fol-
12 lowing:

13 “(x) The level of local ownership.”;

14 and

15 (B) by adding at the end the following:

16 “(3) PRIORITY IN AWARDING LOAN GUARAN-
17 TEES.—In selecting projects to receive loan guaran-
18 tees under subsection (d), the Secretary shall give
19 priority to projects based on the criteria set forth in
20 paragraph (2)(B) of this subsection.”; and

21 (5) by inserting after subsection (h) the fol-
22 lowing new subsection:

23 “(i) CONDITION OF PROVISION OF ASSISTANCE.—As
24 a condition of receiving a grant or loan guarantee under
25 this section, the eligible entity shall ensure that all labor-

1 ers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with the grant or loan guarantee, as the case may be, shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with sections 3141 through 3144, 3146, and 3147 of title 40, United States Code. The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 Fed. Reg. 3176; 64 Stat. 1267) and section 3145 of such title.”;

13 (6) in subsection (j) (as so redesignated), by striking “2007” and inserting “2012”; and

15 (7) by adding at the end the following new subsection:

17 “(k) ADDITIONAL FUNDING FOR LOAN GUARANTEES.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section—

20 “(1) \$75,000,000 for fiscal year 2008;

21 “(2) \$100,000,000 for fiscal year 2009;

22 “(3) \$125,000,000 for fiscal year 2010;

23 “(4) \$200,000,000 for fiscal year 2011; and

24 “(5) \$300,000,000 for fiscal year 2012.”.

1 (8) in paragraph (2)(B) of subsection (f) (as so
2 redesignated)—

3 (A) in clause (viii), by striking “and” at
4 the end;

5 (B) in clause ix, by striking “approaches.”
6 and inserting “approaches; and”; and

7 (C) by adding at the end the following new
8 clause:

9 “(x) whether the impact the distribu-
10 tion of funds would have on existing manu-
11 facturing and other facilities that utilize
12 similar feedstocks would be minimal.”.

13 **SEC. 9004. ENERGY AUDIT AND RENEWABLE ENERGY DE-**
14 **VELOPMENT PROGRAM.**

15 Section 9005(i) of the Farm Security and Rural In-
16 vestment Act of 2002 (7 U.S.C. 8105) is amended by
17 striking “2007” and inserting “2012”.

18 **SEC. 9005. RENEWABLE ENERGY SYSTEMS AND ENERGY EF-**
19 **FICIENCY IMPROVEMENTS.**

20 Section 9006 of the Farm Security and Rural Invest-
21 ment Act of 2002 (7 U.S.C. 8106) is amended—

22 (1) by striking the section heading and insert-
23 ing the following:

24 **“SEC. 9006. RURAL ENERGY FOR AMERICA PROGRAM.”;**

25 (2) in subsection (a)—

1 (A) in the matter preceding paragraph (1),
2 by inserting “, other agricultural producer”
3 after “rancher”;

4 (B) in paragraph (1), by striking “and” at
5 the end;

6 (C) in paragraph (2), by striking the pe-
7 riod and inserting “; and”; and

8 (D) by adding at the end the following new
9 paragraph:

10 “(3) produce and sell electricity generated by
11 new renewable energy systems.”;

12 (3) in subsection (b), by inserting “, other agri-
13 cultural producer” after “rancher”;

14 (4) in subsection (c)—

15 (A) in paragraph (1)—

16 (i) in subparagraph (B), by striking
17 “50 percent” and inserting “75 percent”;
18 and

19 (ii) by redesignating subparagraph
20 (B) as subparagraph (C) and inserting
21 after subparagraph (A) the following:

22 “(B) LOAN GUARANTEES.—

23 “(i) MAXIMUM AMOUNT.—The
24 amount of a loan guaranteed under this
25 section shall not exceed \$25,000,000.

1 “(ii) MAXIMUM PERCENTAGE.—A loan
2 guaranteed under this section shall not ex-
3 ceed 75 percent of the cost of the activity
4 funded under subsection (a).”; and

5 (B) by adding at the end the following new
6 paragraph:

7 “(3) PRIORITIZATION.—The Secretary shall
8 give the greatest priority for grants under subsection
9 (a) to activities for which the least percentage of the
10 total cost of such activities is requested by the farm-
11 er, rancher, other agricultural producer, or rural
12 small business.”.

13 (5) by redesignating subsection (e) as sub-
14 section (g) and striking subsection (f); and

15 (6) by inserting after subsection (d) the fol-
16 lowing new subsections:

17 “(e) FEASIBILITY STUDIES.—

18 “(1) IN GENERAL.—The Secretary may provide
19 assistance to a farmer, rancher, other agricultural
20 producer, or rural small business to conduct a feasi-
21 bility study of a project for which assistance may be
22 provided under this section.

23 “(2) LIMITATION.—The Secretary shall use not
24 more than 10 percent of the funds made available to

1 carry out this section to provide assistance described
2 in paragraph (1).

3 “(3) CRITERIA.—The Secretary shall issue reg-
4 ulations establishing criteria for the receipt of assist-
5 ance under this subsection.

6 “(4) AVOIDANCE OF DUPLICATIVE ASSIST-
7 ANCE.—An farmer, rancher, other agricultural pro-
8 ducer, or rural small business that receives assist-
9 ance to carry out a feasibility study for a project
10 under this subsection shall not be eligible for assist-
11 ance to carry out a feasibility study for the project
12 under any other provision of law.

13 “(f) SMALL ACTIVITIES.—

14 “(1) LIMITATION ON USE OF FUNDS.—The Sec-
15 retary shall use not less than 15 percent of the
16 funds made available under subsection (h) to provide
17 grants for activities that have a cost of \$50,000 or
18 less.

19 “(2) EXCEPTION.—Beginning on the first day
20 of the third quarter of a fiscal year, the limitation
21 on the use of funds under paragraph (1) shall not
22 apply to funds made available under subsection (h)
23 for such fiscal year.”.

24 (7) by adding at the end the following new sub-
25 section:

1 “(h) FUNDING.—Of the funds of the Commodity
2 Credit Corporation, the Secretary of Agriculture shall
3 make available to carry out this section—

4 “(1) \$50,000,000 for fiscal year 2008;

5 “(2) \$75,000,000 for fiscal year 2009;

6 “(3) \$100,000,000 for fiscal year 2010;

7 “(4) \$125,000,000 for fiscal year 2011; and

8 “(5) \$150,000,000 for fiscal year 2012.”.

9 **SEC. 9006. BIOMASS RESEARCH AND DEVELOPMENT ACT**
10 **OF 2000.**

11 (a) RESTATEMENT OF ACT.—Section 9008 of the
12 Farm Security and Rural Investment Act of 2002 (116
13 Stat. 486) is amended to read as follows:

14 **“SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT ACT**
15 **OF 2000.**

16 “(a) SHORT TITLE.—This section may be cited as the
17 ‘Biomass Research and Development Act of 2000’.

18 “(b) FINDINGS.—Congress finds that—

19 “(1) conversion of biomass into biobased indus-
20 trial products offers outstanding potential for benefit
21 to the national interest through—

22 “(A) improved strategic security and bal-
23 ance of payments;

24 “(B) healthier rural economies;

25 “(C) improved environmental quality;

1 “(D) near-zero net greenhouse gas emis-
2 sions;

3 “(E) technology export; and

4 “(F) sustainable resource supply;

5 “(2) the key technical challenges to be overcome
6 in order for biobased industrial products to be cost-
7 competitive are finding new technology and reducing
8 the cost of technology for converting biomass into
9 desired biobased industrial products;

10 “(3) biobased fuels have the clear potential to
11 be sustainable, low cost, and high performance fuels
12 that are compatible with both current and future
13 transportation systems and provide near-zero net
14 greenhouse gas emissions;

15 “(4) biobased chemicals have the clear potential
16 for environmentally benign product life cycles;

17 “(5) biobased power can—

18 “(A) provide environmental benefits;

19 “(B) promote rural economic development;

20 and

21 “(C) diversify energy resource options;

22 “(6) many biomass feedstocks suitable for in-
23 dustrial processing show the clear potential for sus-
24 tainable production, in some cases resulting in im-
25 proved soil fertility and carbon sequestration;

1 “(7)(A) grain processing mills are biorefineries
2 that produce a diversity of useful food, chemical,
3 feed, and fuel products; and

4 “(B) technologies that result in further diver-
5 sification of the range of value-added biobased in-
6 dustrial products can meet a key need for the grain
7 processing industry;

8 “(8)(A) cellulosic feedstocks are attractive be-
9 cause of their low cost and widespread availability;
10 and

11 “(B) research resulting in cost-effective tech-
12 nology to overcome the recalcitrance of cellulosic bio-
13 mass would allow biorefineries to produce fuels and
14 bulk chemicals on a very large scale, with a commen-
15 surately large realization of the benefit described in
16 paragraph (1);

17 “(9) research into the fundamentals to under-
18 stand important mechanisms of biomass conversion
19 can be expected to accelerate the application and ad-
20 vancement of biomass processing technology by—

21 “(A) increasing the confidence and speed
22 with which new technologies can be scaled up;
23 and

24 “(B) giving rise to processing innovations
25 based on new knowledge;

1 “(10) the added utility of biobased industrial
2 products developed through improvements in proc-
3 essing technology would encourage the design of
4 feedstocks that would meet future needs more effec-
5 tively;

6 “(11) the creation of value-added biobased in-
7 dustrial products would create new jobs in construc-
8 tion, manufacturing, and distribution, as well as new
9 higher-valued exports of products and technology;

10 “(12)(A) because of the relatively short-term
11 time horizon characteristic of private sector invest-
12 ments, and because many benefits of biomass proc-
13 essing are in the national interest, it is appropriate
14 for the Federal Government to provide
15 precommercial investment in fundamental research
16 and research-driven innovation in the biomass proc-
17 essing area; and

18 “(B) such an investment would provide a valu-
19 able complement to ongoing and past governmental
20 support in the biomass processing area; and

21 “(13) several prominent studies, including stud-
22 ies by the President’s Committee of Advisors on
23 Science and Technology and the National Research
24 Council—

1 “(A) support the potential for large re-
2 search-driven advances in technologies for pro-
3 duction of biobased industrial products as well
4 as associated benefits; and

5 “(B) document the need for a focused, in-
6 tegrated, and innovation-driven research effort
7 to provide the appropriate progress in a timely
8 manner.

9 “(c) DEFINITIONS.—In this section:

10 “(1) ADVISORY COMMITTEE.—The term ‘Advi-
11 sory Committee’ means the Biomass Research and
12 Development Technical Advisory Committee estab-
13 lished by this section.

14 “(2) BIOBASED FUEL.—The term ‘biobased
15 fuel’ means any transportation or heating fuel pro-
16 duced from biomass.

17 “(3) BIOBASED PRODUCT.—The term ‘biobased
18 product’ means an industrial product (including
19 chemicals, materials, and polymers) produced from
20 biomass, or a commercial or industrial product (in-
21 cluding animal feed and electric power) derived in
22 connection with the conversion of biomass to fuel.

23 “(4) BIOMASS.—The term ‘biomass’ means any
24 organic matter that is available on a renewable or
25 recurring basis, including agricultural crops and

1 trees, wood and wood wastes and residues, plants
2 (including aquatic plants), grasses, residues, fibers,
3 and animal wastes, municipal wastes, and other
4 waste materials.

5 “(5) BOARD.—The term ‘Board’ means the
6 Biomass Research and Development Board estab-
7 lished by this section.

8 “(6) DEMONSTRATION.—The term ‘demonstra-
9 tion’ means demonstration of technology in a pilot
10 plant or semi-works scale facility.

11 “(7) INITIATIVE.—The term ‘Initiative’ means
12 the Biomass Research and Development Initiative
13 established under this section.

14 “(8) INSTITUTION OF HIGHER EDUCATION.—
15 The term ‘institution of higher education’ has the
16 meaning given the term in section 102(a) of the
17 Higher Education Act of 1965 (20 U.S.C. 1002(a)).

18 “(9) NATIONAL LABORATORY.—The term ‘Na-
19 tional Laboratory’ has the meaning given that term
20 in section 2 of the Energy Policy Act of 2005.

21 “(10) POINT OF CONTACT.—The term ‘point of
22 contact’ means a point of contact designated under
23 this section.

24 “(d) COOPERATION AND COORDINATION IN BIOMASS
25 RESEARCH AND DEVELOPMENT.—

1 “(1) IN GENERAL.—The Secretary of Agri-
2 culture and the Secretary of Energy shall cooperate
3 with respect to, and coordinate, policies and proce-
4 dures that promote research and development lead-
5 ing to the production of biobased fuels and biobased
6 products.

7 “(2) POINTS OF CONTACT.—

8 “(A) IN GENERAL.—To coordinate re-
9 search and development programs and activities
10 relating to biobased fuels and biobased products
11 that are carried out by their respective Depart-
12 ments—

13 “(i) the Secretary of Agriculture shall
14 designate, as the point of contact for the
15 Department of Agriculture, an officer of
16 the Department of Agriculture appointed
17 by the President to a position in the De-
18 partment before the date of the designa-
19 tion, by and with the advice and consent of
20 the Senate; and

21 “(ii) the Secretary of Energy shall
22 designate, as the point of contact for the
23 Department of Energy, an officer of the
24 Department of Energy appointed by the
25 President to a position in the Department

1 before the date of the designation, by and
2 with the advice and consent of the Senate.

3 “(B) DUTIES.—The points of contact shall
4 jointly—

5 “(i) assist in arranging interlabora-
6 tory and site-specific supplemental agree-
7 ments for research and development
8 projects relating to biobased fuels and
9 biobased products;

10 “(ii) serve as cochairpersons of the
11 Board;

12 “(iii) administer the Initiative; and

13 “(iv) respond in writing to each rec-
14 ommendation of the Advisory Committee
15 made under subsection (f).

16 “(e) BIOMASS RESEARCH AND DEVELOPMENT
17 BOARD.—

18 “(1) ESTABLISHMENT.—There is established
19 the Biomass Research and Development Board,
20 which shall supersede the Interagency Council on
21 Biobased Products and Bioenergy established by Ex-
22 ecutive Order No. 13134, to coordinate programs
23 within and among departments and agencies of the
24 Federal Government for the purpose of promoting
25 the use of biobased fuels and biobased products by—

1 “(A) maximizing the benefits deriving from
2 Federal grants and assistance; and

3 “(B) bringing coherence to Federal strategic
4 planning.

5 “(2) MEMBERSHIP.—The Board shall consist
6 of—

7 “(A) the point of contact of the Department
8 of Energy designated under subsection
9 (d), who shall serve as cochairperson of the
10 Board;

11 “(B) the point of contact of the Department
12 of Agriculture designated under subsection
13 (d), who shall serve as cochairperson of
14 the Board;

15 “(C) a senior officer of each of the Department
16 of the Interior, the Environmental Protection Agency,
17 the National Science Foundation,
18 and the Office of Science and Technology Policy,
19 each of whom shall—

20 “(i) be appointed by the head of the
21 respective agency; and

22 “(ii) have a rank that is equivalent to
23 the rank of the points of contact; and

24 “(D) at the option of the Secretary of Agriculture
25 and the Secretary of Energy, other

1 members appointed by the Secretaries (after
2 consultation with the members described in sub-
3 paragraphs (A) through (C)).

4 “(3) DUTIES.—The Board shall—

5 “(A) coordinate research and development
6 activities relating to biobased fuels and biobased
7 products—

8 “(i) between the Department of Agri-
9 culture and the Department of Energy;
10 and

11 “(ii) with other departments and
12 agencies of the Federal Government;

13 “(B) provide recommendations to the
14 points of contact concerning administration of
15 this title;

16 “(C) ensure that—

17 “(i) solicitations are open and com-
18 petitive with awards made annually; and

19 “(ii) objectives and evaluation criteria
20 of the solicitations are clearly stated and
21 minimally prescriptive, with no areas of
22 special interest; and

23 “(D) ensure that the panel of scientific
24 and technical peers assembled under subsection
25 (g) to review proposals is composed predomi-

1 nantly of independent experts selected from out-
2 side the Departments of Agriculture and En-
3 ergy.

4 “(4) FUNDING.—Each agency represented on
5 the Board is encouraged to provide funds for any
6 purpose under this section.

7 “(5) MEETINGS.—The Board shall meet at
8 least quarterly to enable the Board to carry out the
9 duties of the Board under paragraph (3).

10 “(f) BIOMASS RESEARCH AND DEVELOPMENT TECH-
11 NICAL ADVISORY COMMITTEE.—

12 “(1) ESTABLISHMENT.—There is established
13 the Biomass Research and Development Technical
14 Advisory Committee, which shall supersede the Advi-
15 sory Committee on Biobased Products and Bio-
16 energy established by Executive Order No. 13134—

17 “(A) to advise the Secretary of Energy, the
18 Secretary of Agriculture, and the points of con-
19 tact concerning—

20 “(i) the technical focus and direction
21 of requests for proposals issued under the
22 Initiative; and

23 “(ii) procedures for reviewing and
24 evaluating the proposals;

1 “(B) to facilitate consultations and part-
2 nerships among Federal and State agencies, ag-
3 ricultural producers, industry, consumers, the
4 research community, and other interested
5 groups to carry out program activities relating
6 to the Initiative; and

7 “(C) to evaluate and perform strategic
8 planning on program activities relating to the
9 Initiative.

10 “(2) MEMBERSHIP.—

11 “(A) IN GENERAL.—The Advisory Com-
12 mittee shall consist of—

13 “(i) an individual affiliated with the
14 biofuels industry;

15 “(ii) an individual affiliated with the
16 biobased industrial and commercial prod-
17 ucts industry;

18 “(iii) an individual affiliated with an
19 institution of higher education who has ex-
20 pertise in biobased fuels and biobased
21 products;

22 “(iv) two prominent engineers or sci-
23 entists from government or academia who
24 have expertise in biobased fuels and
25 biobased products;

1 “(v) an individual affiliated with a
2 commodity trade association;

3 “(vi) 2 individuals affiliated with an
4 environmental or conservation organiza-
5 tion;

6 “(vii) an individual associated with
7 State government who has expertise in
8 biobased fuels and biobased products;

9 “(viii) an individual with expertise in
10 energy and environmental analysis;

11 “(ix) an individual with expertise in
12 the economics of biobased fuels and
13 biobased products;

14 “(x) an individual with expertise in
15 agricultural economics;

16 “(xi) an individual with expertise in
17 agronomy, crop science, or soil science; and

18 “(xii) at the option of the points of
19 contact, other members.

20 “(B) APPOINTMENT.—The members of the
21 Advisory Committee shall be appointed by the
22 points of contact.

23 “(3) DUTIES.—The Advisory Committee
24 shall—

1 “(A) advise the points of contact with re-
2 spect to the Initiative; and

3 “(B) evaluate whether, and make rec-
4 ommendations in writing to the Board to en-
5 sure that—

6 “(i) funds authorized for the Initiative
7 are distributed and used in a manner that
8 is consistent with the objectives, purposes,
9 and considerations of the Initiative;

10 “(ii) solicitations are open and com-
11 petitive with awards made annually and
12 that objectives and evaluation criteria of
13 the solicitations are clearly stated and
14 minimally prescriptive, with no areas of
15 special interest;

16 “(iii) the points of contact are funding
17 proposals under this title that are selected
18 on the basis of merit, as determined by an
19 independent panel of scientific and tech-
20 nical peers predominantly from outside the
21 Departments of Agriculture and Energy;
22 and

23 “(iv) activities under this section are
24 carried out in accordance with this section.

1 “(4) COORDINATION.—To avoid duplication of
2 effort, the Advisory Committee shall coordinate its
3 activities with those of other Federal advisory com-
4 mittees working in related areas.

5 “(5) MEETINGS.—The Advisory Committee
6 shall meet at least quarterly to enable the Advisory
7 Committee to carry out the duties of the Advisory
8 Committee.

9 “(6) TERMS.—Members of the Advisory Com-
10 mittee shall be appointed for a term of 3 years, ex-
11 cept that—

12 “(A) one-third of the members initially ap-
13 pointed shall be appointed for a term of 1 year;
14 and

15 “(B) one-third of the members initially ap-
16 pointed shall be appointed for a term of 2
17 years.

18 “(g) BIOMASS RESEARCH AND DEVELOPMENT INI-
19 TIATIVE.—

20 “(1) IN GENERAL.—The Secretary of Agri-
21 culture and the Secretary of Energy, acting through
22 their respective points of contact and in consultation
23 with the Board, shall establish and carry out a Bio-
24 mass Research and Development Initiative under
25 which competitively awarded grants, contracts, and

1 financial assistance are provided to, or entered into
2 with, eligible entities to carry out research on, and
3 development and demonstration of, biobased fuels
4 and biobased products, and the methods, practices
5 and technologies, for their production.

6 “(2) OBJECTIVES.—The objectives of the Initia-
7 tive are to develop—

8 “(A) technologies and processes necessary
9 for abundant commercial production of biobased
10 fuels at prices competitive with fossil fuels;

11 “(B) high-value biobased products—

12 “(i) to enhance the economic viability
13 of biobased fuels and power;

14 “(ii) as substitutes for petroleum-
15 based feedstocks and products; and

16 “(iii) to enhance the value of coprod-
17 ucts arise from such technologies and proc-
18 esses; and

19 “(C) a diversity of sustainable domestic
20 sources of biomass for conversion to biobased
21 fuels and biobased products.

22 “(3) PURPOSES.—The purposes of the Initiative
23 are—

24 “(A) to increase the energy security of the
25 United States;

1 “(B) to create jobs and enhance the eco-
2 nomic development of the rural economy;

3 “(C) to enhance the environment and pub-
4 lic health; and

5 “(D) to diversify markets for raw agricul-
6 tural and forestry products.

7 “(4) TECHNICAL AREAS.—To advance the ob-
8 jectives and purposes of the Initiative, the Secretary
9 of Agriculture and the Secretary of Energy, in con-
10 sultation with the Administrator of the Environ-
11 mental Protection Agency and heads of other appro-
12 priate departments and agencies (referred to in this
13 subsection as the ‘Secretaries’), shall direct research,
14 development, and commercial applications toward—

15 “(A) feedstocks and feedstock systems rel-
16 evant to production of raw materials for conver-
17 sion to biobased fuels and biobased products,
18 including—

19 “(i) development of advanced and
20 dedicated crops and other biomass sources
21 with desired features, including enhanced
22 productivity, broader site range, low re-
23 quirements for chemical inputs, and en-
24 hanced processing;

1 “(ii) advanced crop production meth-
2 ods to achieve the features described in
3 clause (i);

4 “(iii) feedstock harvest, handling,
5 transport, and storage;

6 “(iv) strategies for integrating feed-
7 stock production into existing managed
8 land; and

9 “(v) improving the value and quality
10 of coproducts, including materials used for
11 animal feeding;

12 “(B) overcoming recalcitrance of cellulosic
13 biomass through developing technologies for
14 converting cellulosic biomass into intermediates
15 that can subsequently be converted into
16 biobased fuels and biobased products, includ-
17 ing—

18 “(i) pretreatment in combination with
19 enzymatic or microbial hydrolysis;

20 “(ii) thermochemical approaches, includ-
21 ing gasification and pyrolysis; and

22 “(iii) self-processing crops that ex-
23 press enzymes capable of degrading cel-
24 lulosic biomass;

1 “(C) product diversification through tech-
2 nologies relevant to production of a range of
3 biobased products (including chemicals, animal
4 feeds, and cogenerated power) that eventually
5 can increase the feasibility of fuel production in
6 a biorefinery, including—

7 “(i) catalytic processing, including
8 thermochemical fuel production;

9 “(ii) metabolic engineering, enzyme
10 engineering, and fermentation systems for
11 biological production of desired products,
12 coproducts, or cogeneration of power;

13 “(iii) product recovery;

14 “(iv) power production technologies;

15 “(v) integration into existing biomass
16 processing facilities, including starch eth-
17 anol plants, sugar processing or refining
18 plants, paper mills, and power plants; and

19 “(vi) enhancement of products and co-
20 products, including dried distillers grains
21 (including substantially elevated starch
22 content, increased oil content, improved
23 fatty acid profiles, and improved resistance
24 to mold and mycotoxins; and

1 “(D) analysis that provides strategic guid-
2 ance for the application of biomass technologies
3 in accordance with realization of improved sus-
4 tainability and environmental quality, cost ef-
5 fectiveness, security, and rural economic devel-
6 opment, usually featuring system-wide ap-
7 proaches.

8 “(5) ADDITIONAL CONSIDERATIONS.—Within
9 the technical areas described in paragraph (4), and
10 in addition to advancing the purposes described in
11 paragraph (3) and the objectives described in para-
12 graph (2), the Secretaries shall support research and
13 development—

14 “(A) to create continuously expanding op-
15 portunities for participants in existing biofuels
16 production by seeking synergies and continuity
17 with current technologies and practices, such as
18 improvements in dried distillers grains as a
19 bridge feedstock;

20 “(B) to maximize the environmental, eco-
21 nomic, and social benefits of production of
22 biobased fuels and biobased products on a large
23 scale through life-cycle economic and environ-
24 mental analysis and other means; and

1 “(C) to assess the potential of Federal
2 land and land management programs as feed-
3 stock resources for biobased fuels and biobased
4 products, consistent with the integrity of soil
5 and water resources and with other environ-
6 mental considerations.

7 “(6) ELIGIBLE ENTITIES.—To be eligible for a
8 grant, contract, or assistance under this subsection,
9 an applicant shall be—

10 “(A) an institution of higher education;

11 “(B) a National Laboratory;

12 “(C) a Federal research agency;

13 “(D) a State research agency;

14 “(E) a private sector entity;

15 “(F) a nonprofit organization; or

16 “(G) a consortium of two or more entities
17 described in subparagraphs (A) through (F).

18 “(7) ADMINISTRATION.—

19 “(A) IN GENERAL.—After consultation
20 with the Board, the points of contact shall—

21 “(i) publish annually one or more
22 joint requests for proposals for grants,
23 contracts, and assistance under this sub-
24 section;

1 “(ii) require that grants, contracts,
2 and assistance under this section be
3 awarded competitively, on the basis of
4 merit, after the establishment of proce-
5 dures that provide for scientific peer review
6 by an independent panel of scientific and
7 technical peers; and

8 “(iii) give some preference to applica-
9 tions that—

10 “(I) involve a consortia of experts
11 from multiple institutions;

12 “(II) encourage the integration
13 of disciplines and application of the
14 best technical resources; and

15 “(III) increase the geographic di-
16 versity of demonstration projects.

17 “(B) DISTRIBUTION OF FUNDING BY
18 TECHNICAL AREA.—Of the funds authorized to
19 be appropriated for activities described in this
20 subsection, funds shall be distributed for each
21 of fiscal years 2007 through 2012 so as to
22 achieve an approximate distribution of—

23 “(i) 20 percent of the funds to carry
24 out activities for feedstock production
25 under paragraph (4)(A);

1 “(ii) 45 percent of the funds to carry
2 out activities for overcoming recalcitrance
3 of cellulosic biomass under paragraph
4 (4)(B), of which not less than 10 percent
5 shall be used for activities referred to in
6 each clause of paragraph (4)(B);

7 “(iii) 30 percent of the funds to carry
8 out activities for product diversification
9 under paragraph (4)(C); and

10 “(iv) 5 percent of the funds to carry
11 out activities for strategic guidance under
12 paragraph (4)(D).

13 “(C) DISTRIBUTION OF FUNDING WITHIN
14 EACH TECHNICAL AREA.—Within each technical
15 area described in subparagraphs (A) through
16 (C) of paragraph (4), funds shall be distributed
17 for each of fiscal years 2007 through 2012 so
18 as to achieve an approximate distribution of—

19 “(i) 15 percent of the funds for ap-
20 plied fundamentals;

21 “(ii) 35 percent of the funds for inno-
22 vation; and

23 “(iii) 50 percent of the funds for dem-
24 onstration and commercial applications.

25 “(D) MATCHING FUNDS.—

1 “(i) IN GENERAL.—A minimum 20
2 percent funding match shall be required
3 for demonstration projects under this sec-
4 tion.

5 “(ii) COMMERCIAL APPLICATIONS.—A
6 minimum of 50 percent funding match
7 shall be required for commercial applica-
8 tion projects under this section.

9 “(E) TECHNOLOGY AND INFORMATION
10 TRANSFER TO AGRICULTURAL USERS.—The Ad-
11 ministrator of the Cooperative State Research,
12 Education, and Extension Service and the Chief
13 of the Natural Resources Conservation Service
14 shall ensure that applicable research results and
15 technologies from the Initiative are adapted,
16 made available, and disseminated through those
17 services, as appropriate.

18 “(h) ADMINISTRATIVE SUPPORT AND FUNDS.—

19 “(1) IN GENERAL.—To the extent administra-
20 tive support and funds are not provided by other
21 agencies under paragraph (2)(b), the Secretary of
22 Energy and the Secretary of Agriculture may pro-
23 vide such administrative support and funds of the
24 Department of Energy and the Department of Agri-
25 culture to the Board and the Advisory Committee as

1 are necessary to enable the Board and the Advisory
2 Committee to carry out their duties under this sec-
3 tion.

4 “(2) OTHER AGENCIES.—The heads of the
5 agencies referred to in subsection (e)(2)(C), and the
6 other members appointed under subsection
7 (e)(2)(D), may, and are encouraged to, provide ad-
8 ministrative support and funds of their respective
9 agencies to the Board and the Advisory Committee.

10 “(3) LIMITATION.—Not more than 4 percent of
11 the amount appropriated for each fiscal year under
12 subsection (g)(6) may be used to pay the adminis-
13 trative costs of carrying out this section.

14 “(i) REPORTS.—

15 “(1) ANNUAL REPORTS.—For each fiscal year
16 for which funds are made available to carry out this
17 section, the Secretary of Energy and the Secretary
18 of Agriculture shall jointly submit to Congress a de-
19 tailed report on—

20 “(A) the status and progress of the Initia-
21 tive, including a report from the Advisory Com-
22 mittee on whether funds appropriated for the
23 Initiative have been distributed and used in a
24 manner that—

1 “(i) is consistent with the objectives,
2 purposes, and additional considerations de-
3 scribed in paragraphs (2) through (5) of
4 subsection (g);

5 “(ii) uses the set of criteria estab-
6 lished in the initial report submitted under
7 title III of the Agricultural Risk Protection
8 Act of 2000;

9 “(iii) achieves the distribution of
10 funds described in subparagraphs (B) and
11 (C) of subsection (g)(7); and

12 “(iv) takes into account any rec-
13 ommendations that have been made by the
14 Advisory Committee;

15 “(B) the general status of cooperation and
16 research and development efforts carried out at
17 each agency with respect to biobased fuels and
18 biobased products, including a report from the
19 Advisory Committee on whether the points of
20 contact are funding proposals that are selected
21 under subsection (g)(3)(B)(iii); and

22 “(C) the plans of the Secretary of Energy
23 and the Secretary of Agriculture for addressing
24 concerns raised in the report, including con-
25 cerns raised by the Advisory Committee.

1 “(2) UPDATES.—The Secretary and the Sec-
2 retary of Energy shall update the Vision and Road-
3 map documents prepared for Federal biomass re-
4 search and development activities.

5 “(3) MANAGEMENT PLAN.—The Secretary shall
6 every five years, in consultation with the Secretary
7 of Energy, submit to Congress a detailed manage-
8 ment plan for the implementation of this section.
9 The management plan shall include—

10 “(A) consideration of the contribution of
11 the section towards achieving the objectives re-
12 ferred to in paragraphs (2) and (3) of sub-
13 section (g) and in achieving the goals of the
14 biomass program of the Department of Energy;

15 “(B) consideration of input solicited from
16 the Advisory Committee, State, and private
17 sources; and

18 “(C) specific and quantifiable near and
19 long-term goals.

20 “(j) FUNDING.—

21 “(1) IN GENERAL.—Of the funds of the Com-
22 modity Credit Corporation, the Secretary of Agri-
23 culture shall make available to carry out this sec-
24 tion—

25 “(A) \$35,000,000 for fiscal year 2008;

1 “(B) \$60,000,000 for fiscal year 2009;
2 “(C) \$75,000,000 for fiscal year 2010;
3 “(D) \$100,000,000 for fiscal year 2011;
4 and
5 “(E) \$150,000,000 for fiscal year 2012.

6 “(2) **ADDITIONAL FUNDING.**—In addition to
7 amounts transferred under paragraph (1), there are
8 authorized to be appropriated to carry out this sec-
9 tion \$200,000,000 for each of fiscal years 2006
10 through 2015.”.

11 (b) **REPEAL.**—Title III of the Agricultural Risk Pro-
12 tection Act of 2000 (Public Law 106–224) is hereby re-
13 pealed.

14 (c) **MANAGEMENT PLAN SUBMISSION DATE.**—The
15 first management plan required to be submitted under sec-
16 tion 9008(i)(3) of the Biomass Research and Development
17 Act of 2000, as added by subsection (a), shall be sub-
18 mitted not later than 180 days after the date of the enact-
19 ment of this Act.

20 **SEC. 9007. ADJUSTMENTS TO THE BIOENERGY PROGRAM.**

21 Section 9010 of the Farm Security and Rural Invest-
22 ment Act of 2002 (7 U.S.C. 8108) is amended—

23 (1) in subsection (a)—

24 (A) in paragraph (1)—

1 (i) in subparagraph (A), by striking
2 “and”;

3 (ii) in subparagraph (B), by striking
4 the final period and inserting a semicolon;
5 and

6 (iii) by adding at the end the fol-
7 lowing new subparagraphs:

8 “(C) production of heat and power at a
9 biofuels plant;

10 “(D) biomass gasification;

11 “(E) hydrogen made from cellulosic com-
12 modities for fuel cells;

13 “(F) renewable diesel;

14 “(G) such other items as the Secretary
15 considers appropriate.”;

16 (B) by striking paragraph (3) and insert-
17 ing the following:

18 “(3) ELIGIBLE FEEDSTOCK.—

19 “(A) IN GENERAL.—The term ‘eligible
20 feedstock’ means—

21 “(i) any plant material grown or col-
22 lected for the purpose of being converted to
23 energy (including aquatic plants);

24 “(ii) any organic byproduct or residue
25 from agriculture and forestry, including

1 mill residues and pulping residues that can
2 be converted into energy;

3 “(iii) any waste material that can be
4 converted to energy and is derived from
5 plant material, including—

6 “(I) wood waste and residue;

7 “(II) specialty crop waste, includ-
8 ing waste derived from orchard trees,
9 vineyard crops, and nut crops; or

10 “(III) other fruit and vegetable
11 byproducts or residues; or

12 “(iv) animal waste and byproducts.

13 “(B) EXCLUSION.—The term ‘eligible feed-
14 stock’ does not include corn starch.”;

15 (C) in paragraph (4), by striking “an eligi-
16 ble commodity” and inserting “eligible feed-
17 stock”; and

18 (D) by adding at the end the following new
19 paragraph:

20 “(5) RENEWABLE DIESEL.—The term ‘renew-
21 able diesel’ means any type of biobased renewable
22 fuel derived from plant or animal matter that may
23 be used as a substitute for standard diesel fuel and
24 meets the requirements of an appropriate American
25 Society for Testing and Material standard. Such

1 term does not include any fuel derived from coproc-
2 essing an eligible feedstock with a feedstock that is
3 not biomass.”;

4 (2) in subsection (b)—

5 (A) in paragraph (1)—

6 (i) by striking “The Secretary shall
7 continue” and all that follows through “the
8 Secretary makes” and inserting “The Sec-
9 retary shall make”; and

10 (ii) by striking “eligible commodities”
11 and inserting “eligible feedstock”;

12 (B) in paragraph (2)(B), by striking “eligi-
13 ble commodities” and inserting “eligible feed-
14 stock”;

15 (C) in paragraph (3), by striking subpara-
16 graphs (B) and (C) and inserting the following:

17 “(B) PRIORITY.—In making payments
18 under this paragraph, the Secretary shall give
19 priority to contracts by considering the factors
20 referred to in section 9003(e)(2)(B).”;

21 (D) by striking paragraph (6) and insert-
22 ing the following:

23 “(6) LIMITATION.—The Secretary may limit
24 the amount of payments that may be received by an

1 eligible producer under this section as the Secretary
2 considers appropriate.”; and

3 (E) by adding at the end the following new
4 paragraph:

5 “(8) RENEWAL OF CONTRACTS.—When consid-
6 ering the renewal of a contract under this section,
7 the Secretary shall review such contract to deter-
8 mine whether the production of bioenergy at the fa-
9 cility under contract is economically viable and re-
10 consider the need for the contract based on that de-
11 termination.”; and

12 (3) by striking subsection (c) and inserting the
13 following:

14 “(c) FUNDING.—Of the funds of the Commodity
15 Credit Corporation, the Secretary of Agriculture shall use
16 to carry out this section—

17 “(1) \$225,000,000 for fiscal year 2008;

18 “(2) \$250,000,000 for fiscal year 2009;

19 “(3) \$275,000,000 for fiscal year 2010;

20 “(4) \$300,000,000 for fiscal year 2011; and

21 “(5) \$350,000,000 for fiscal year 2012.”.

1 **SEC. 9008. RESEARCH, EXTENSION, AND EDUCATIONAL**
2 **PROGRAMS ON BIOBASED ENERGY TECH-**
3 **NOLOGIES AND PRODUCTS.**

4 (a) WESTERN INSULAR PACIFIC CENTER.—Section
5 9011(d) is amended by adding at the end the following
6 new paragraph:

7 “(6) WESTERN INSULAR PACIFIC CENTER.—A
8 western insular pacific center at the University of
9 Hawaii for the region of Alaska, Hawaii, Guam,
10 American Samoa, the Commonwealth of the North-
11 ern Mariana Islands, the Federated States of Micro-
12 nesia, the Republic of the Marshall Islands, and the
13 Republic of Palau.”.

14 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
15 9011(j)(1)(C) of the Farm Security and Rural Investment
16 Act of 2002 (7 U.S.C. 8109(j)(1)(C)) is amended by strik-
17 ing “2010” and inserting “2012”.

18 **SEC. 9009. ENERGY COUNCIL OF THE DEPARTMENT OF AG-**
19 **RICULTURE.**

20 Title IX of the Farm Security and Rural Investment
21 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended
22 by adding at the end the following new section:

23 **“SEC. 9012. ENERGY COUNCIL OF THE DEPARTMENT OF AG-**
24 **RICULTURE.**

25 “(a) IN GENERAL.—The Secretary of Agriculture
26 shall establish an energy council in the Office of the Sec-

1 retary (in this section referred to as the ‘Council’) to co-
2 ordinate the energy policy of the Department of Agri-
3 culture and consult with other departments and agencies
4 of the Federal Government.

5 “(b) MEMBERSHIP.—

6 “(1) IN GENERAL.—The Secretary shall appoint
7 the members of the Council from among the staff of
8 the agencies and mission areas of the Department of
9 Agriculture with responsibilities relating to energy
10 programs or policies.

11 “(2) CHAIR.—The chief economist and the
12 Under Secretary for Rural Development of the De-
13 partment of Agriculture shall serve as the Chairs of
14 the Council.

15 “(c) DUTIES OF OFFICE OF ENERGY POLICY AND
16 NEW USES.—The Office of Energy Policy and New Uses
17 of the Department of Agriculture shall support the activi-
18 ties of the Council.”.

19 **SEC. 9010. FARM ENERGY PRODUCTION PILOT PROGRAM.**

20 Title IX of the Farm Security and Rural Investment
21 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended
22 by adding at the end the following new section:

23 **“SEC. 9013. FARM ENERGY PRODUCTION PILOT PROGRAM.**

24 “(a) PROGRAM.—The Secretary of Agriculture shall
25 establish a pilot program to provide grants to farmers for

1 the purpose of demonstrating the feasibility of making a
2 farm energy neutral using existing technologies.

3 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
4 is authorized to be appropriated to carry out this section
5 \$5,000,000 for fiscal years 2008 through 2012.”.

6 **SEC. 9011. RURAL ENERGY SELF-SUFFICIENCY INITIATIVE.**

7 Title IX of the Farm Security and Rural Investment
8 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended
9 by adding at the end the following new section:

10 **“SEC. 9014. RURAL ENERGY SELF-SUFFICIENCY INITIATIVE.**

11 “(a) GRANT AUTHORITY.—

12 “(1) IN GENERAL.—The Secretary of Agri-
13 culture (in this section referred to as the ‘Secretary’)
14 may make grants in accordance with this section to
15 enable eligible rural communities to substantially in-
16 crease their energy self-sufficiency.

17 “(2) ELIGIBLE RURAL COMMUNITY DEFINED.—

18 In this section, the term ‘eligible rural community’
19 means a community that has a population of fewer
20 than 25,000 individuals, and is not located in a met-
21ropolitan statistical area (as defined by the Bureau
22 of the Census).

23 “(b) APPLICATIONS.—

24 “(1) IN GENERAL.—A community desiring to
25 receive a grant under this section shall submit to the

1 Secretary an application for the grant, which con-
2 tains a description of how the community would use
3 the grant to develop an integrated renewable energy
4 system to substantially increase its energy self-suffi-
5 ciency.

6 “(2) INTEGRATED RENEWABLE ENERGY SYS-
7 TEM.—In paragraph (1), the term ‘integrated renew-
8 able energy system’ includes—

9 “(A) the use of biofuels;

10 “(B) the use of biomass to produce elec-
11 tricity;

12 “(C) the use of animal manure to produce
13 biogas as a substitute for natural gas;

14 “(D) the use of new technologies to pro-
15 vide highly energy efficient lighting, buildings,
16 or vehicles;

17 “(E) the use of wind power to produce
18 electricity and hydrogen; and

19 “(F) the use of solar energy.

20 “(c) CONSIDERATION OF APPLICATIONS.—

21 “(1) EVALUATION.—In making grants under
22 this section, the Secretary shall evaluate applications
23 based on their ability to demonstrate—

24 “(A) integration of different renewable en-
25 ergy sources at lowest total cost;

1 “(B) integration of different renewable en-
2 ergy sources with greatest potential for com-
3 mercialization; and

4 “(C) development of best practices, and
5 models for viable rural energy self-sufficiency.

6 “(2) PREFERENCE.—In making grants under
7 this section, the Secretary shall give preference to
8 those which propose a project developed or carried
9 out in coordination with—

10 “(A) universities or their non-profit foun-
11 dations;

12 “(B) Federal, State, or local government
13 agencies;

14 “(C) public or private power generation en-
15 tities; or

16 “(D) government entities with responsi-
17 bility for water or natural resources.

18 “(d) GRANTS.—

19 “(1) COST-SHARING.—The amount of a grant
20 under this section with respect to an application
21 shall not exceed 75 percent of the cost of the activi-
22 ties described in the application.

23 “(2) NUMBER OF GRANTS PER YEAR.—The
24 Secretary may make not more than 5 grants under
25 this section in each fiscal year.

1 “(e) USE OF GRANTS.—A community to which a
2 grant is made under this section shall use the grant to
3 develop an integrated renewable energy system to improve
4 the energy efficiency of the community, and shall docu-
5 ment any energy savings resulting from the use of the
6 grant.

7 “(f) REPORT TO THE CONGRESS.—The Secretary
8 shall submit to the Committee on Agriculture of the House
9 of Representatives and the Committee on Agriculture, Nu-
10 trition, and Forestry of the Senate a report that document
11 the best practices and approaches used by grantees receiv-
12 ing funds under this section.

13 “(g) LIMITATIONS ON AUTHORIZATION OF APPRO-
14 PRIATIONS.—For grants under this section, there are au-
15 thorized to be appropriated to the Secretary not more than
16 \$5,000,000 for fiscal year 2008, and such sums as may
17 be necessary for fiscal years 2009 through 2012.”.

18 **SEC. 9012. AGRICULTURAL BIOFUELS FROM BIOMASS IN-**
19 **TERNSHIP PILOT PROGRAM.**

20 Title IX of the Farm Security and Rural Investment
21 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended
22 by adding at the end the following new section:

1 **“SEC. 9015. AGRICULTURAL BIOFUELS FROM BIOMASS IN-**
2 **TERNSHIP PILOT PROGRAM.**

3 “(a) ESTABLISHMENT.—The Secretary of Agri-
4 culture shall establish a structured, academically-oriented
5 internship pilot program (in this section referred to as the
6 ‘Program’) to provide students from universities in Cali-
7 fornia, Iowa, Missouri, Georgia, Minnesota, and other
8 states with substantial farm-based economies or univer-
9 sities with fields of study capable of developing renewable
10 energy technology or policy with the opportunity to work
11 within the Department of Agriculture, Congress and legis-
12 lative branch agencies, other Federal departments and
13 agencies, corporations, and nonprofit institutions on mat-
14 ters pertaining to policies regarding renewable energy, in-
15 cluding the conversion of biomass and other agricultural
16 products to produce ethanol and other biofuels.

17 “(b) ELIGIBILITY.—To be eligible for an internship
18 under subsection (a) a student shall—

19 “(1) be a third or fourth year undergraduate
20 student or a graduate student at an accredited col-
21 lege or university in California, Iowa, Missouri,
22 Georgia, Minnesota, or another State with a sub-
23 stantial farm-based economy, or at a university with
24 fields of study capable of developing renewable en-
25 ergy technology or policy (including agriculture-re-
26 lated studies, chemistry, environmental sciences, bio-

1 engineering, biochemistry, natural resources, and
2 public policy), that commits matching funds in ac-
3 cordance with subsection (g);

4 “(2) be a United States citizen;

5 “(3) be pursuing an undergraduate or graduate
6 program in agriculture and related supporting sub-
7 jects with direct relevance to the subject of bio-
8 refinery, biofuels, and renewable energy; and

9 “(4) meet any other conditions or requirements
10 that the Secretary considers necessary.

11 “(c) PRIORITIES OF INTERNSHIP PILOT PROGRAM.—

12 In administering the Program (including in the selection
13 of students to participate in the Program), the Secretary
14 shall prioritize the following activities and placements:

15 “(1) Structured internship experiences that fea-
16 ture direct, hands-on assistance to policy makers en-
17 gaged in the development and implementation of ag-
18 riculture and related supporting policies and legisla-
19 tion, with direct relevance to the subject of bio-
20 refinery, biofuels, and renewable energy.

21 “(2) Internship and academic seminar pro-
22 grams that provide a combination of workforce
23 training, experiential education, and leadership de-
24 velopment designed specifically for the Department
25 of Agriculture and Congress, with regard to agri-

1 culture-based biorefinery, biofuels, and related re-
2 newable energy policies.

3 “(3) Establishment of regional and state net-
4 works that partner with the agricultural business,
5 government and academic communities to enhance
6 the prospects for providing financial assistance to
7 students, particularly minority students, from col-
8 leges and universities in each participating State
9 who are from economically disadvantaged back-
10 grounds.

11 “(4) Internship and academic seminar pro-
12 grams that focus on agriculture-based research, de-
13 velopment, and policies addressing new technologies
14 to enhance agriculture production and enhanced eco-
15 nomic development in the agriculture sector of the
16 United States.

17 “(d) ADMINISTRATION OF THE PILOT PROGRAM.—
18 The Secretary, in consultation with other executive and
19 legislative branch officials, shall administer the Program.
20 The Secretary may engage the services of an experienced,
21 nonprofit, nonpartisan professional internship and aca-
22 demic seminar organization with extensive experience in
23 developing and carrying out Washington-based or other
24 State-based internship programs and State-based financial

1 assistance initiatives for interns to assist in carrying out
2 the Program.

3 “(e) SCHOLARSHIPS AND OTHER ASSISTANCE FOR
4 INTERNSHIPS.—The Secretary may make available to un-
5 dergraduate and graduate students participating in the
6 Program scholarships or other types of financial assist-
7 ance, including funds to cover the cost of housing, per
8 diem living expenses, transportation, tuition and other
9 educational expenses, and related costs, that would allow
10 participation by eligible undergraduate and graduate stu-
11 dents from economically-disadvantaged backgrounds with-
12 in the Program States.

13 “(f) LONGITUDINAL STUDIES AND REPORTING RE-
14 QUIREMENTS.—

15 “(1) LONGITUDINAL STUDIES AND EVALUATION
16 OF INTERNSHIP PROGRAM.—In developing and im-
17 plementing the Program, the Secretary shall carry
18 out such longitudinal studies and program evalua-
19 tions as he or she deems appropriate to ensure that
20 the program is administered in a cost-effective man-
21 ner and has specific milestones, objectives, and re-
22 sults quantified with regard to such Program.

23 “(2) REPORTING REQUIREMENTS.—The Sec-
24 retary shall submit to the Committee on Agriculture
25 of the House of Representatives and the Committee

1 on Agriculture, Nutrition, and Forestry of the Sen-
2 ate periodic reports regarding the development and
3 implementation of the Program, including the longi-
4 tudinal studies and evaluations required under para-
5 graph (1).

6 “(g) STATE MATCHING REQUIREMENT.—As a condi-
7 tion of receiving an internship under the Program, the
8 State in which the student receiving the internship is pur-
9 suing an undergraduate or graduate degree shall provide
10 matching funds in the amount of one dollar for every two
11 dollars provided by the Secretary under the Program.

12 “(h) FEDERAL CONTRIBUTION LIMIT.—The Sec-
13 retary may not expend more than \$200,000 in any fiscal
14 year to provide internships to students pursuing an under-
15 graduate or graduate degree in any particular State.

16 “(i) APPLICATION OF FUNDS.—The Secretary shall,
17 to the maximum extent practicable, use funds made avail-
18 able under subsection (j) to provide scholarships and the
19 other forms of financial assistance described in subsection
20 (e) directly attributable to the participation in the Pro-
21 gram by students from rural, economically-disadvantaged
22 backgrounds.

23 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
24 are authorized to be appropriated such sums as may be
25 necessary to carry out this section.”.

1 **SEC. 9013. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIO-**
2 **ENERGY PRODUCERS.**

3 Title IX of the Farm Security and Rural Investment
4 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended
5 by adding at the end the following new section:

6 **“SEC. 9016. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIO-**
7 **ENERGY PRODUCERS.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) BIOENERGY.—The term ‘bioenergy’ means
10 fuel grade ethanol and other biofuel.

11 “(2) BIOENERGY PRODUCER.—The term ‘bio-
12 energy producer’ means a producer of bioenergy that
13 uses an eligible commodity to produce bioenergy
14 under this section.

15 “(3) ELIGIBLE COMMODITY.—The term ‘eligible
16 commodity’ means a form of raw or refined sugar or
17 in-process sugar that is eligible to be marketed in
18 the United States for human consumption or to be
19 used for the extraction of sugar for human consump-
20 tion.

21 “(4) ELIGIBLE ENTITY.—The term ‘eligible en-
22 tity’ means an entity located in the United States
23 that markets an eligible commodity in the United
24 States.

25 “(b) FEEDSTOCK FLEXIBILITY PROGRAM.—

26 “(1) IN GENERAL.—

1 “(A) PURCHASES AND SALES.—For each
2 of fiscal years 2008 through 2012, the Sec-
3 retary shall purchase eligible commodities from
4 eligible entities and sell such commodities to
5 bioenergy producers for the purpose of pro-
6 ducing bioenergy in a manner that ensures that
7 156 of the Federal Agricultural Improvement
8 and Reform Act (7 U.S.C. 7272) is operated at
9 no cost to the Federal Government by avoiding
10 forfeitures to the Commodity Credit Corpora-
11 tion.

12 “(B) COMPETITIVE PROCEDURES.—In car-
13 rying out the purchases and sales required
14 under subparagraph (A), the Secretary shall, to
15 the maximum extent practicable, use competi-
16 tive procedures, including the receiving, offer-
17 ing, and accepting of bids, when entering into
18 contracts with eligible entities and bioenergy
19 producers, provided that such procedures are
20 consistent with the purposes of subparagraph
21 (A).

22 “(C) LIMITATION.—The purchase and sale
23 of eligible commodities under subparagraph (A)
24 shall only be made in fiscal years in which such
25 purchases and sales are necessary to ensure

1 that the program authorized under section 156
2 of the Federal Agriculture Improvement and
3 Reform Act (7 U.S.C. 7272) is operated at no
4 cost to the Federal Government by avoiding for-
5 feitures to the Commodity Credit Corporation.

6 “(2) NOTICE.—

7 “(A) IN GENERAL.—Not later than Sep-
8 tember 1, 2007, and each September 1 there-
9 after through fiscal year 2011, the Secretary
10 shall provide notice to eligible entities and bio-
11 energy producers of the quantity of eligible
12 commodities that shall be made available for
13 purchase and sale for the subsequent fiscal year
14 under this section.

15 “(B) REESTIMATES.—Not later than the
16 first day of each of the second through fourth
17 quarters of each of fiscal years 2008 through
18 2012, the Secretary shall reestimate the quan-
19 tity of eligible commodities determined under
20 subparagraph (A), and provide notice and make
21 purchases and sales based on such reestimates.

22 “(3) COMMODITY CREDIT CORPORATION INVEN-
23 TORY.—To the extent that an eligible commodity is
24 owned and held in inventory by the Commodity
25 Credit Corporation (accumulated pursuant to the

1 program authorized under section 156 of the Fed-
2 eral Agriculture Improvement and Reform Act (7
3 U.S.C. 7272)), the Secretary shall sell such com-
4 modity to bioenergy producers under this section.

5 “(4) TRANSFER RULE; STORAGE FEES.—

6 “(A) GENERAL TRANSFER RULE.—Except
7 as provided in subparagraph (C), the Secretary
8 shall ensure that bioenergy producers that pur-
9 chase eligible commodities pursuant to this sub-
10 section take possession of such commodities
11 within 30 calendar days of the date of such
12 purchase from the Commodity Credit Corpora-
13 tion.

14 “(B) PAYMENT OF STORAGE FEES PRO-
15 HIBITED.—

16 “(i) IN GENERAL.—The Secretary
17 shall, to the greatest extent practicable,
18 carry out this subsection in a manner that
19 ensures no storage fees are paid by the
20 Commodity Credit Corporation in the ad-
21 ministration of this subsection.

22 “(ii) EXCEPTION.—Clause (i) shall
23 not apply with respect to any commodities
24 owned and held in inventory by the Com-
25 modity Credit Corporation (accumulated

1 pursuant to the program authorized under
2 section 156 of the Federal Agriculture Im-
3 provement and Reform Act (7 U.S.C.
4 7272)).

5 “(C) OPTION TO PREVENT STORAGE
6 FEES.—

7 “(i) IN GENERAL.—The Secretary
8 may enter into contracts with bioenergy
9 producers to sell eligible commodities to
10 such producers prior in time to entering
11 into contracts with eligible entities to pur-
12 chase such commodities to be used to sat-
13 isfy the contracts entered into with the bio-
14 energy producers.

15 “(ii) SPECIAL TRANSFER RULE.—If
16 the Secretary makes a sale and purchase
17 referred to in clause (i), the Secretary shall
18 ensure that the bioenergy producer that
19 purchased eligible commodities takes pos-
20 session of such commodities within 30 cal-
21 endar days of the date the Commodity
22 Credit Corporation purchases such com-
23 modities.

24 “(5) RELATION TO OTHER LAWS.—If sugar
25 that is subject to a marketing allotment under part

1 VII of subtitle B of title III of the Agricultural Ad-
2 justment Act of 1938 (7 U.S.C. 1359aa et seq.) is
3 the subject of a payment under this section, such
4 sugar shall be considered marketed and shall count
5 against a processor's allocation of an allotment
6 under such part, as applicable.

7 “(6) FUNDING.—The Secretary shall use the
8 funds, facilities, and authorities of the Commodity
9 Credit Corporation, including the use of such sums
10 as are necessary, to carry out this section.”.

11 **SEC. 9014. BIOMASS INVENTORY REPORT.**

12 (a) INVENTORY REQUIRED.—The Secretary of Agri-
13 culture shall conduct an inventory of biomass resources
14 on a county-by-county basis.

15 (b) REPORT.—Not later than one year after the date
16 of the enactment of this Act, the Secretary shall submit
17 to the Committee on Agriculture of the House of Rep-
18 resentatives and the Committee on Agriculture, Nutrition,
19 and Forestry of the Senate a report containing—

20 (1) the results of the inventory conducted under
21 subsection (a); and

22 (2) an estimate of the amount of unused crop
23 land in the United States that could be used for
24 dedicated energy crops.

1 (c) BIOMASS RESOURCES DEFINED.—In this section,
2 the term “biomass resource” has the meaning given the
3 term “eligible commodity” in section 9010(a)(3) of the
4 Farm Security and Rural Investment Act of 2002 (7
5 U.S.C. 8108(a)(3)).

6 **SEC. 9015. FUTURE FARMSTEADS PROGRAM.**

7 (a) ESTABLISHMENT.—The Secretary of Agriculture
8 shall establish a program to equip, in each of 5 regions
9 of the country chosen to represent different farming prac-
10 tices, a farm house and its surrounding fields, facilities,
11 and forested areas with technologies to—

12 (1) improve farm energy production and energy
13 use efficiencies;

14 (2) provide working examples to farmers; and

15 (3) serve as an education, demonstration, and
16 research facility that will teach graduate students
17 whose focus of research is related to either renew-
18 able energy or energy conservation technologies.

19 (b) GOALS.—The goals of the program established
20 under subsection (a) shall be to—

21 (1) advance farm energy use efficiencies and
22 the on-farm production of renewable energies, along
23 with advanced communication and control tech-
24 nologies with the latest in energy capture and con-
25 version techniques, thereby enhancing rural energy

1 independence and creating new revenues for rural
2 economies;

3 (2) accelerate private sector and university re-
4 search into the efficient on-farm production of re-
5 newable fuels and help educate the farming industry,
6 students, and the general public; and

7 (3) accelerate energy independence, including
8 the production and the conservation of renewable en-
9 ergies on farms.

10 (c) COLLABORATION PARTNERS.—The program
11 under this section shall be carried out in partnership with
12 regional land grant institutions, agricultural commodity
13 commissions, biofuels companies, sensor and controls com-
14 panies, and internet technology companies.

15 (d) AUTHORIZATION OF APPROPRIATIONS.—There
16 are authorized to be appropriated such sums as may be
17 necessary to carry out this section.

18 **SEC. 9016. SENSE OF CONGRESS ON RENEWABLE ENERGY.**

19 It is the sense of Congress that—

20 (1) energy demand in the United States is pro-
21 jected to increase by more than 30 percent over the
22 next two decades;

23 (2) increased production of renewable energy
24 and growth of its infrastructure would assist the

1 United States in meeting the growing energy de-
2 mand;

3 (3) continued, and even accelerated, develop-
4 ment of renewable energy inputs and technologies
5 provide numerous benefits to the United States, in-
6 cluding improved national security and economic
7 growth;

8 (4) while it should be a priority of the Federal
9 Government to continue to promote policies and in-
10 centives to stimulate growth and development of re-
11 newable energy infrastructure, it should be recog-
12 nized that the marketplace is also an important in-
13 strument to determine which renewable energy
14 sources and technologies will provide the most effi-
15 cient and effective energy production;

16 (5) renewable energy inputs and technology
17 must be available in abundant quantities and provide
18 energy at competitive prices in a reliable manner for
19 the American consumer; and

20 (6) it is in the interest of the United States to
21 diversify its energy portfolio and increase the energy
22 independence of the United States by further devel-
23 oping alternative forms of energy.

1 **SEC. 9017. BIODIESEL FUEL EDUCATION PROGRAM.**

2 Section 9004(d) of the Farm Security and Rural In-
3 vestment Act of 2002 (7 U.S.C. 8104(d)) is amended to
4 read as follows:

5 “(d) FUNDING.—Of the funds of the Commodity
6 Credit Corporation, the Secretary shall make available to
7 carry out this section \$2,000,000 for each of fiscal years
8 2008 through 2012.”.

9 **SEC. 9018. BIOMASS ENERGY RESERVE.**

10 Title IX of the Farm Security and Rural Investment
11 Act of 2002 (7 U.S.C. 8101 et seq.) is amended by adding
12 at the end the following new section:

13 **“SEC. 9017. BIOMASS ENERGY RESERVE.**

14 “(a) PURPOSE.—The purpose of this section is to es-
15 tablish a biomass energy reserve—

16 “(1) to encourage production of dedicated en-
17 ergy crops in a sustainable manner that protects the
18 soil, air, water, and wildlife of the United States;
19 and

20 “(2) to provide financial and technical assist-
21 ance to owners and operators of eligible cropland to
22 produce dedicated energy crops and crop mixes of
23 suitable quality and in sufficient quantities to sup-
24 port and induce development and expansion of the
25 use of the crop for—

26 “(A) bioenergy;

1 “(B) power or heat generation to supple-
2 ment or replace nonbiobased energy sources; or

3 “(C) biobased products to supplement or
4 replace non biobased products;

5 “(3) to establish biomass energy reserve project
6 areas; and

7 “(4) to provide financial and technical assist-
8 ance to owners and operators for harvesting, storing,
9 and transporting cellulosic material.

10 “(b) DEFINITIONS.— In this section:

11 “(1) BEGINNING FARMER OR RANCHER.—The
12 term ‘beginning farmer or rancher’ has the meaning
13 given the term in section 343(a) of the Consolidated
14 Farm and Rural Development Act (7 U.S.C.
15 1991(a)).

16 “(2) BER.—The term ‘BER’ means the bio-
17 mass energy reserve established under this section.

18 “(3) BER PROJECT AREA.—The term ‘BER
19 project area’ means an area that—

20 “(A) has eligible cropland that—

21 “(i) is owned or operated by eligible
22 participants; and

23 “(ii) has specified boundaries that are
24 submitted to the Secretary by eligible par-

1 participants and subsequently approved by the
2 Secretary; and

3 “(B) is physically located within a 50-mile
4 radius of a bioenergy facility.

5 “(4) CONSERVATION RESERVE PROGRAM.—The
6 term ‘conservation reserve program’ means the con-
7 servation reserve program established under sub-
8 chapter B of chapter 1 of subtitle D of title XII of
9 the Food Security Act of 1985 (16 U.S.C. 3831 et
10 seq.).

11 “(5) CONTRACT ACREAGE.—The term ‘contract
12 acreage’ means eligible cropland that is covered by
13 a BER contract entered into with the Secretary.

14 “(6) ELIGIBLE APPLICANT.—The term ‘eligible
15 applicant’ means—

16 “(A) a collective group of owners and oper-
17 ators producing or proposing to produce eligible
18 dedicated energy crops;

19 “(B) an energy or agricultural company or
20 refinery; and

21 “(C) an Agricultural Innovation Center es-
22 tablished pursuant to section 6402 of the Farm
23 Security and Rural Investment Act of 2002
24 (Public Law 107–171; 116 Stat. 426; 7 U.S.C.
25 1621 note).

1 “(7) ELIGIBLE CROPLAND.—

2 “(A) IN GENERAL.—The term ‘eligible
3 cropland’ means land that the applicable county
4 committee of the Farm Service Agency deter-
5 mines—

6 “(i) is currently being tilled for the
7 production of a crop for harvest; or

8 “(ii) is not currently being tilled but
9 has been tilled in a prior crop year and is
10 suitable for production of an eligible dedi-
11 cated energy crop.

12 “(B) EXCLUSIONS.—The term ‘eligible
13 cropland’ does not include—

14 “(i) Federally-owned land;

15 “(ii) land enrolled in—

16 “(I) the conservation reserve pro-
17 gram;

18 “(II) the grassland reserve pro-
19 gram; or

20 “(III) the wetlands reserve pro-
21 gram; and

22 “(iii) land with greater than 50 per-
23 cent cover of native nonwoody vegetation
24 or forest land, as of the date of enactment
25 of this section.

1 “(8) ELIGIBLE DEDICATED ENERGY CROP.—

2 “(A) IN GENERAL.—The term ‘eligible
3 dedicated energy crop’ means any crop native to
4 the United States, or another crop, as deter-
5 mined by the Secretary, grown specifically to
6 provide raw materials for—

7 “(i) conversion to liquid transpor-
8 tation fuels or chemicals through bio-
9 chemical or thermochemical processes; or

10 “(ii) energy generation through com-
11 bustion, pyrolysis, gasification, cofiring, or
12 other technologies, as determined by the
13 Secretary.

14 “(B) EXCLUSIONS.—The term ‘eligible
15 dedicated energy crop’ does not include—

16 “(i) any crop that is eligible for pay-
17 ments under title I or a successor title; or

18 “(ii) any plant that is invasive or nox-
19 ious or has the potential to become
20 invasive or noxious, as determined by the
21 Secretary, in consultation with other ap-
22 propriate Federal or State departments
23 and agencies.

24 “(9) ELIGIBLE PARTICIPANT.—The term ‘eligi-
25 ble participant’ means an owner or operator of con-

1 tract acreage that is physically located within a
2 BER project area.

3 “(10) FEDERALLY-OWNED LAND.—The term
4 ‘Federally-owned land’ means land owned by—

5 “(A) the Federal Government (including
6 any department, instrumentality, bureau, or
7 agency of the Federal Government); or

8 “(B) any corporation whose stock is wholly
9 owned by the Federal Government.

10 “(11) FOREST LAND.—The term ‘forest land’
11 means an ecosystem that is at least 1 acre in size
12 (including timberland and woodland) and that (as
13 determined by the Secretary)—

14 “(A) is characterized by dense and exten-
15 sive tree cover;

16 “(B) contains, or once contained, at least
17 10 percent tree crown cover; and

18 “(C) is not developed and planned for ex-
19 clusive nonforest resource use.

20 “(12) GRASSLAND RESERVE PROGRAM.—The
21 term ‘grassland reserve program’ means the grass-
22 land reserve program established under subchapter
23 C of chapter 2 of subtitle D of title XII of the Food
24 Security Act of 1985 (16 U.S.C. 3838n et seq.).

1 “(13) OPERATOR.—The term ‘operator’ means
2 an individual, entity, or joint operation that is in
3 control of the farming operations on a farm during
4 the applicable crop year.

5 “(14) OWNER.—

6 “(A) IN GENERAL.—The term ‘owner’
7 means a person that has legal ownership of eli-
8 gible cropland.

9 “(B) INCLUSION.—The term ‘owner’ in-
10 cludes—

11 “(i) a person that is buying eligible
12 cropland under a contract for deed; and

13 “(ii) a person that has a life estate in
14 eligible cropland.

15 “(15) QUALIFIED ORGANIZATION.—The term
16 ‘qualified organization’ means—

17 “(A) an Agricultural Innovation Center es-
18 tablished pursuant to section 6402 of the Farm
19 Security and Rural Investment Act of 2002
20 (Public Law 107–171; 116 Stat. 426; 7 U.S.C.
21 1621 note) with significant experience in the
22 field of renewable energy, as determined by the
23 Secretary; or

24 “(B) in a region not served by a center re-
25 ferred to in subparagraph (A)—

1 “(i) an entity with significant experi-
2 ence in the field of renewable energy that
3 is geographically located in such region, as
4 determined by the Secretary; or

5 “(ii) an accredited college or univer-
6 sity with experience providing technical as-
7 sistance in the field of renewable energy
8 that is geographically located in such re-
9 gion, as determined by the Secretary.

10 “(16) SECRETARY.—The term ‘Secretary’
11 means the Secretary of Agriculture.

12 “(17) SOCIALLY DISADVANTAGED FARMER OR
13 RANCHER.—The term ‘socially disadvantaged farmer
14 or rancher’ means a farmer or rancher who is a
15 member of a socially disadvantaged group (as de-
16 fined in section 355(e) of the Consolidated Farm
17 and Rural Development Act (7 U.S.C. 2003(e))).

18 “(18) WETLANDS RESERVE PROGRAM.—The
19 term ‘wetlands reserve program’ means the wetlands
20 reserve program established under subchapter C of
21 chapter 1 of subtitle D of title XII of the Food Se-
22 curity Act of 1985 (16 U.S.C. 3837 et seq.).

23 “(c) ESTABLISHMENT.—Not later than 90 days after
24 the date of enactment of this section, the Secretary shall
25 establish a biomass energy reserve in accordance with this

1 section. The Secretary shall ensure the purposes in sub-
2 section (a) are met by including in the reserve projects
3 that include a variety of harvest and post-harvest prac-
4 tices, including stubble height, unharvested strips (includ-
5 ing strips for wildlife habitat), and varying harvest dates
6 and a variety of monoculture and polyculture crop mixes,
7 as appropriate, by project area.

8 “(d) PROPOSALS FOR BER PROJECT AREAS.—

9 “(1) SELECTION OF QUALIFIED ORGANIZA-
10 TIONS.—

11 “(A) IN GENERAL.—The Secretary shall
12 select not more than 10 qualified organizations
13 to assist—

14 “(i) eligible applicants in submitting
15 proposals under paragraph (2); and

16 “(ii) the Secretary in selecting BER
17 project areas.

18 “(B) REGION.—The Secretary shall select
19 not more than 1 qualified organization to assist
20 eligible applicants and the Secretary in any par-
21 ticular region of the United States, as deter-
22 mined by the Secretary.

23 “(C) FUNDING.—The Secretary shall pro-
24 vide each qualified organization selected under

1 paragraph (1) not more than \$300,000 to carry
2 out this paragraph.

3 “(2) CONSULTATION WITH QUALIFIED ORGANI-
4 ZATION.—An eligible applicant may consult with and
5 submit to a qualified organization a written proposal
6 that—

7 “(A) identifies the eligible cropland that
8 will be a part of the proposed BER project
9 area; and

10 “(B) indicates a strong likelihood that the
11 proposed BER project area will generate a suf-
12 ficient quantity of biomass from eligible dedi-
13 cated energy crops and acres or other sources
14 to supply an existing bioenergy facility.

15 “(3) MINIMUM REQUIREMENTS.—The written
16 proposal for a proposed BER project area shall in-
17 clude—

18 “(A) a description of the eligible cropland
19 of each eligible participant that will participate
20 in the proposed BER project area, including—

21 “(i) the quantity of eligible cropland
22 of each eligible participant;

23 “(ii) the physical location of the eligi-
24 ble cropland;

1 “(iii) the 1 or more eligible dedicated
2 energy crops that will be produced on the
3 eligible cropland; and

4 “(iv) the type of land use or crop that
5 will be displaced by the eligible dedicated
6 energy crop;

7 “(B)(i) the name, if available, and type, lo-
8 cation, and description of the bioenergy facility
9 that will use the eligible dedicated energy crops
10 to be produced in the proposed BER project
11 area; and

12 “(ii) a letter of commitment from a bio-
13 energy facility that the facility will use the eligi-
14 ble dedicated energy crops intended to be pro-
15 duced in the proposed BER project area;

16 “(C) a general analysis of the anticipated
17 local economic impact of the proposed BER
18 project; and

19 “(D) any additional information needed to
20 determine the eligibility for, and ranking of, the
21 proposal, as determined by the Secretary.

22 “(4) INDIVIDUAL OWNERS AND OPERATORS.—A
23 project area proposal may not submit an individual
24 proposal to participate in the BER.

1 “(5) ELIGIBILITY CRITERIA FOR BER PROJECT
2 AREAS.—The Secretary shall establish a system for
3 ranking BER project areas based on the following
4 criteria:

5 “(A) The probability that the eligible dedi-
6 cated energy crops proposed to be produced in
7 the proposed BER project area will be used for
8 the purposes of the BER.

9 “(B) The inclusion of adequate potential
10 feedstocks and suitable placement with respect
11 to the bioenergy facility.

12 “(C) The potential for a positive economic
13 impact in the proposed BER project area.

14 “(D) The availability of the ownership of
15 the bioenergy facility in the proposed BER
16 project area to producers and local investors.

17 “(E) The participation rate by beginning
18 farmers or ranchers or socially disadvantaged
19 farmers or ranchers.

20 “(F) The potential to improve soil con-
21 servation and water quality, and enhance wild-
22 life habitat, when compared to existing land
23 uses.

1 “(G) The variety of agronomic conditions
2 the proposed eligible dedicated energy crops will
3 be grown within a project area.

4 “(H) The variety of harvest and post har-
5 vest practices, including stubble height,
6 unharvested strips (including strips for wildlife
7 habitat), and varying harvest dates.

8 “(I) The variety of monoculture and
9 polyculture crop mixes, as appropriate, by
10 project area.

11 “(6) SELECTION OF PROJECTS.—

12 “(A) RANKING; SUBMISSION TO SEC-
13 RETARY.—Each qualified organization selected
14 by the Secretary under paragraph (1) shall
15 rank proposals submitted to such qualified or-
16 ganization under paragraph (2) using the sys-
17 tem for ranking established by the Secretary
18 under paragraph (6) and shall submit to the
19 Secretary up to five of the highest ranked appli-
20 cations.

21 “(B) SECRETARY SELECTION.—The Sec-
22 retary shall authorize not less than one pro-
23 posal submitted to the Secretary from each
24 qualified organization under subparagraph (A).

25 “(e) FOREST BIOMASS PLANNING GRANTS.—

1 “(1) IN GENERAL.—The Secretary shall provide
2 forest biomass planning assistance grants to private
3 landowners to develop forest stewardship plans that
4 involve sustainable management of biomass from
5 forest land of the private landowners that will pre-
6 serve diversity, soil, water, or wildlife values of the
7 land, while ensuring a steady supply of biomass ma-
8 terial, through—

9 “(A) State forestry agencies, in consulta-
10 tion with State wildlife agencies; and

11 “(B) technical service provider arrange-
12 ments with third-parties.

13 “(2) LIMITATION.—The total amount of funds
14 used to carry out this subsection shall not exceed
15 \$5,000,000.

16 “(f) DURATION OF CONTRACT.—

17 “(1) IN GENERAL.—Subject to paragraph (2),
18 for purposes of carrying out the BER, the Secretary
19 shall enter into contracts of 5 years.

20 “(2) EARLY TERMINATION.—The Secretary
21 may terminate a contract early if the Secretary de-
22 termines that—

23 “(A) contract acreage will not be used to
24 produce an eligible dedicated energy crop;

1 “(B) a material breach of the contract has
2 occurred;

3 “(C) the owner or operator has died; or

4 “(D) continuation of the contract will
5 cause undue economic hardship.

6 “(g) CONTRACT ACREAGE REQUIREMENTS.—

7 “(1) IN GENERAL.—On approval of a BER
8 project area by the Secretary, each eligible partici-
9 pant in the BER project area shall enter into a con-
10 tract with the Secretary that is consistent with the
11 BER.

12 “(2) ADDITIONAL ELIGIBLE PARTICIPANTS.—
13 The Secretary may add eligible participants to a
14 BER project area after approval of the BER project
15 area.

16 “(3) CONSERVATION PRACTICES.—To ensure
17 the sustainability of farm operations and the protec-
18 tion of soil, air, water and wildlife, the Secretary
19 shall include such terms and conditions in a contract
20 entered into under paragraph (1) as the Secretary
21 considers necessary.

22 “(4) PURPOSES.—

23 “(A) IN GENERAL.—Except as provided in
24 subparagraph (B), to be eligible to participate
25 in the BER, an eligible participant may use eli-

1 gible dedicated energy crops produced on con-
2 tract acreage only for the purposes described in
3 subsection (a).

4 “(B) PERSONAL USE.—During the period
5 before the commercial viability of a bioenergy
6 facility, an eligible participant may use eligible
7 dedicated energy crops produced by the eligible
8 participant on contract acreage for personal
9 use.

10 “(C) SEED PRODUCTION.—During the pe-
11 riod before the commercial viability of a bio-
12 energy facility, an eligible participant may har-
13 vest and sell seed produced on contract acreage.

14 “(5) REQUIREMENTS.—To be eligible to partici-
15 pate in the BER, during the term of the BER con-
16 tract, an eligible participant shall comply with—

17 “(A) the highly erodible land conservation
18 requirements of subtitle B of title XII of the
19 Food Security Act of 1985 (16 U.S.C. 3811 et
20 seq.); and

21 “(B) the wetland conservation require-
22 ments of subtitle C of title XII of that Act (16
23 U.S.C. 3821 et seq.).

24 “(h) ADDITIONAL ELIGIBLE BIOMASS.—

1 “(1) IN GENERAL.—The Secretary may allow
2 on land that is enrolled in the conservation reserve
3 program and located within the BER project area
4 the harvesting of biomass—

5 “(A) in exchange for a reduction of an ap-
6 plicable annual payment in an amount to be de-
7 termined by the Secretary;

8 “(B) in accordance with an approved con-
9 servation reserve program plan, including mid-
10 contract management and forestry maintenance
11 activities; and

12 “(C) in a manner that ensures that bio-
13 mass harvest activities occur outside the official
14 nesting and brood rearing season for those
15 plans.

16 “(i) DUTIES OF SECRETARY.—The Secretary shall—

17 “(1) establish and administer the BER;

18 “(2) authorize establishment of BER project
19 areas for the purposes of the BER described in sub-
20 section (a);

21 “(3) develop procedures—

22 “(A) to monitor the compliance of eligible
23 participants that have land enrolled in the BER
24 with the requirements of the BER;

1 “(B) to measure the performance of the
2 BER; and

3 “(C) to demonstrate whether the long-term
4 eligible dedicated energy crop production goals
5 are being achieved.

6 “(4) enter into a written contract with each eli-
7 gible participant that elects to participate in the
8 BER in a BER project area;

9 “(5) not enter into a contract under the BER
10 with an individual owner or operator unless the land
11 of the eligible participant is physically located in an
12 approved BER project area; and

13 “(6) provide all payments under the contract
14 directly to the eligible participant.

15 “(j) CONTRACTS.—A contract entered into between
16 the Secretary and an eligible participant under the BER
17 shall include, at a minimum, terms that cover—

18 “(1) requirements for the eligible participant in
19 carrying out the contract, including requirements de-
20 scribed in subsections (f), (g), and (l);

21 “(2) termination provisions;

22 “(3) payment terms and amounts to be pro-
23 vided on an annual basis;

24 “(4) the sales or transfer of contract acreage;

25 “(5) the modification of the contract;

1 “(6) the maximum quantity of contract acreage
2 and an estimated schedule for how much eligible
3 cropland will be enrolled each contract year; and

4 “(7) any additional terms the Secretary con-
5 siders appropriate.

6 “(k) PAYMENTS.—

7 “(1) IN GENERAL.—The Secretary shall provide
8 payments directly to eligible participants who enter
9 into contracts described in subsection (j) in accord-
10 ance with such subsection.

11 “(2) ESTABLISHMENT PAYMENTS.—

12 “(A) IN GENERAL.—The Secretary shall
13 provide to an eligible participant who enters
14 into a BER contract an establishment payment
15 in an amount equal to the costs of establishing
16 an eligible dedicated energy crop on the con-
17 tract acreage covered by the contract.

18 “(B) ELIGIBLE ESTABLISHMENT PAY-
19 MENTS.—The costs for which an eligible owner
20 may receive an establishment payment under
21 this paragraph include—

22 “(i) the cost of seeds and stock; and

23 “(ii) the cost of planting the crop.

24 “(3) RENTAL PAYMENTS.—

1 “(A) IN GENERAL.—The Secretary shall
2 make annual rental payments to an eligible par-
3 ticipant who enters into a BER contract.

4 “(B) PERIOD.—An eligible participant
5 shall receive rental payments for a period of not
6 more than 5 years after entering into a BER
7 contract with the Secretary on contract acreage.

8 “(C) REDUCTION.—The Secretary shall re-
9 duce rental payments under (A) by an amount
10 determined to be appropriate by the Secretary,
11 if an eligible dedicated energy crop is harvested
12 in accordance with subsection (g)(4).

13 “(l) INFORMATION SHARING.—

14 “(1) IN GENERAL.—Owners and operators of a
15 farm entering into a contract with the Secretary
16 under this section shall agree to make available to
17 the Secretary, or to an institution of higher edu-
18 cation or other entity designated by the Secretary,
19 such information as the Secretary considers to be
20 appropriate to promote the production of bioenergy
21 crops and the development of biorefinery technology;
22 and

23 “(2) BEST PRACTICES DATABASE.—Subject to
24 section 1770 of the Food Security Act of 1985 (7
25 U.S.C. 2276), the Secretary shall make available to

1 the public in a database format the best practices in-
2 formation developed by the Secretary in providing
3 bioenergy assistance under this section.

4 “(m) PAYMENTS FOR COLLECTING, HARVESTING,
5 STORING, AND TRANSPORTING BIOMASS PRODUCED ON
6 BER CONTRACT ACREAGE, AGRICULTURAL WASTE BIO-
7 MASS, AND SUSTAINABLY-HARVESTED AGRICULTURAL
8 AND FOREST RESIDUES.—

9 “(1) IN GENERAL.—Subject to paragraph (2),
10 the Secretary may provide matching payments at a
11 rate of \$1 for every \$1 per ton provided by the bio-
12 energy facility, in an amount equal to not more than
13 \$45 per ton for a period of two years—

14 “(A) to eligible participants for biomass
15 produced on BER contract acreage in exchange
16 for a reduction of the annual payment issued
17 under subsection (k)(3), as determined by the
18 Secretary;

19 “(B) to any producer of agricultural waste
20 biomass or sustainably-harvested agricultural
21 and forest residues in the United States for the
22 agricultural waste or residue; and

23 “(C) for residue collected as a result of the
24 removal of noxious and invasive species, in ac-

1 cordance with methods approved by the Sec-
2 retary.

3 “(2) FOREST LAND OWNER ELIGIBILITY.—
4 Owners of forest land shall be eligible to receive pay-
5 ments under this subsection only if such owners are
6 acting pursuant to a forest stewardship plan.

7 “(n) FUNDING.—Of the funds of the Commodity
8 Credit Corporation, the Secretary shall use to carry out
9 this section such sums as are necessary for each of fiscal
10 years 2008 through 2012.”.

11 **SEC. 9019. FOREST BIOMASS FOR ENERGY.**

12 Title IX of the Farm Security and Rural Investment
13 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended
14 by adding at the end the following new section:

15 **“SEC. 9018. FOREST BIOMASS FOR ENERGY.**

16 “(a) IN GENERAL.—The Secretary of Agriculture,
17 through the Forest Service, shall conduct a competitive
18 research and development program to encourage use of
19 forest biomass for energy.

20 “(b) ELIGIBLE ENTITIES.—Entities eligible to com-
21 pete under this program include the Forest Service
22 (through Research and Development), other Federal agen-
23 cies, State and local governments, federally recognized In-
24 dian tribes, land grant colleges and universities, and pri-
25 vate entities.

1 “(c) PRIORITY FOR PROJECT SELECTION.—The Sec-
2 retary shall give priority to projects that—

3 “(1) develop technology and techniques to use
4 low value forest biomass, such as byproducts of for-
5 est health treatments and hazardous fuels reduction,
6 for the production of energy;

7 “(2) develop processes that integrate production
8 of energy from forest biomass into biorefineries or
9 other existing manufacturing streams;

10 “(3) develop new transportation fuels from for-
11 est biomass; and

12 “(4) improve the growth and yield of trees in-
13 tended for renewable energy production.

14 “(d) FUNDING.—Of the funds of the Commodity
15 Credit Corporation, the Secretary shall make available to
16 carry out this section \$15,000,000 for each of fiscal years
17 2008 through 2012.”.

18 **SEC. 9019. COMMUNITY WOOD ENERGY PROGRAM.**

19 (a) FINDINGS.— Congress finds that—

20 (1) the United States’ over-reliance on fossil
21 fuel energy has placed undue strain on the nation by
22 compromising our economy and national security;

23 (2) the United States’ over-reliance on fossil
24 fuel energy has also created new strains on our nat-

1 ural systems, including carbon emissions that con-
2 tribute to climate change;

3 (3) transportation of energy, such as heating
4 oil, adds to carbon emissions associated with meet-
5 ing our community energy needs and therefore fur-
6 ther feeds climate change;

7 (4) it is in the national interest to conserve en-
8 ergy and support adoption of new local, sustainable,
9 efficient, and carbon neutral energy sources, such as
10 wood energy, for community energy needs;

11 (5) communities can save as much as 50 per-
12 cent over natural gas, 80 percent over propane, 80
13 percent over electric heat, and 50 percent over oil
14 heat by switching to wood energy for heating schools
15 and other public buildings;

16 (6) in fast growing communities of all sizes
17 across the United States, municipal and country-
18 owned forest land is playing an essential role in
19 meeting many public needs and could also be used
20 to help support sustainable forestry and local wood
21 energy applications; and

22 (7) the rapidly expanding base of private forest
23 land owners nationwide includes many individuals
24 with no experience in forest stewardship who could
25 be given technical assistance to provide locally

1 sourced wood supply through sustainable forest
2 management for local wood energy applications.

3 (b) PURPOSE.—The purpose of this section is to pro-
4 vide grants for community wood energy systems that are
5 intended to—

6 (1) meet community energy needs with reduced
7 carbon intensity versus fossil fuel systems;

8 (2) promote energy conservation and develop-
9 ment of new renewable energy sources;

10 (3) aid local budgets by reducing municipal and
11 county energy costs;

12 (4) increase utilization of low value wood sup-
13 plies and waste, thereby strengthening the forest
14 products economy for the benefit of forest workers
15 and private forest land owners; and

16 (5) increase awareness of energy conservation
17 and consumption and the multiple-use values of for-
18 ests among community members, especially young
19 people.

20 (c) GRANT PROGRAM.—The Secretary of Agriculture,
21 acting through the Forest Service, shall establish a pro-
22 gram to be known as the Community Wood Energy Pro-
23 gram to provide grants to State and local governments to
24 acquire community wood energy systems for public build-
25 ings and to implement a community wood energy plan.

1 (d) USE IN PUBLIC BUILDINGS.—A State or local
2 government receiving a grant under subsection (c) shall
3 use a community wood energy system acquired in whole
4 or in part with the use of grant funds for primary use
5 in a public facility owned by such State or local govern-
6 ment.

7 (e) LIMITATION.—A community wood energy system
8 acquired with grant funds provided under subsection (c)
9 shall not exceed an output of—

10 (1) 50,000,000 BTU per hour for heating; and

11 (2) 2 megawatts for electric power production.

12 (f) COMMUNITY WOOD ENERGY PLAN.—Within 18
13 months of receiving assistance under this section, commu-
14 nities shall utilize the technical assistance of the State for-
15 ester to create a community wood energy plan identifying
16 how local forests can be accessed in a sustainable manner
17 to help meet the wood supply needs of systems purchased
18 under this section.

19 (g) MATCHING FUNDS.—A State or local government
20 receiving a grant under subsection (c) shall contribute an
21 amount of non-Federal funds towards the acquisition of
22 community wood energy systems that is at least equal to
23 the amount of grant funds received by such State or local
24 government.

1 (h) COMMUNITY WOOD ENERGY SYSTEM DE-
2 FINED.—The term “community wood energy system” in-
3 cludes single facility central heating, district heating, com-
4 bined heat and energy systems, and other related biomass
5 energy systems that service schools, town halls, libraries,
6 and other public buildings.

7 (i) APPROPRIATION.— There are authorized to be ap-
8 propriated such sums as may be necessary to carry out
9 this section.

10 **SEC. 9020. SUPPLEMENTING CORN AS AN ETHANOL FEED-**
11 **STOCK.**

12 (a) RESEARCH AND DEVELOPMENT PROGRAM.—The
13 Secretary of Agriculture shall establish a program to make
14 grants of not to exceed \$1,000,000 each to no more than
15 20 universities for a 3-year program of demonstration of
16 supplementing corn as an ethanol feedstock with sweet
17 sorghum and switchgrass.

18 (b) PROGRAM GOALS.—The goals of the program
19 under this section shall be to—

20 (1) enhance agronomic efficiency of the crop on
21 marginal lands by—

22 (A) developing best management practices
23 for maintaining high yields while using less
24 water and nitrogen than corn;

1 (B) identifying and selecting plants with a
2 high sugar content; and

3 (C) developing cold-tolerant sweet sorghum
4 varieties to enable two crops to be grown per
5 season;

6 (2) enhance ethanol processing potential in the
7 crop by—

8 (A) developing a robust technology for cen-
9 tralized ethanol production facilities that pair
10 high-performing sweet sorghum lines with dif-
11 ferent yeasts to produce the best process for
12 converting sweet sorghum juice into ethanol;

13 (B) conducting process and chemical anal-
14 yses of sweet sorghum sap fermentation;

15 (C) introducing cellulosic hydrolyzing en-
16 zymes into sweet sorghum to promote biomass
17 conversion; and

18 (D) performing life-cycle analysis of sweet
19 sorghum ethanol, including analysis of energy
20 yield, efficiency, and greenhouse gas reduction;

21 (3) establish a production system optimized for
22 the region of the university conducting the research;

23 (4) improve sweet sorghum lines with higher
24 sugar production and performance with minimal ag-
25 ricultural inputs;

1 (5) optimize sugar fermentation using selected
2 yeast strains;

3 (6) develop sweet sorghum lines with improved
4 cold tolerance and cellulosic degradation; and

5 (7) develop agricultural models for predicting
6 agricultural performance and ethanol yield under
7 various growing conditions.

8 (c) AWARD CRITERIA.—The Secretary shall award
9 grants under this section only to universities that—

10 (1) have access to multiple lines of sweet sor-
11 ghum for research; and

12 (2) are located in a State where sweet sorghum
13 is anticipated to grow well on marginal lands.

14 (d) AUTHORIZATION OF APPROPRIATIONS.—There
15 are authorized to be appropriated to the Secretary for car-
16 rying out this section \$20,000,000.

17 **TITLE X—HORTICULTURE AND**
18 **ORGANIC AGRICULTURE**

 Subtitle A—Honey and Bees

Sec. 10001. Annual report on response to honey bee colony collapse disorder.

 Subtitle B—Horticulture Provisions

Sec. 10101. Tree assistance program.

Sec. 10102. Specialty crop block grants.

Sec. 10103. Additional section 32 funds for purchase of fruits, vegetables, and
 nuts to support domestic nutrition assistance programs.

Sec. 10103A Additional section 32 funds to provide grants for the purchase
 and operation of urban gardens growing organic fruits and
 vegetables for the local population.

Sec. 10104. Independent evaluation of Department of Agriculture commodity
 purchase process.

Sec. 10105. Quality requirements for clementines.

- Sec. 10106. Implementation of food safety programs under marketing orders.
 Sec. 10107. Inclusion of specialty crops in census of agriculture.
 Sec. 10108. Maturity requirements for Hass avocados.
 Sec. 10109. Mushroom promotion, research, and consumer information.
 Sec. 10110. Fresh produce education initiative.

Subtitle C—Pest and Disease Management

- Sec. 10201. Pest and disease program.
 Sec. 10202. Multi-species fruit fly research and sterile fly production.

Subtitle D—Organic Agriculture

- Sec. 10301. National organic certification cost-share program.
 Sec. 10302. Organic production and market data.
 Sec. 10303. Organic conversion, technical, and educational assistance.

Subtitle E—Miscellaneous Provisions

- Sec. 10401. Grant program to improve movement of specialty crops.
 Sec. 10402. Authorization of appropriations for market news activities regarding specialty crops.
 Sec. 10403. Farmer marketing program.
 Sec. 10404. National Clean Plant Network.

1 **Subtitle A—Honey and Bees**

2 **SEC. 10001. ANNUAL REPORT ON RESPONSE TO HONEY BEE**
 3 **COLONY COLLAPSE DISORDER.**

4 The Secretary of Agriculture shall submit to Con-
 5 gress an annual report describing the progress made by
 6 the Department of Agriculture in investigating the cause
 7 or causes of honey bee colony collapse and in finding ap-
 8 propriate strategies to reduce colony loss.

9 **Subtitle B—Horticulture**
 10 **Provisions**

11 **SEC. 10101. TREE ASSISTANCE PROGRAM.**

12 (a) INCLUSION OF NURSERY TREE GROWERS.—

13 (1) ELIGIBILITY.—Section 10201 of the Farm
 14 Security and Rural Investment Act of 2002 (7
 15 U.S.C. 8201) is amended—

1 (A) by redesignating paragraphs (3) and
2 (4) as paragraphs (4) and (5), respectively; and

3 (B) by inserting after paragraph (2) the
4 following new paragraph:

5 “(3) NURSERY TREE GROWER.—The term
6 ‘nursery tree grower’ means a person who produces
7 nursery, ornamental, fruit, nut, or Christmas trees
8 for commercial sale, as determined by the Sec-
9 retary.”.

10 (2) CONFORMING AMENDMENTS.—Subtitle C of
11 title X of the Farm Security and Rural Investment
12 Act of 2002 is amended—

13 (A) in section 10202 (7 U.S.C. 8202)—

14 (i) in subsection (a), by inserting
15 “and nursery tree growers” after “eligible
16 orchardists”; and

17 (ii) in subsection (b), by inserting “or
18 nursery tree grower” after “eligible or-
19 chardist”; and

20 (B) in section 10203 (7 U.S.C. 8203), by
21 inserting “and nursery tree growers” after “eli-
22 gible orchardists”.

23 (b) ANNUAL PAYMENT LIMITATION.—Section
24 10204(a) of the Farm Security and Rural Investment Act

1 of 2002 (7 U.S.C. 8204(a)) is amended by striking
2 “\$75,000” and inserting “\$150,000 per year”.

3 (c) APPLICABILITY.—The amendments made by this
4 section shall apply with respect to any natural disaster oc-
5 ccurring after the date of the enactment of this Act for
6 which assistance is provided by the Secretary of Agri-
7 culture under the tree assistance program.

8 **SEC. 10102. SPECIALTY CROP BLOCK GRANTS.**

9 (a) EXTENSION OF PROGRAM.—Subsection (a) of
10 section 101 of the Specialty Crops Competitiveness Act
11 of 2004 (Public Law 108–465; 7 U.S.C. 1621 note) is
12 amended by striking “2009” and inserting “2012”.

13 (b) AVAILABILITY OF FUNDS.—Subsection (i) of sec-
14 tion 101 of the Specialty Crops Competitiveness Act of
15 2004 is amended to read as follows:

16 “(i) FUNDING.—Of the funds of the Commodity
17 Credit Corporation, the Secretary of Agriculture shall
18 make grants under this section, using—

19 “(1) \$60,000,000 in fiscal year 2008;

20 “(2) \$65,000,000 in fiscal year 2009;

21 “(3) \$70,000,000 in fiscal year 2010;

22 “(4) \$75,000,000 in fiscal year 2011; and

23 “(5) \$95,000,000 in fiscal year 2012.”.

1 (c) CONFORMING AMENDMENTS.—Section 101 of the
2 Specialty Crops Competitiveness Act of 2004 (Public Law
3 108–465; 7 U.S.C. 1621 note) is further amended—

4 (1) in subsection (a), by striking “Subject to
5 the appropriation of funds to carry out this section”
6 and inserting “Using the funds made available
7 under subsection (i)”;

8 (2) in subsection (b), by striking “appropriated
9 pursuant to the authorization of appropriations in”
10 and inserting “made available under”; and

11 (3) in subsection (c), by striking “Subject to
12 the appropriation of sufficient funds to carry out
13 this subsection, each” and inserting “Each”.

14 (d) DEFINITION OF SPECIALTY CROP.—Section 3(1)
15 of the Specialty Crops Competitiveness Act of 2004 (Pub-
16 lic Law 108–465; 7 U.S.C. 1621 note) is amended by in-
17 serting “horticulture and” before “nursery”.

18 (e) DEFINITION OF STATE.—Section 3(2) of the Spe-
19 cialty Crops Competitiveness Act of 2004 (Public Law
20 108–465; 7 U.S.C. 1621 note) is amended by striking
21 “and the Commonwealth of Puerto Rico” and inserting
22 “the Commonwealth of Puerto Rico, Guam, American
23 Samoa, the United States Virgin Islands, and the Com-
24 monwealth of the Northern Mariana Islands”.

1 **SEC. 10103. ADDITIONAL SECTION 32 FUNDS FOR PUR-**
2 **CHASE OF FRUITS, VEGETABLES, AND NUTS**
3 **TO SUPPORT DOMESTIC NUTRITION ASSIST-**
4 **ANCE PROGRAMS.**

5 (a) **FUNDING FOR ADDITIONAL PURCHASES OF**
6 **FRUITS, VEGETABLES, AND NUTS.**—In addition to the
7 purchases of fruits, vegetables, and nuts required by sec-
8 tion 10603 of the Farm Security and Rural Investment
9 Act of 2002 (7 U.S.C. 612c–4), the Secretary of Agri-
10 culture shall purchase fruits, vegetables, and nuts for the
11 purpose of providing nutritious foods for use in domestic
12 nutrition assistance programs, using, of the funds made
13 available under section 32 of the Act of August 24, 1935
14 (7 U.S.C. 612c), the following amounts:

- 15 (1) \$190,000,000 in fiscal year 2008.
16 (2) \$193,000,000 in fiscal year 2009.
17 (3) \$199,000,000 in fiscal year 2010.
18 (4) \$203,000,000 in fiscal year 2011.
19 (5) \$206,000,000 in fiscal year 2012 and each
20 fiscal year thereafter.

21 (b) **FORM OF PURCHASES.**—Fruits, vegetables, and
22 nuts may be purchased under this section in the form of
23 frozen, canned, dried, or fresh fruits, vegetables, and nuts.

24 (c) **VALUE ADDED PRODUCTS.**—The Secretary may
25 consider offering value-added products containing fruits,

1 vegetables or nuts under this section, taking into ac-
2 count—

3 (1) whether demand exists for the value-added
4 product; and

5 (2) the interests of entities that receive fruits,
6 vegetables, and nuts under this section.

7 **SEC. 10103A. ADDITIONAL SECTION 32 FUNDS TO PROVIDE**
8 **GRANTS FOR THE PURCHASE AND OPER-**
9 **ATION OF URBAN GARDENS GROWING OR-**
10 **GANIC FRUITS AND VEGETABLES FOR THE**
11 **LOCAL POPULATION.**

12 (a) GRANTS.—The Secretary of Agriculture may
13 make grants to eligible entities to assist in purchasing and
14 operating organic gardens or greenhouses in urban areas
15 for growing fruits and vegetables. In making such grants,
16 the Secretary will ensure such fruits and vegetables are
17 sold to local grocery stores.

18 (b) LIMITATIONS.—Grants provided to any eligible
19 entity under this section may not exceed \$25,000 for any
20 given year.

21 (c) ELIGIBLE ENTITIES.—

22 (1) INDIVIDUALS.—An individual shall be eligi-
23 ble to receive a grant under subsection (a) if the in-
24 dividual is a resident of the neighborhood in which

1 the urban garden or greenhouse is located, or will be
2 located.

3 (2) COOPERATIVES.—A cooperative shall be eli-
4 gible to receive a grant under subsection (a) if every
5 individual member or owner of the cooperative is a
6 resident of the neighborhood in which the urban gar-
7 den or greenhouse is located, or will be located.

8 (d) SELECTION OF ELIGIBLE ENTITIES.—The Sec-
9 retary shall develop criteria for the selection of eligible en-
10 tities to receive grants under this section.

11 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
12 authorized to be appropriated to carry out this section
13 \$20,000,000 for fiscal year 2008 and for each fiscal year
14 thereafter.

15 **SEC. 10104. INDEPENDENT EVALUATION OF DEPARTMENT**
16 **OF AGRICULTURE COMMODITY PURCHASE**
17 **PROCESS.**

18 (a) EVALUATION REQUIRED.—The Secretary of Agri-
19 culture shall arrange to have performed an independent
20 evaluation of the commodity purchasing processes (and
21 the statutory and regulatory authority underlying such
22 processes) used by the Department of Agriculture to re-
23 move surplus commodities from the market and support
24 commodity prices and producer incomes, especially with
25 regard to activities under section 32 of the Act of August

1 24, 1935 (7 U.S.C. 612c) and the importance of increas-
2 ing purchases of specialty crops.

3 (b) SUBMISSION OF RESULTS.—Not later than one
4 year after the date of the enactment of this Act, the Sec-
5 retary of Agriculture shall submit to Congress a report
6 on the results of the evaluation.

7 **SEC. 10105. QUALITY REQUIREMENTS FOR CLEMENTINES.**

8 Section 8e(a) of the Agricultural Adjustment Act (7
9 U.S.C. 608e–1(a)), reenacted with amendments by the Ag-
10 ricultural Marketing Agreement Act of 1937, is amended
11 in the first sentence by inserting after “nectarines,” the
12 following: “clementines,”.

13 **SEC. 10106. IMPLEMENTATION OF FOOD SAFETY PRO-**
14 **GRAMS UNDER MARKETING ORDERS.**

15 Section 8c(6) of the Agricultural Adjustment Act (7
16 U.S.C. 608c(6)), reenacted with amendments by the Agri-
17 cultural Marketing Agreement Act of 1937, is amended
18 by adding at the end the following:

19 “(K) In the case of an order related to a specialty
20 crop (as such term is defined in section 3(1) of the Spe-
21 cialty Crops Competitiveness Act of 2004 (Public Law
22 108–465; 118 Stat. 3883)), authorizing the implementa-
23 tion of quality-related food safety programs designed to
24 enhance the safety of the specialty crop and products de-
25 rived from specialty crops.”.

1 **SEC. 10107. INCLUSION OF SPECIALTY CROPS IN CENSUS**
2 **OF AGRICULTURE.**

3 Section 2(a) of the Census of Agriculture Act of 1997
4 (7 U.S.C. 2204g(a) is amended by adding at the end the
5 following new sentence: “Beginning with the census of ag-
6 riculture required to be conducted in 2008, the Secretary
7 shall conduct as part of each census of agriculture a cen-
8 sus of specialty crops (as such term is defined in section
9 3(1) of the Specialty Crops Competitiveness Act of 2004
10 (Public Law 108–465; 118 Stat. 3883)).”.

11 **SEC. 10108. MATURITY REQUIREMENTS FOR HASS AVOCA-**
12 **DOS.**

13 Subtitle A of the Agricultural Marketing Act of 1946
14 is amended by adding at the end the following new section:

15 **“SEC. 209. MATURITY REQUIREMENTS FOR HASS AVOCA-**
16 **DOS.**

17 “(a) **MINIMUM PERCENTAGE OF DRY MATTER.**—Not
18 later than 180 days after the date of the enactment of
19 the Farm, Nutrition, and Bioenergy Act of 2007, the Sec-
20 retary of Agriculture shall issue final regulations to re-
21 quire that all Hass avocados sold to consumers in the
22 United States meet the minimum maturity standard of not
23 less than 20.8 percent dry matter.

24 “(b) **EXCEPTIONS.**—Subsection (a) and the regula-
25 tions issued pursuant to such subsection shall not apply
26 to Hass avocados—

1 “(1) intended for consumption by charitable in-
2 stitutions;

3 “(2) intended for distribution by relief agencies;

4 “(3) intended for commercial processing into
5 products; or

6 “(4) that the Secretary determines should not
7 be subject to such subsection or such regulations.

8 “(c) USE OF EXISTING INSPECTORS.—The Secretary
9 shall, to the greatest extent practicable, use inspectors
10 that inspect avocados for compliance with section 8e of
11 the Agricultural Adjustment Act (7 U.S.C. 608e–1), reen-
12 acted with amendments by the Agricultural Marketing
13 Agreement Act of 1937, to conduct inspections under this
14 section.

15 “(d) CIVIL PENALTIES.—The Secretary may require
16 any person who violates this section or the regulations
17 issued pursuant to this section to—

18 “(1) forfeit to the United States a sum equal
19 to the value of the commodity at the time of viola-
20 tion, which forfeiture shall be recoverable in a civil
21 suit bought in the name of the United States; or

22 “(2) on conviction, be fined not less than \$50
23 or more than \$5,000 for each violation.

24 “(e) DIVERSION.—In the case of any Hass avocados
25 that do not meet the requirements of this section or the

1 regulations issued pursuant to this section, the Secretary
2 may—

3 “(1) provide for the reinspection of the Hass
4 avocados; or

5 “(2) authorize the diversion, export, or repack-
6 ing of the Hass avocados.

7 “(f) FEES.—The Secretary may prescribe and collect
8 fees to cover the costs of providing for the inspection of
9 Hass avocados under this section. All fees and penalties
10 collected shall be credited to the accounts that incur such
11 costs and shall remain available until expended without
12 fiscal year limitation.

13 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
14 are authorized to be appropriated such sums as may be
15 necessary to carry out this section.”.

16 **SEC. 10109. MUSHROOM PROMOTION, RESEARCH, AND CON-**
17 **SUMER INFORMATION.**

18 (a) REGIONS AND MEMBERS.—Section 1925(b)(2) of
19 the Mushroom Promotion, Research, and Consumer Infor-
20 mation Act of 1990 (subtitle B of title XIX of Public Law
21 101–624; 7 U.S.C. 6104(b)(2)) is amended—

22 (1) in subparagraph (B), by striking “4 re-
23 gions” and inserting “3 regions”;

1 (2) in subparagraph (D), by striking
2 “35,000,000 pounds” and inserting “50,000,000
3 pounds”; and

4 (3) by striking subparagraph (E), and inserting
5 the following new subparagraph:

6 “(E) ADDITIONAL MEMBERS.—In addition
7 to the members appointed pursuant to para-
8 graph (1), and subject to the nine-member limit
9 of members on the council provided in such
10 paragraph, the Secretary shall appoint addi-
11 tional members to the council from a region
12 which attains additional pounds of production
13 as follows:

14 “(i) If a region’s annual production is
15 greater than 110,000,000 pounds, but less
16 than or equal to 180,000,000 pounds, the
17 region shall be represented by one addi-
18 tional member.

19 “(ii) If a region’s annual production is
20 greater than 180,000,000 pounds, but less
21 than or equal to 260,000,000 pounds, the
22 region shall be represented by two addi-
23 tional members.

24 “(iii) If a region’s annual production
25 is greater than 260,000,000 pounds, the

1 region shall be represented by three addi-
2 tional members.”.

3 (b) POWERS AND DUTIES OF COUNCIL.—Section
4 1925(c) of the Mushroom Promotion, Research, and Con-
5 sumer Information Act of 1990 (subtitle B of title XIX
6 of Public Law 101–624; 7 U.S.C. 6104(c)) is amended—

7 (1) by redesignating paragraphs (6), (7), and
8 (8) as paragraphs (7), (8), and (9), respectively; and

9 (2) by inserting after paragraph (5), the fol-
10 lowing new paragraph (6):

11 “(6) to develop a program for good agricultural
12 practices and good handling practices for mush-
13 rooms;”.

14 **SEC. 10110. FRESH PRODUCE EDUCATION INITIATIVE.**

15 (a) INITIATIVE AUTHORIZED.—The Secretary of Ag-
16 riculture may carry out a program to educate persons in-
17 volved in the fresh produce industry and the public
18 about—

19 (1) scientifically proven practices for reducing
20 microbiological pathogens on fresh produce; and

21 (2) methods of reducing the threat of cross-con-
22 tamination of fresh produce through unsanitary han-
23 dling practices.

24 (b) COOPERATION.—The Secretary may carry out the
25 program in cooperation with public or private partners.

1 (c) FUNDING.—There are authorized to be appro-
2 priated such sums as are necessary for each of fiscal years
3 2008 through 2012 to carry out this section.

4 **Subtitle C—Pest and Disease** 5 **Management**

6 **SEC. 10201. PEST AND DISEASE PROGRAM.**

7 (a) ESTABLISHMENT.—The Secretary of Agriculture
8 shall establish a program to—

9 (1) conduct early pest detection and surveil-
10 lance activities in cooperation with state depart-
11 ments of agriculture;

12 (2) determine and prioritize pest and disease
13 threats to domestic production of specialty crops;
14 and

15 (3) create an audit-based certification approach
16 to protect against the spread of plant pests and to
17 facilitate the interstate movement of plants and
18 plant products.

19 (b) EARLY PEST DETECTION AND SURVEILLANCE
20 IMPROVEMENT PROGRAM.—

21 (1) COOPERATIVE AGREEMENTS.—The Sec-
22 retary of Agriculture shall enter into cooperative
23 agreements with State departments of agriculture to
24 provide grants to such State departments of agri-

1 culture for early pest detection and surveillance ac-
2 tivities.

3 (2) APPLICATION.—A State department of agri-
4 culture seeking to enter into a cooperative agree-
5 ment under this subsection shall submit to the Sec-
6 retary an application containing such information as
7 the Secretary may require. The Secretary shall no-
8 tify applicants of the following:

9 (A) The requirements to be imposed on a
10 department of agriculture for auditing of, and
11 reporting on, the use of any funds provided by
12 the Secretary under the cooperative agreement.

13 (B) The criteria to be used to ensure that
14 early pest detection and surveillance activities
15 supported under the cooperative agreement are
16 based on sound scientific data or thorough risk
17 assessments.

18 (C) The means of identifying pathways of
19 pest introductions.

20 (3) USE OF FUNDS.—

21 (A) PEST DETECTION AND SURVEILLANCE
22 ACTIVITIES.—A State department of agriculture
23 that receives funds under this section shall use
24 the funds to carry out early pest detection and

1 surveillance activities approved by the Secretary
2 to prevent the introduction or spread of a pest.

3 (B) SUBAGREEMENTS.—A State depart-
4 ment of agriculture may use funds received
5 under this section to enter into subagreements
6 with political subdivisions in such State that
7 have legal responsibilities relating to agricul-
8 tural pest and disease surveillance.

9 (4) SPECIAL FUNDING CONSIDERATIONS.—The
10 Secretary shall provide, subject to the availability of
11 funds under subsection (j), funds to a State depart-
12 ment of agriculture that the Secretary determines is
13 in a State that has a high risk of being affected by
14 one or more pest, based on the following factors:

15 (A) The number of international airports
16 and maritime facilities in that State.

17 (B) The volume of international passenger
18 and cargo entry into that State.

19 (C) The geographic location of that State
20 and if such location is conducive to agricultural
21 pest and disease establishment due to the cli-
22 mate or crop diversity of that State.

23 (D) The types of agricultural commodities
24 or plants produced in that State and if the
25 commodities or plants produced are conducive

1 to agricultural pest and disease establishment
2 due to the climate or crop diversity of that
3 State.

4 (E) Whether the Secretary has declared an
5 emergency in that State pursuant to section
6 442 of the Plant Protection Act (7 U.S.C.
7 7772) due to an agricultural pest or disease of
8 Federal concern.

9 (F) Such other factors as the Secretary
10 considers appropriate.

11 (5) COST-SHARE.—

12 (A) FEDERAL COST SHARE; FORM OF NON-
13 FEDERAL COST SHARE.—Except as provided in
14 subparagraph (B), a cooperative agreement en-
15 tered into under paragraph (1) shall provide
16 that—

17 (i) the Federal share of carrying out
18 the cooperative agreement shall not exceed
19 75 percent of the total cost;

20 (ii) the non-Federal share of the cost
21 of carrying out the agreement may be pro-
22 vided in-kind; and

23 (iii) in-kind costs may include indirect
24 costs as considered appropriate by the Sec-
25 retary.

1 (B) ABILITY TO PROVIDE FUNDS.—The
2 Secretary shall not take the ability to provide
3 non-Federal costs to carry out a cooperative
4 agreement entered into under paragraph (1)
5 into consideration when deciding whether to
6 enter into a cooperative agreement with a State
7 department of agriculture.

8 (C) SPECIAL FUNDING CONSIDER-
9 ATIONS.—The non-federal share of carrying out
10 paragraph (4) shall not exceed 40 percent of
11 the total costs of carrying out such paragraph.

12 (6) REPORTING REQUIREMENT.—Not later than
13 180 days after the date of completion of an early
14 pest detection and surveillance activity conducted by
15 a State department of agriculture using funds pro-
16 vided under this section, the department of agri-
17 culture shall submit to the Secretary a report that
18 describes the purposes and results of the activities,
19 including any activities conducted pursuant to a sub-
20 agreement referred to in paragraph (3)(B).

21 (c) THREAT IDENTIFICATION AND MITIGATION PRO-
22 GRAM.—

23 (1) IN GENERAL.—In conducting the program
24 established under subsection (a), the Secretary
25 shall—

1 (A) develop risk assessments of the exist-
2 ing and potential threat to the specialty crop in-
3 dustry in the United States from pests and dis-
4 ease;

5 (B) prepare a list prioritizing pest and dis-
6 ease threats to the specialty crop industry;

7 (C) develop action plans, in consultation
8 with State departments of agriculture and other
9 State or regional resource partnerships, that ef-
10 fectively address pest and disease threats to the
11 specialty crop industry, including pathway anal-
12 ysis, domestic and offshore mitigation meas-
13 ures, and comprehensive exclusion measures at
14 ports of entry and other key distribution cen-
15 ters, in addition to strategies to employ if a
16 pest or disease is introduced;

17 (D) implement such action plans as soon
18 as they are developed to test the effectiveness of
19 such action plans and help prevent new foreign
20 and domestic pest and disease threats from
21 being introduced or widely disseminated in the
22 United States; and

23 (E) collaborate with the nursery industry,
24 research institutions, and other appropriate en-
25 tities to develop a nursery pest risk manage-

1 ment system to identify nursery pests and dis-
2 eases, prevent the introduction, establishment,
3 and spread of such pests and diseases, and re-
4 duce the risk of, prioritize, mitigate, and eradi-
5 cate such pests and diseases.

6 (2) REPORTS.—Not later than one year after
7 the date of the enactment of this Act, and annually
8 thereafter, the Secretary shall update and submit to
9 Congress the priority list and action plans described
10 in paragraph (1), including an accounting of funds
11 expended on the action plans.

12 (d) AUDIT-BASED APPROACH TO SPECIALTY CROP
13 PHYTOSANITARY CERTIFICATION.—In conducting the
14 program established under subsection (a), the Secretary
15 shall provide funds and technical assistance to specialty
16 crop growers, organizations representing such growers,
17 and State and local agencies working with such growers
18 and organizations for the development and implementation
19 of certification systems based on audit-based approaches,
20 such as best management practices or nursery pest risk
21 management systems, to address plant pests and to miti-
22 gate the risk of plant pests in the movement of plants and
23 plant products.

24 (e) COOPERATIVE AGREEMENTS.—The Secretary
25 may enter into cooperative agreements with other Federal

1 departments or agencies, States or political subdivisions
2 of States, national governments, local governments of
3 other nations, domestic or international organizations, do-
4 mestic or international associations, and other persons to
5 carry out this section.

6 (f) CONSULTATION.—The Secretary shall consult
7 with the National Plant Board, State departments of agri-
8 culture, and specialty crop grower organizations to estab-
9 lish funding priorities under this section for each fiscal
10 year.

11 (g) ADMINISTRATIVE COSTS.—Not more than 5 per-
12 cent of the funds provided under this section may be used
13 for administrative costs.

14 (h) DEFINITIONS.—In this section:

15 (1) EARLY PEST DETECTION AND SURVEIL-
16 LANCE.—The term “early pest detection and surveil-
17 lance” means the full range of activities undertaken
18 to find newly introduced pests, whether new to the
19 United States or new to certain areas of the United
20 States, before the pests become established, or be-
21 fore pest infestations become too large and costly to
22 eradicate or control.

23 (2) PEST.—The term “pest” has the meaning
24 given the term “plant pest” in section 403(14) of
25 the Plant Protection Act (7 U.S.C. 7702(14)).

1 (3) SPECIALTY CROP.—The term “specialty
2 crop” has the meaning given the term in section
3 3(1) of the Specialty Crop Competitiveness Act of
4 2004 (Public Law 108–465; 118 Stat. 3883; 7
5 U.S.C. 1621 note).

6 (4) STATE DEPARTMENT OF AGRICULTURE.—
7 The term “State department of agriculture” means
8 an agency of a State that has a legal responsibility
9 to perform early pest detection and surveillance ac-
10 tivities.

11 (i) SECRETARIAL DISCRETION.—Section 442(c) of
12 the Plant Protection Act (7 U.S.C. 7772(c)) is amended
13 by striking “of longer than 60 days”.

14 (j) FUNDING.—Of the funds of the Commodity Credit
15 Corporation, the Secretary shall make available to carry
16 out this section—

17 (1) \$10,000,000 for fiscal year 2008;

18 (2) \$25,000,000 for fiscal year 2009;

19 (3) \$40,000,000 for fiscal year 2010;

20 (4) \$55,000,000 for fiscal year 2011; and

21 (5) \$70,000,000 for fiscal year 2012.

22 **SEC. 10202. MULTI-SPECIES FRUIT FLY RESEARCH AND**
23 **STERILE FLY PRODUCTION.**

24 (a) CONSTRUCTION.—The Secretary of Agriculture
25 shall construct a warehouse and irradiation containment

1 facility in Waimanalo, Hawaii, to support fruit fly rearing
2 and sterilization activities.

3 (b) AUTHORIZATION OF APPROPRIATIONS.—There
4 are authorized to be appropriated—

5 (1) \$15,000,000 for the construction of a ware-
6 house and irradiation containment facility pursuant
7 to subsection (a); and

8 (2) \$1,000,000 for fiscal year 2008 and each
9 subsequent fiscal year for maintenance to the facili-
10 ties constructed pursuant to this section.

11 **Subtitle D—Organic Agriculture**

12 **SEC. 10301. NATIONAL ORGANIC CERTIFICATION COST- 13 SHARE PROGRAM.**

14 Section 10606 of the Farm Security and Rural In-
15 vestment Act of 2002 (7 U.S.C. 6523) is amended—

16 (1) in subsection (a), by striking “\$5,000,000
17 for fiscal year 2002” and inserting “\$22,000,000 for
18 fiscal year 2008”; and

19 (2) in subsection (b)(2), by striking “\$500”
20 and inserting “\$750”.

21 **SEC. 10302. ORGANIC PRODUCTION AND MARKET DATA.**

22 (a) NEW DATA REQUIREMENTS.—Section 7407 of
23 the Farm Security and Rural Investment Act of 2002 (7
24 U.S.C. 5925c) is amended to read as follows:

1 **“SEC. 7407. ORGANIC DATA COLLECTION AND PUBLICA-**
2 **TION.**

3 “(a) DATA COLLECTION AND PUBLICATION.—To as-
4 sist organic farmers in making informed production and
5 marketing decisions, the Secretary of Agriculture shall col-
6 lect and publish segregated data and survey information
7 about the price, production, and marketing of major or-
8 ganically produced commodities, as determined by the Sec-
9 retary.

10 “(b) FUNDING.—The Secretary of Agriculture shall
11 use \$3,000,000 of the funds of the Commodity Credit Cor-
12 poration to carry out this section during fiscal year 2008,
13 and such funds shall remain available until expended.”.

14 (b) IMPLEMENTATION REPORT.—Not later than 180
15 days after the date of the enactment of this Act, the Sec-
16 retary of Agriculture shall submit to Congress a report
17 regarding the progress made in implementing the amend-
18 ment made by subsection (a).

19 **SEC. 10303. ORGANIC CONVERSION, TECHNICAL, AND EDU-**
20 **CATIONAL ASSISTANCE.**

21 (a) ESTABLISHMENT.—Not later than 180 days after
22 the date of the enactment of this section, the Secretary
23 shall establish a program to provide cost share and incen-
24 tive payments and technical and educational assistance to
25 producers to promote conservation practices and activities
26 for production systems undergoing transition, in whole or

1 in part, to organic production in accordance with the Or-
2 ganic Foods Production Act of 1990 (7 U.S.C. 6501 et
3 seq.).

4 (b) ORGANIC TRANSITION COST SHARE AND INCEN-
5 TIVE PAYMENTS.—

6 (1) IN GENERAL.—The Secretary shall enter
7 into contracts with eligible producers referred to in
8 paragraph (2) to provide cost-share and incentive
9 payments to assist in the transition to organic pro-
10 duction systems.

11 (2) ELIGIBLE PRODUCERS.—A producer is an
12 eligible producer under this paragraph if such pro-
13 ducer agrees to—

14 (A) develop and carry out environmental
15 and conservation activities consistent with an
16 organic plan that protect soil, water, wildlife,
17 air, and other natural resources as defined by
18 the Secretary;

19 (B) receive technical and education assist-
20 ance from the Secretary, or from organizations,
21 institutions, and consultants with cooperative
22 agreements with the Secretary, relating to—

23 (i) the development and implementa-
24 tion of conservation practices and activities
25 that are part of an organic plan; or

1 (ii) other aspects of transition to or-
2 ganic production, including marketing,
3 credit, business, and risk management
4 plans;

5 (C) submit to annual verification by a cer-
6 tifying agent accredited by the Department of
7 Agriculture under section 2115 of the Organic
8 Foods Production Act of 1990 (7 U.S.C. 6514)
9 to determine compliance of the producer with
10 organic certification requirements; and

11 (D) develop marketing, credit, business,
12 and risk management plans, as appropriate.

13 (3) CONTRACT.—A contract entered into under
14 paragraph (1) shall provide that—

15 (A) payments provided to a producer under
16 the contract shall only be used for—

17 (i) conservation management and veg-
18 etative and structural practices and activi-
19 ties during transition to certified organic
20 production that—

21 (I) are consistent with an organic
22 plan; and

23 (II) protect soil, water, wildlife,
24 air, and other natural resources, as
25 required under the Organic Foods

1 Production Act of 1990 (7 U.S.C.
2 6501 et seq.);

3 (ii) animal production measures con-
4 sistent with an organic plan; and

5 (iii) such other measures as the Sec-
6 retary determines are appropriate and con-
7 sistent with an organic plan;

8 (B) subject to subparagraph (C), the con-
9 tract shall terminate after a period of not more
10 than three years;

11 (C) the Secretary may terminate the con-
12 tract if the Secretary determines the eligible
13 producer is not pursuing organic certification
14 under the Organic Foods Production Act of
15 1990 (7 U.S.C. 6501 et seq.); and

16 (D) the Secretary may require repayment
17 in whole of payments already received if the
18 Secretary determines the eligible producer is
19 not pursuing organic certification under the Or-
20 ganic Foods Production Act of 1990 (7 U.S.C.
21 6501 et seq.).

22 (4) LIMITATIONS ON PAYMENTS.—An eligible
23 producer may not receive payments under paragraph
24 (1)—

1 (A) for a total period of more than three
2 years;

3 (B) an amount not to exceed \$50 per acre
4 for crop land, or \$25 per acre for grazing land;
5 and

6 (C) in an amount more than \$10,000 in a
7 fiscal year.

8 (c) TECHNICAL AND EDUCATIONAL ASSISTANCE.—

9 The Secretary shall provide producers with technical and
10 educational assistance, including through the use of com-
11 petitive cooperative agreements with non-profit organiza-
12 tions, non-governmental organizations, institutes of higher
13 education, or consultants with expertise in advisory serv-
14 ices for organic producers on organic production systems,
15 and the planning for and marketing of organic products.

16 (d) USE OF FUNDS.—The Secretary shall use 50 per-
17 cent of the funds made available pursuant to the author-
18 ization of appropriations under subsection (f) to provide
19 technical and educational assistance under subsection (c).

20 (e) DEFINITIONS.—In this section:

21 (1) ORGANIC PLAN.—The term “organic plan”
22 means an organic plan submitted under section
23 2114(a) of the Organic Foods Production Act of
24 1990 (7 U.S.C. 6513(a)) and agreed to by the pro-

1 ducer and handler of a product and a certifying
2 agent under such section.

3 (2) TECHNICAL AND EDUCATIONAL ASSIST-
4 ANCE.—The term “technical and educational assist-
5 ance” means the conveyance of information and
6 counsel regarding economic and business planning,
7 marketing, and organic practices, such as entomo-
8 logical practices and pest and weed control and pre-
9 vention that satisfy organic practices.

10 (f) FUNDING.—There is authorized to be appro-
11 priated to carry out this section \$50,000,000, which shall
12 remain available until expended.

13 **Subtitle E—Miscellaneous** 14 **Provisions**

15 **SEC. 10401. GRANT PROGRAM TO IMPROVE MOVEMENT OF** 16 **SPECIALTY CROPS.**

17 (a) GRANTS AUTHORIZED.—The Secretary of Agri-
18 culture may make grants under this section to an eligible
19 entity described in subsection (b)—

20 (1) to improve the cost-effective movement of
21 specialty crops to local, regional, national, and inter-
22 national markets; and

23 (2) to address regional intermodal transpor-
24 tation deficiencies that adversely affect the move-

1 ment of specialty crops to markets inside or outside
2 the United States.

3 (b) ELIGIBLE GRANT RECIPIENTS.—Grants may be
4 made under this section to any of the following (or a com-
5 bination thereof):

6 (1) State and local governments.

7 (2) Grower cooperatives.

8 (3) State or regional producer and shipper or-
9 ganizations.

10 (4) Other entities as determined to be appro-
11 priate by the Secretary.

12 (c) MATCHING FUNDS.—The recipient of a grant
13 under this section shall contribute an amount of non-Fed-
14 eral funds toward the project for which the grant is pro-
15 vided that is at least equal to the amount of grant funds
16 received by the recipient under this section.

17 (d) AUTHORIZATION OF APPROPRIATIONS.—There
18 are authorized to be appropriated such sums as may be
19 necessary for each of fiscal years 2008 through 2012 to
20 carry out this section.

21 **SEC. 10402. AUTHORIZATION OF APPROPRIATIONS FOR**
22 **MARKET NEWS ACTIVITIES REGARDING SPE-**
23 **CIALTY CROPS.**

24 There are authorized to be appropriated to the Sec-
25 retary of Agriculture such sums as may be necessary for

1 each of the fiscal years 2008 through 2012 to support the
2 market news activities regarding specialty crops (as such
3 term is defined in section 3(1) of the Specialty Crops Com-
4 petitiveness Act of 2004 (Public Law 108–465; 118 Stat.
5 3883)).

6 **SEC. 10403. FARMER MARKETING ASSISTANCE PROGRAM.**

7 (a) FINDINGS.—Congress finds that—

8 (1) agricultural direct farmer-to-consumer mar-
9 keting activities, including farmers’ markets, road-
10 side stands, community supported agriculture, inter-
11 net, mail-order, and other similar direct order mar-
12 keting activities, significantly enhance the ability of
13 agricultural producers to retain a greater share of
14 their products’ retail value;

15 (2) direct farmer-to-consumer marketing activi-
16 ties are a crucial component of the current and fu-
17 ture viability of small and mid-sized farms and
18 ranches and beginning and socially disadvantaged
19 farmers and ranchers; and

20 (3) agricultural direct marketing activities con-
21 tribute to the health and well-being of consumers in
22 rural, urban, and tribal communities by providing
23 access to healthy, fresh, and affordable food.

1 (b) PROGRAM.—Section 6 of the Farmer-to-Con-
2 sumer Direct Marketing Act of 1976 (7 U.S.C. 3005) is
3 amended—

4 (1) in subsection (a)—

5 (A) by striking “Farmers’ Market Pro-
6 motion Program” and inserting “Farmer Mar-
7 keting Assistance Program”; and

8 (B) by striking “promote farmers’ mar-
9 kets” and inserting “direct producer to con-
10 sumer marketing”;

11 (2) in subsection (b)(1)—

12 (A) in subparagraph (A), by striking “, do-
13 mestic farmers’ markets, roadside stands, com-
14 munity-supported agriculture programs, and
15 other”; and

16 (B) in subparagraph (B), by striking
17 “farmers’ markets, roadside stands, commu-
18 nity-supported agriculture programs, and other
19 direct producer-to-consumer infrastructure”
20 and inserting “direct producer-to-consumer
21 marketing and infrastructure opportunities”;

22 (3) in subsection (c)—

23 (A) by redesignating paragraphs (1)
24 through (7) as paragraphs (2) through (8), re-
25 spectively;

1 (B) by inserting before paragraph (2) the
2 following new paragraph:

3 “(1) two or more farmers or farm vendors who
4 sell products through a common channel of distribu-
5 tion;”; and

6 (C) in paragraph (2) (as so redesignated)
7 by striking “an agricultural cooperative” and
8 inserting “an agricultural cooperative or pro-
9 ducer network or association”;

10 (4) by striking subsection (e) and inserting the
11 following new subsections:

12 “(e) ELIGIBLE ACTIVITIES.—A recipient of a grant
13 under this section may use the funds for the following ac-
14 tivities:

15 “(1) Farmers markets.

16 “(2) Roadside stands.

17 “(3) Community supported agriculture oper-
18 ations, through which a farmer agrees to deliver a
19 certain quantity of agricultural products to con-
20 sumers at a set price.

21 “(4) The purchase of equipment or other activi-
22 ties supporting the use of electronic benefit transfer
23 systems at farmers markets.

24 “(5) Agritourism activities facilitating the di-
25 rect sale of agricultural products, including oper-

1 ations where the consumer picks their own agricul-
2 tural products.

3 “(6) Other activities as determined appropriate
4 by the Secretary.

5 “(f) FUNDING.—

6 “(1) IN GENERAL.—Of the funds of the Com-
7 modity Credit Corporation, the Secretary of Agri-
8 culture shall use to carry out this section—

9 “(A) \$5,000,000 in each of fiscal year
10 2008, 2009, and 2010; and

11 “(B) \$10,000,000 in each of fiscal years
12 2011 and 2012.

13 “(2) USE OF FUNDS.—Not less than 10 percent
14 of the funds used to carry out this section in a fiscal
15 year under paragraph (1) shall be used to support
16 the use of electronic benefits transfers at farmers’
17 markets.”.

18 **SEC. 10404. NATIONAL CLEAN PLANT NETWORK.**

19 (a) ESTABLISHMENT.—There is established in the
20 Department of Agriculture a program to be known as the
21 “National Clean Plant Network”.

22 (b) NETWORK.—The Secretary of Agriculture shall
23 use the network—

24 (1) to develop a sustainable national funding
25 source for clean planting stock programs for horti-

1 cultural crops determined by the Secretary to be of
2 priority for the United States; and

3 (2) to enter into cooperative agreements to enti-
4 ties that have the expertise, facilities, and climate
5 necessary to efficiently produce, maintain, and dis-
6 tribute healthy planting stock for specialty crops.

7 (c) FUNDING.—

8 (1) COMMODITY CREDIT CORPORATION.—Of the
9 funds of the Commodity Credit Corporation, the
10 Secretary shall make available to carry out this sec-
11 tion \$20,000,000 for fiscal years 2008 through
12 2012.

13 (2) AUTHORIZATION OF APPROPRIATIONS.—
14 There are authorized to be appropriated such sums
15 as are necessary for each of fiscal years 2008
16 through 2012 to carry out this section.

17 **SEC. 10405. HEALTHY FOOD URBAN ENTERPRISE DEVELOP-**
18 **MENT PROGRAM.**

19 (a) PURPOSE.—The purpose of this section is to sup-
20 port farm and ranch income by significantly enhancing a
21 producer's share of the final retail product price through
22 improved access to competitive processing and distribution
23 systems which deliver affordable, locally and regionally
24 produced foods to consumers, and improve food access in
25 underserved communities.

1 (b) DEFINITIONS.—In this section:

2 (1) ELIGIBLE ENTITY.—The term “eligible enti-
3 ty” includes—

4 (A) a small or mid-sized processor, dis-
5 tributor, wholesaler, or retail food outlet;

6 (B) a group of producers operating as a le-
7 gally recognized marketing alliance;

8 (C) a producer-owned cooperative;

9 (D) a nonprofit organization;

10 (E) an economic development or commu-
11 nity development corporation;

12 (F) a unit of State or local government;

13 and

14 (G) an academic institution.

15 (2) INDIAN TRIBE.—The term “Indian tribe”
16 has the meaning given the term in section 4 of the
17 Indian Self-Determination and Education Assistance
18 Act (25 U.S.C. 450b).

19 (3) SECRETARY.—The term “Secretary” means
20 the Secretary of Agriculture.

21 (4) SOCIALLY DISADVANTAGED FARMER OR
22 RANCHER.—The term “socially disadvantaged farm-
23 er or rancher” has the meaning given the term in
24 section 355(e) of the Consolidated Farm and Rural
25 Development Act (7 U.S.C. 2003(e)).

1 (5) UNDERSERVED COMMUNITY.—The term
2 “underserved community” includes any community
3 that may have, as determined by the Secretary—

4 (A) limited access to affordable, healthy
5 foods, including fresh fruits and vegetables, in
6 grocery retail stores or farmer-to-consumer di-
7 rect markets;

8 (B) high incidences of diet-related diseases,
9 including obesity;

10 (C) high rates of hunger or food insecurity;

11 or

12 (D) severe or persistent poverty in urban
13 or rural communities, including Indian tribal
14 communities.

15 (c) GRANT PROGRAM.—

16 (1) ESTABLISHMENT.—The Secretary, acting
17 through the head of the market services branch of
18 the Agricultural Marketing Service, shall establish a
19 program under which the Secretary shall provide
20 grants, on a competitive basis, to eligible entities to
21 conduct enterprise feasibility studies (including stud-
22 ies of consumer preference), in accordance with the
23 purpose of this section.

24 (2) APPLICATION.—To be eligible to receive a
25 grant under this subsection, an eligible entity shall

1 submit to the Secretary an application at such time,
2 in such manner, and containing such information as
3 the Secretary may require.

4 (3) COORDINATION WITH OTHER AGENCIES.—

5 In carrying out the program under this subsection,
6 the Secretary shall coordinate, with respect to the
7 development of the program and reviews of grant
8 applications, with—

9 (A) the Cooperative State Research, Edu-
10 cation, and Extension Service; and

11 (B) the Rural Business Cooperative Serv-
12 ice.

13 (4) PRIORITY.—In providing grants under this
14 subsection, the Secretary shall give priority to appli-
15 cations with proposed projects that—

16 (A) include features effectively targeting
17 participation by socially disadvantaged farmers
18 or ranchers or beginning farmers or ranchers;

19 (B) increase employment opportunities in
20 underserved communities;

21 (C) support small and mid-sized farm via-
22 bility and increase farming opportunities; or

23 (D) establish and maintain satisfactory en-
24 vironmental and labor standards, including
25 worker protection.

1 (5) MAXIMUM AMOUNT.—The amount of a
2 grant provided under this subsection shall not exceed
3 \$250,000.

4 (6) TERM.—A grant provided under this sub-
5 section shall have a term of not more than 3 years.

6 (7) REPORTS.—

7 (A) IN GENERAL.—Each eligible entity
8 that receives a grant under this subsection shall
9 submit to the Secretary an annual report de-
10 scribing the results and progress of each feasi-
11 bility study to ensure sufficient progress is
12 achieved with respect to the goals of the
13 projects carried out by the eligible entity.

14 (B) PUBLIC AVAILABILITY.—The Secretary
15 shall ensure that any information contained in
16 a report under subparagraph (A) relating to
17 consumer preference or producer availability is
18 made available to the public.

19 (8) FUNDING.—There are authorized to be ap-
20 propriated such sums as are necessary for each of
21 fiscal years 2008 through 2012 to carry out this sec-
22 tion.

23 (d) GRANT PROGRAM REQUIREMENTS.—

24 (1) TECHNICAL ASSISTANCE AND OUTREACH.—

25 (A) IN GENERAL.—The Secretary shall—

1 (i) provide to the public information
2 relating to the grant programs under this
3 section; and

4 (ii) provide technical assistance to—

5 (I) socially disadvantaged farm-
6 ers or ranchers;

7 (II) Indian tribal organizations;

8 (III) low-income populations; and

9 (IV) other underserved commu-
10 nities and producers.

11 (B) SERVICE PROVIDERS.—In carrying out
12 subparagraph (A), the Secretary may enter into
13 contracts, on a competitive basis, with entities
14 that, as determined by the Secretary—

15 (i) demonstrate experience in serving
16 socially disadvantaged farmers or ranchers
17 and other underserved communities and
18 producers;

19 (ii) include, in the governance struc-
20 ture of the entity, 2 or more members rep-
21 resenting the targeted communities served
22 by the entity; and

23 (iii) will share information developed
24 or used by the entity with—

25 (I) researchers;

1 (II) practitioners; and

2 (III) other interested parties.

3 (2) LIMITATIONS.—For purposes of the pro-
4 grams under this section, the Secretary—

5 (A) shall not give preference to any entity
6 based on an agricultural commodity produced
7 or supported by the entity; and

8 (B) shall encourage, to the maximum ex-
9 tent practicable, projects that use infrastructure
10 efficiently for more than 1 agricultural product.

11 (3) REPORT.—Not less frequently than once
12 each year, the Secretary shall submit to Congress a
13 report that describes the programs (including the
14 level of participation in each program) under this
15 section, including information relating to—

16 (A) projects carried out under this section;

17 (B) characteristics of the agricultural pro-
18 ducers and communities served by the projects;

19 (C) the benefits of the projects;

20 (D) data necessary to comply with—

21 (i) section 2501A of the Food, Agri-
22 culture, Conservation, and Trade Act of
23 1990 (7 U.S.C. 2279–1); or

- 1 (ii) section 8(b)(5)(B) of the Soil Con-
 2 servation and Domestic Allotment Act (16
 3 U.S.C. 590h(b)(5)); and
 4 (E) outreach and technical assistance ac-
 5 tivities carried out by the Secretary under para-
 6 graph (1).

7 **TITLE XI—MISCELLANEOUS**
 8 **PROVISIONS**

Subtitle A—Federal Crop Insurance

- Sec. 11001. Premiums and reinsurance requirements.
 Sec. 11002. Catastrophic risk protection administrative fee.
 Sec. 11003. Funding for reimbursements, contracting, risk management edu-
 cation, and information technology.
 Sec. 11004. Reimbursement of research and development costs related to new
 crop insurance products.
 Sec. 11005. Research and development contracts for organic production cov-
 erage improvements.
 Sec. 11006. Targeting risk management education for beginning farmers and
 ranchers and certain other farmers and ranchers.
 Sec. 11007. Crop insurance ineligibility related to crop production on noncrop-
 land.
 Sec. 11008. Funds for data mining.
 Sec. 11009. Noninsured crop assistance program.
 Sec. 11010. Change in due date for Corporation payments for underwriting
 gains.
 Sec. 11011. Sesame insurance pilot program.
 Sec. 11012. National Drought Council and drought preparedness plans.
 Sec. 11013. Payment of portion of premium for area revenue plans.
 Sec. 11014. Share of risk.
 Sec. 11015. Livestock Assistance.
 Sec. 11016. Determination of certain sweet potato production.

Subtitle B—Livestock and Poultry

- Sec. 11101. Sense of Congress regarding pseudorabies eradication program.
 Sec. 11102. Arbitration of livestock and poultry contracts.
 Sec. 11103. State-inspected meat and poultry.
 Sec. 11104. Country of origin labeling.
 Sec. 11105. Sense of Congress regarding the voluntary control program for low
 pathogenic avian influenza.
 Sec. 11106. Sense of Congress regarding the cattle fever tick eradication pro-
 gram.

Subtitle C—Socially Disadvantaged Producers and Limited Resource
 Producers

- Sec. 11201. Outreach and technical assistance for socially disadvantaged farmers and ranchers and limited resource farmers and ranchers.
- Sec. 11202. Improved program delivery by Department of Agriculture on Indian reservations.
- Sec. 11203. Transparency and accountability for socially disadvantaged farmers and ranchers.
- Sec. 11204. Beginning farmer and rancher development program.
- Sec. 11205. Provision of receipt for service or denial of service.
- Sec. 11206. Tracking of socially disadvantaged farmers and ranchers and limited resource farmers and ranchers in Census of Agriculture and certain studies.
- Sec. 11207. Farmworker coordinator.
- Sec. 11208. Office of Outreach relocation.
- Sec. 11209. Minority farmer advisory committee.
- Sec. 11210. Coordinator for chronically underserved rural areas.

Subtitle D—Other Miscellaneous Provisions

- Sec. 11301. Designation of separate cotton-producing States under Cotton Research and Promotion Act.
- Sec. 11302. Cotton classification services.
- Sec. 11303. Availability of excess and surplus computers in rural areas.
- Sec. 11304. Permanent debarment from participation in Department of Agriculture programs for fraud.
- Sec. 11305. No discrimination against use of registered pesticide products or classes of pesticide products.
- Sec. 11306. Prohibition on closure or relocation of county offices for the Farm Service Agency, Rural Development Agency, and Natural Resources Conservation Service.
- Sec. 11307. Regulation of exports of plants, plant products, biological control organisms, and noxious weeds.
- Sec. 11308. Grants to reduce production of methamphetamines from anhydrous ammonia.
- Sec. 11309. USDA Graduate School.
- Sec. 11310. Prevention and investigation of payment and fraud and error.
- Sec. 11311. Sense of Congress regarding food deserts, geographically isolated neighborhoods and communities with limited or no access to major chain grocery stores.
- Sec. 11312. Pigford claims.
- Sec. 11313. Comptroller general study of wastewater infrastructure near United States-Mexico border.
- Sec. 11314. Elimination of statute of limitations applicable to collection of debt by administrative offset.
- Sec. 11315. Pollinator protection.
- Sec. 11316. Prohibition on use of live animals for marketing medical devices; fines under the Animal Welfare Act.
- Sec. 11317. Protection of pets.

1 **Subtitle A—Federal Crop**
2 **Insurance**

3 **SEC. 11001. PREMIUMS AND REINSURANCE REQUIRE-**
4 **MENTS.**

5 (a) **PREMIUM ADJUSTMENTS.**—Section 508(a) of the
6 Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amend-
7 ed by adding at the end the following new paragraph:

8 “(9) **PREMIUM ADJUSTMENTS.**—

9 “(A) **PROHIBITION.**—Except as provided
10 in subparagraph (B), the paying, allowing, or
11 giving, or offering to pay, allow, or give, directly
12 or indirectly, either as an inducement to pro-
13 cure insurance or after insurance has been pro-
14 cured, any rebate, discount, abatement, credit,
15 or reduction of the premium named in an insur-
16 ance policy or any other valuable consideration
17 or inducement whatsoever not specified in the
18 policy, is strictly prohibited under this title.

19 “(B) **EXCEPTIONS.**—Subparagraph (A)
20 does not apply with respect to the following:

21 “(i) A rebate authorized under sub-
22 section (b)(5)(B).

23 “(ii) A performance-based discount
24 authorized under subsection (d)(3).”.

1 (b) PAYMENT OF CATASTROPHIC RISK PROTECTION
2 FEE ON BEHALF OF PRODUCERS.—Section 508(b)(5)(B)
3 of the Federal Crop Insurance Act (7 U.S.C.
4 1508(b)(5)(B)) is amended—

5 (1) in the subparagraph heading, by inserting
6 “OF CATASTROPHIC RISK PROTECTION FEE” after
7 “PAYMENT”;

8 (2) in clause (i)—

9 (A) by striking “or other payment”; and

10 (B) by striking “with catastrophic risk
11 protection or additional coverage”; and insert-
12 ing “through the payment of all or a portion of
13 catastrophic risk protection administrative
14 fees”;

15 (3) in clause (ii)—

16 (A) by striking “or other payment made by
17 an insurance provider” and inserting “payment
18 made pursuant to clause (i) by an insurance
19 provider”;

20 (B) by striking “issuance of catastrophic
21 risk protection or additional coverage to” and
22 inserting “payment of catastrophic risk protec-
23 tion administrative fees on behalf of”; and

24 (C) by striking “or other payment” the
25 second place it appears;

1 (4) in clause (iv), by striking “A policy or plan
2 of insurance” and inserting “Catastrophic risk pro-
3 tection coverage”;

4 (5) in clause (v)—

5 (A) by striking “licensing fee or other ar-
6 rangement under this subparagraph” and in-
7 serting “licensing fee arrangement”; and

8 (B) by striking “levels of additional cov-
9 erage” and inserting “levels of coverage”; and

10 (6) by striking clause (vi).

11 (c) CHANGE IN DUE DATE FOR POLICYHOLDER PRE-
12 MIUMS.—Section 508 of the Federal Crop Insurance Act
13 (7 U.S.C. 1508) is amended—

14 (1) in subsection (b)(5)(C), by striking “the
15 date that premium” and inserting “the same date on
16 which the premium”;

17 (2) in subsection (c)(10)(B)—

18 (A) by inserting “; TIME FOR PAYMENT”
19 after “WAIVER”; and

20 (B) by adding at the end the following new
21 sentence: “Subparagraph (C) of such subsection
22 shall apply with respect to the collection date
23 for policy premiums.”; and

24 (3) in subsection (d), by adding at the end the
25 following new paragraph:

1 “(4) BILLING DATE FOR PREMIUMS.—Begin-
2 ning with the 2012 reinsurance year, the Corpora-
3 tion shall establish August 1 as the billing date for
4 premiums.”.

5 (d) REINSURANCE.—

6 (1) REIMBURSEMENT RATE.—Section
7 508(k)(4)(A) of the Federal Crop Insurance Act (7
8 U.S.C. 1508(k)(4)(A)) is amended by striking clause
9 (ii) and inserting the following new clause:

10 “(ii) for the 2009 and subsequent re-
11 insurance years, 2.9 percentage points
12 below the rates, in effect as of the date of
13 the enactment of this Act of the Farm,
14 Nutrition, and Bioenergy Act of 2007, for
15 all crop insurance policies used to define
16 loss ratio.”.

17 (2) RENEGOTIATION OF STANDARD REINSUR-
18 ANCE AGREEMENT.—Section 508(k) of the Federal
19 Crop Insurance Act (7 U.S.C. 1508(k)) is amended
20 by adding at the end the following new paragraph:

21 “(8) RENEGOTIATION OF STANDARD REINSUR-
22 ANCE AGREEMENT.—

23 “(A) PERIODIC RENEGOTIATION.—Fol-
24 lowing the reinsurance year ending June 30,
25 2012, the Corporation may renegotiate the fi-

1 nancial terms of the standard reinsurance
2 agreement during the next reinsurance year and
3 once during each period of five reinsurance
4 years thereafter.

5 “(B) EFFECT OF FEDERAL LAW
6 CHANGES.—If changes in Federal law are en-
7 acted that require revisions in the financial
8 terms of the standard reinsurance agreement,
9 and such changes in the agreement are made
10 on a mandatory basis by the Corporation, such
11 changes will not be deemed to be a renegoti-
12 ation of the agreement for purposes of subpara-
13 graph (A).

14 “(C) CONSULTATION.—Approved insur-
15 ance providers and their representatives may
16 confer with each other, and collectively with the
17 Corporation, during the renegotiation process
18 under subparagraph (A).”.

19 (3) TREATMENT OF 2008 REINSURANCE
20 YEAR.—Clause (ii) of section 508(k)(4)(A) of the
21 Federal Crop Insurance Act (7 U.S.C.
22 1508(k)(4)(A)), as in effect on the day before the
23 date of the enactment of this Act, shall continue to
24 apply with respect to the 2008 reinsurance year.

1 (e) CHANGE IN DUE DATE FOR ADMINISTRATIVE
2 AND OPERATING EXPENSE PAYMENT.—Section 516(b) of
3 the Federal Crop Insurance Act (7 U.S.C. 1516(b)) is
4 amended by adding at the end the following new para-
5 graph:

6 “(3) DUE DATE FOR ADMINISTRATIVE AND OP-
7 ERATING EXPENSE PAYMENT.—Beginning with the
8 2012 reinsurance year, the Corporation shall make
9 payments pursuant to paragraph (1)(B) during Oc-
10 tober 2012, and for subsequent reinsurance years,
11 every October thereafter.”.

12 (f) CONFORMING AMENDMENTS.—

13 (1) PREMIUM REDUCTION AUTHORITY.—Sub-
14 section 508(e) of the Federal Crop Insurance Act (7
15 U.S.C. 1508(e)) is amended—

16 (A) in paragraph (2) by striking “para-
17 graph (4)” and inserting “paragraph (3)”;

18 (B) by striking paragraph (3); and

19 (C) by redesignating paragraphs (4) and
20 (5) as paragraphs (3) and (4), respectively.

21 (2) PREMIUM RATE REDUCTION PILOT PRO-
22 GRAM.—Section 523 of the Federal Crop Insurance
23 Act (7 U.S.C. 1523) is amended—

24 (A) by striking subsection (d); and

1 (B) by redesignating subsection (e) as sub-
2 section (d).

3 (3) SUBMISSION OF POLICIES AND MATE-
4 RIALS.—Section 508(h)(1)(A) of the Federal Crop
5 Insurance Act (7 U.S.C. 1508(h)(1)(A)) is amended
6 by striking “; and” and inserting “; or”.

7 **SEC. 11002. CATASTROPHIC RISK PROTECTION ADMINIS-**
8 **TRATIVE FEE.**

9 Section 508(b)(5)(A) of the Federal Crop Insurance
10 Act (7 U.S.C. 1508(b)(5)(A)) is amended by striking
11 “\$100 per crop per county” and inserting in its place
12 “\$200 per crop per county”.

13 **SEC. 11003. FUNDING FOR REIMBURSEMENTS, CON-**
14 **TRACTING, RISK MANAGEMENT EDUCATION,**
15 **AND INFORMATION TECHNOLOGY.**

16 (a) FUNDING.—Section 516 of the Federal Crop In-
17 surance Act (7 U.S.C. 1516) is amended by adding at the
18 end the following new subsections:

19 “(d) FUNDING FOR REIMBURSEMENTS, CON-
20 TRACTING, RISK MANAGEMENT EDUCATION, AND INFOR-
21 MATION TECHNOLOGY.—Of the amounts made available
22 from the insurance fund established under subsection (c),
23 the Corporation shall use not more than \$30,000,000 in
24 each fiscal year to carry out the following:

1 “(1) Reimbursement of research and develop-
2 ment and maintenance costs described under section
3 522(b).

4 “(2) Research and development contracting de-
5 scribed under section 522(c).

6 “(3) Partnerships for risk management and im-
7 plementation described under section 522(d).

8 “(4) Education and information programs de-
9 scribed in section 524(a)(2).

10 “(5) Partnerships for risk management edu-
11 cation program described in section 524(a)(3).

12 “(6) Information technology, as determined by
13 the Corporation.

14 “(e) UNDERSERVED STATES.—Of the amount made
15 available under subsection (d), the Corporation shall use
16 not more than \$5,000,000 in each fiscal year to carry out
17 contracting for research and development described in sec-
18 tion 522(c)(1)(A).”.

19 (b) CONFORMING AMENDMENTS.—

20 (1) FORMER FUNDING PROVISION.—Section
21 522 of the Federal Crop Insurance Act (7 U.S.C.
22 1522) is amended by striking subsection (e) and in-
23 serting the following new subsection:

24 “(e) PROHIBITED RESEARCH AND DEVELOPMENT BY
25 CORPORATION.—

1 “(1) NEW POLICIES.—Notwithstanding sub-
2 section (d), the Corporation shall not conduct re-
3 search and development for any new policy for an
4 agricultural commodity offered under this title.

5 “(2) EXISTING POLICIES.—Any policy devel-
6 oped by the Corporation under this title before Octo-
7 ber 1, 2000, may continue to be offered for sale to
8 producers.”.

9 (2) CROSS REFERENCE.—Section 523(e)(1) of
10 the Federal Crop Insurance Act (7 U.S.C.
11 1523(e)(1)) is amended by striking “section
12 522(e)(4)” and inserting “section 522(e)”.

13 (3) EDUCATION ASSISTANCE FUNDING.—Sec-
14 tion 524(a) of the Federal Crop Insurance Act (7
15 U.S.C. 1524(a)) is amended as follows:

16 (A) in paragraph (1), by striking “para-
17 graph (4)” and inserting “section 516(d)”; and

18 (B) by striking paragraph (4).

19 **SEC. 11004. REIMBURSEMENT OF RESEARCH AND DEVEL-**
20 **OPMENT COSTS RELATED TO NEW CROP IN-**
21 **SURANCE PRODUCTS.**

22 (a) REIMBURSEMENT AUTHORIZED.—Paragraph (1)
23 of section 522(b) of the Federal Crop Insurance Act (7
24 U.S.C. 1522(b)) is amended to read as follows:

1 “(1) RESEARCH AND DEVELOPMENT REIM-
2 BURSEMENT.—The Corporation shall provide a pay-
3 ment to reimburse an applicant for research and de-
4 velopment costs directly related to a policy that—

5 “(A) is submitted to the Board pursuant
6 to an FCIC Reimbursement Grant under para-
7 graph (7); or

8 “(B) is submitted to the Board and ap-
9 proved by the Board under section 508(h) for
10 reinsurance and, if applicable, offered for sale
11 to producers.”.

12 (b) FCIC REIMBURSEMENT GRANTS.—Section
13 522(b) of the Federal Crop Insurance Act (7 U.S.C.
14 1522(b)) is amended by adding at the end the following
15 new paragraph:

16 “(7) FCIC REIMBURSEMENT GRANTS.—

17 “(A) GRANTS AUTHORIZED.—The Cor-
18 poration shall provide FCIC Reimbursement
19 Grants to persons proposing to prepare for sub-
20 mission to the Board crop insurance policies
21 and provisions under subparagraphs (A) and
22 (B) of section 508(h)(1), who apply and are ap-
23 proved for such FCIC Reimbursement Grants
24 under the terms and conditions of this para-
25 graph.

1 “(B) SUBMISSION OF APPLICATION.—The
2 Board shall receive and consider applications
3 for FCIC Reimbursement Grants at least once
4 annually. An application to receive an FCIC
5 Reimbursement Grant from the Corporation
6 shall consist of such materials as the Board
7 may require, including—

8 “(i) a concept paper that describes the
9 proposal in sufficient detail for the Board
10 to determine whether it satisfies the re-
11 quirements of subparagraph (C);

12 “(ii) a summary of —

13 “(I) the need for the product, in-
14 cluding an assessment of market-
15 ability and expected demand among
16 affected producers;

17 “(II) support from producers,
18 producer organizations, lenders, or
19 other interested parties;

20 “(III) the impact the product
21 would have on producers and on the
22 crop insurance delivery system; and

23 “(IV) that no products are of-
24 fered by the private sector providing

1 the same benefits and risk manage-
2 ment services as the proposal.

3 “(iii) a summary of data sources
4 available demonstrating that the product
5 can reasonably be developed and properly
6 rated; and

7 “(iv) identification of the risks the
8 proposed product will cover and that the
9 risks are insurable under the Act.

10 “(C) APPROVAL CONDITIONS.—Approval of
11 an application for a FCIC Reimbursement
12 Grant shall be by majority vote of the Board.
13 The Board shall approve the application only if
14 the Board finds that—

15 “(i) the proposal contained in the ap-
16 plication—

17 “(I) provides coverage to a crop
18 or region not traditionally served by
19 the Federal crop insurance program;

20 “(II) provides crop insurance
21 coverage in a significantly improved
22 form;

23 “(III) addresses a recognized
24 flaw or problem in the program;

1 “(IV) introduces a significant
2 new concept or innovation to the pro-
3 gram; or

4 “(V) provides coverage, benefits,
5 or risk management services not avail-
6 able from the private sector;

7 “(ii) the applicant demonstrates the
8 necessary qualifications to complete the
9 project successfully in a timely manner
10 with high quality;

11 “(iii) the proposal is in the interests
12 of producers and can reasonably be ex-
13 pected to be actuarially appropriate;

14 “(iv) the Board determines that the
15 Corporation has sufficient available fund-
16 ing to award the FCIC Reimbursement
17 Grant; and

18 “(v) the proposed budget and time-
19 table are reasonable.

20 “(D) PARTICIPATION.—In reviewing pro-
21 posals under this paragraph, the Board may
22 use the services of persons it deems appropriate
23 for expert review. All proposals submitted under
24 this paragraph will be treated as confidential in
25 accordance with section 508(h)(4).

1 “(E) ENTERING INTO AGREEMENT.—Upon
2 approval of the application, the Board shall
3 enter into an agreement with the person for the
4 development of a formal submission meeting the
5 requirements for a complete submission estab-
6 lished by the Board under section 508(h).

7 “(F) FEASIBILITY STUDIES.—In appro-
8 priate cases, the Corporation may structure the
9 FCIC Reimbursement Grant to require, as an
10 initial step within the overall process, the sub-
11 mitter to complete a feasibility study and report
12 the results of such study to the Corporation
13 prior to proceeding with further development.
14 The Corporation may require such other reports
15 as necessary to monitor the development ef-
16 forts.

17 “(G) RATES.—Payment for work per-
18 formed under this paragraph shall be based on
19 rates determined by the Corporation for prod-
20 ucts submitted under section 508(h) of the Act
21 or for those contracted by the Corporation
22 under section 522(c) of the Act.

23 “(H) TERMINATION.—The Corporation or
24 the submitter may terminate any FCIC Reim-
25 bursement Grant to reimburse expenses at any

1 time for just cause. If the Corporation or the
2 submitter terminates the FCIC Reimbursement
3 Grant before final approval of the product cov-
4 ered thereby, the submitter shall be entitled to
5 reimbursement of all costs incurred to that
6 point, or, in the case of a fixed rate agreement,
7 to payment of an appropriate percentage. If the
8 submitter terminates development without just
9 cause, the Corporation may deny reimburse-
10 ment.

11 “(I) CONSIDERATION OF PRODUCTS.—The
12 Board shall consider any product submitted to
13 it developed under this paragraph under the
14 rules it has established for products submitted
15 under section 508(h) of this Act.”.

16 **SEC. 11005. RESEARCH AND DEVELOPMENT CONTRACTS**
17 **FOR ORGANIC PRODUCTION COVERAGE IM-**
18 **PROVEMENTS.**

19 Section 522(c) of the Federal Crop Insurance Act (7
20 U.S.C. 1522(c)) is amended—

21 (1) by redesignating paragraph (10) as para-
22 graph (11); and

23 (2) by inserting after paragraph (9) the fol-
24 lowing new paragraph:

1 “(10) CONTRACTS FOR ORGANIC PRODUCTION
2 COVERAGE IMPROVEMENTS.—

3 “(A) CONTRACT REQUIRED.—Not later
4 than 180 days after the date of the enactment
5 of the Farm, Nutrition, and Bioenergy Act of
6 2007, the Corporation shall enter into one or
7 more contracts for the development of improve-
8 ments in Federal crop insurance policies cov-
9 ering crops produced in compliance with stand-
10 ards issued by the Department of Agriculture
11 under the National Organic Program.

12 “(B) REVIEW OF UNDERWRITING, RISK,
13 AND LOSS EXPERIENCE.—

14 “(i) REVIEW REQUIRED.—A contract
15 under subparagraph (A) shall include a re-
16 view of the underwriting, risk, and loss ex-
17 perience of organic crops covered by the
18 Corporation, as compared with the same
19 crops produced in the same counties and
20 during the same time periods using non-or-
21 ganic methods. The review should be de-
22 signed to allow the Corporation to deter-
23 mine whether significant, consistent, or
24 systemic variations in loss history exist be-
25 tween organic and non-organic production,

1 and shall include the widest available range
2 of data, including loss history under exist-
3 ing crop insurance policies, collected by the
4 National Agricultural Statistics Service,
5 and other sources of information.

6 “(ii) EFFECT ON PREMIUM SUR-
7 CHARGE.—Unless the review under this
8 subparagraph documents the existence of
9 such significant, consistent, and systemic
10 variations in loss history between organic
11 and non-organic crops, either collectively or
12 on an individual basis, the Corporation
13 shall eliminate or reduce the premium sur-
14 charge that the Corporation charges for
15 coverage for organic crops.

16 “(C) ADDITIONAL PRICE ELECTION.—A
17 contract under subparagraph (A) shall include
18 the development of a procedure, including any
19 associated changes in policy terms or materials
20 required for implementation of the procedure,
21 to offer producers of organic crops an addi-
22 tional price election that would reflect the ac-
23 tual retail or wholesale prices, as appropriate,
24 received by organic producers for their crops, as
25 established using data collected and maintained

1 by the Agricultural Marketing Service or other
2 sources. The development of the procedure shall
3 be completed in a timely manner to allow the
4 Corporation to begin offering the additional
5 price election for organic crops with sufficient
6 data for the 2009 crop year, and expand it
7 thereafter as the Agricultural Marketing Service
8 expands its data collection and availability for
9 prices of organic crops.

10 “(D) REPORTING REQUIREMENTS.—The
11 Corporation shall submit to the Committee on
12 Agriculture of the House of Representatives
13 and the Committee on Agriculture, Nutrition,
14 and Forestry of the Senate an annual report on
15 the progress made in developing and improving
16 Federal crop insurance for organic crops, in-
17 cluding the numbers and varieties of organic
18 crops insured, the development of new insur-
19 ance approaches, and the progress of the initia-
20 tives mandated under this paragraph. The re-
21 port shall also include such recommendations as
22 the Corporation considers appropriate regarding
23 additional opportunities to improve Federal
24 crop insurance coverage for such crops.”.

1 **SEC. 11006. TARGETING RISK MANAGEMENT EDUCATION**
2 **FOR BEGINNING FARMERS AND RANCHERS**
3 **AND CERTAIN OTHER FARMERS AND RANCH-**
4 **ERS.**

5 Section 524(a) of the Federal Crop Insurance Act (7
6 U.S.C. 1524(a)) is amended—

7 (1) by redesignating paragraph (4) as para-
8 graph (5); and

9 (2) by inserting after paragraph (3) the fol-
10 lowing new paragraph:

11 “(4) **TARGETING RISK MANAGEMENT EDU-**
12 **CATION FOR CERTAIN FARMERS AND RANCHERS.—**

13 “(A) **IN GENERAL.—**In carrying out the
14 education and information program established
15 under paragraph (2) and the partnerships for
16 risk management education program under
17 paragraph (3), the Secretary shall include a
18 special emphasis on risk management strategies
19 and education and outreach specifically targeted
20 at farmers and ranchers described in subpara-
21 graph (B).

22 “(B) **COVERED FARMERS AND RANCH-**
23 **ERS.—**Subparagraph (A) applies with respect to
24 the following:

25 “(i) Beginning farmers and ranchers.

1 “(ii) Immigrant farmers and ranchers
2 who are attempting to become established
3 producers in the United States.

4 “(iii) Socially disadvantaged farmers
5 and ranchers.

6 “(iv) Farmers and ranchers who are
7 preparing to retire and are using transition
8 strategies to help new farmers and ranch-
9 ers get started.

10 “(v) Farmers and ranchers who are
11 converting their current production and
12 marketing systems to pursue new mar-
13 kets.”.

14 **SEC. 11007. CROP INSURANCE INELIGIBILITY RELATED TO**
15 **CROP PRODUCTION ON NONCROPLAND.**

16 Section 502 of the Federal Crop Insurance Act (7
17 U.S.C. 1502) is amended by adding at the end the fol-
18 lowing new subsection:

19 “(e) CROP INSURANCE INELIGIBILITY RELATED TO
20 CROP PRODUCTION ON NONCROPLAND.—

21 “(1) NONCROPLAND DEFINED.—In this sub-
22 section, the term ‘noncropland’ means native grass-
23 land and pasture the Secretary determines has never
24 been used for crop production.

1 “(2) INELIGIBILITY.—Noncropland acreage on
2 which an agricultural commodity for which a policy
3 or plan of insurance is available under this title is
4 planted shall be ineligible for crop insurance under
5 this title for the first 4 years of planting, as deter-
6 mined by the Secretary.

7 “(3) YIELD DETERMINATION BASED ON COUN-
8 TY ACTUAL PRODUCTION HISTORY.—If an agricul-
9 tural commodity ineligible for insurance as described
10 in paragraph (2) is planted for 4 years, beginning
11 with the fifth year in which the commodity is plant-
12 ed, the producer of the commodity may procure crop
13 insurance for the commodity under this title. The
14 yield for such crop insurance shall be determined
15 only—

16 “(A) by using the actual production history
17 for the farm; and

18 “(B) for each year in which the farm does
19 not have an actual production history, by using
20 the average actual production history for the
21 commodity in the county in which the farm is
22 located.

23 “(4) EFFECTIVE DATE.—This subsection shall
24 apply to crop years following the 2007 crop year.”.

1 **SEC. 11008. FUNDS FOR DATA MINING.**

2 Section 515(k) of the Federal Crop Insurance Act (7
3 U.S.C. 1515(k)) is amended by striking paragraph (1) and
4 inserting the following new paragraph:

5 “(1) AVAILABLE FUNDS.—To carry out this
6 section, the Corporation may use, from amounts
7 made available from the insurance fund established
8 under section 516(c)—

9 “(A) not more than \$11,000,000 during
10 fiscal year 2008; and

11 “(B) not more than \$7,000,000 during fis-
12 cal year 2009 and each subsequent year there-
13 after.”.

14 **SEC. 11009. NONINSURED CROP ASSISTANCE PROGRAM.**

15 Section 196(k)(1) of the Agricultural Market Transi-
16 tion Act (7 U.S.C. 7333(k)(1)) is amended by striking
17 subparagraphs (A) and (B) and inserting the following
18 new subparagraphs:

19 “(A) \$200 per crop per county; or

20 “(B) \$600 per producer per county, but
21 not to exceed a total of \$1,800 per producer.”.

22 **SEC. 11010. CHANGE IN DUE DATE FOR CORPORATION PAY-**
23 **MENTS FOR UNDERWRITING GAINS.**

24 Effective beginning with the 2011 reinsurance year,
25 the Federal Crop Insurance Corporation shall make pay-

1 ments for underwriting gains under the Federal Crop In-
2 surance Act (7 U.S.C. 1501 et seq.)—

3 (1) for the 2011 reinsurance year on October 1,
4 2012; and

5 (2) for each reinsurance year thereafter on the
6 October 1 of the next calendar year.

7 **SEC. 11011. SESAME INSURANCE PILOT PROGRAM.**

8 (a) **PILOT PROGRAM REQUIRED.**—The Secretary of
9 Agriculture shall establish and carry out a pilot program
10 under which a producer of non-dehiscent sesame under
11 contract may elect to obtain multi-peril crop insurance, as
12 determined by the Secretary.

13 (b) **TERMS AND CONDITIONS.**—The multi-peril crop
14 insurance offered under the sesame insurance pilot pro-
15 gram shall—

16 (1) be offered through reinsurance arrange-
17 ments with private insurance companies;

18 (2) be actuarially sound; and

19 (3) require the payment of premiums and ad-
20 ministrative fees by a producer obtaining the insur-
21 ance.

22 (c) **LOCATION.**—The sesame insurance pilot program
23 shall be carried out only in the State of Texas.

24 (d) **RELATION TO PROHIBITION ON RESEARCH AND**
25 **DEVELOPMENT BY CORPORATION.**—Section 522(e)(4) of

1 the Federal Crop Insurance Act (7 U.S.C. 1522(e)(4))
2 shall apply with respect to the sesame insurance pilot pro-
3 gram.

4 (e) DURATION.—The Secretary shall commence the
5 sesame insurance pilot program as soon as practicable
6 after the date of the enactment of this Act and continue
7 the program through the 2012 crop year.

8 **SEC. 11012. NATIONAL DROUGHT COUNCIL AND DROUGHT**
9 **PREPAREDNESS PLANS.**

10 (a) DEFINITIONS.—In this section:

11 (1) COUNCIL.—The term “Council” means the
12 National Drought Council established by this sec-
13 tion.

14 (2) CRITICAL SERVICE PROVIDER.—The term
15 “critical service provider” means an entity that pro-
16 vides power, water (including water provided by an
17 irrigation organization or facility), sewer services, or
18 wastewater treatment.

19 (3) DROUGHT.—The term “drought” means a
20 natural disaster that is caused by a deficiency in
21 precipitation—

22 (A) that may lead to a deficiency in sur-
23 face and subsurface water supplies (including
24 rivers, streams, wetlands, ground water, soil

1 moisture, reservoir supplies, lake levels, and
2 snow pack); and

3 (B) that causes or may cause—

4 (i) substantial economic or social im-
5 pacts; or

6 (ii) physical damage or injury to indi-
7 viduals, property, or the environment.

8 (4) FUND.—The term “Fund” means the
9 Drought Assistance Fund established by this section.

10 (5) INDIAN TRIBE.—The term “Indian tribe”
11 has the meaning given the term in section 4 of the
12 Indian Self-Determination and Education Assistance
13 Act (25 U.S.C. 450b).

14 (6) INTERSTATE WATERSHED.—The term
15 “interstate watershed” means a watershed that tran-
16 scends State or Tribal boundaries, or both.

17 (7) MEMBER.—The term “member”, with re-
18 spect to the National Drought Council, means a
19 member of the Council specified or appointed under
20 this section or, in the absence of the member, the
21 member’s designee.

22 (8) MITIGATION.—The term “mitigation”
23 means a short- or long-term action, program, or pol-
24 icy that is implemented in advance of or during a

1 drought to minimize any risks and impacts of
2 drought.

3 (9) NEIGHBORING COUNTRY.—The term
4 “neighboring country” means Canada and Mexico.

5 (10) OFFICE.—The term “Office” means the
6 National Office of Drought Preparedness established
7 under this section.

8 (11) SECRETARY.—The term “Secretary”
9 means the Secretary of Agriculture.

10 (12) STATE.—The term “State” means the sev-
11 eral States, the District of Columbia, American
12 Samoa, Guam, the Commonwealth of the Northern
13 Mariana Islands, the Commonwealth of Puerto Rico,
14 and the United States Virgin Islands.

15 (13) TRIGGER.—The term “trigger” means the
16 thresholds or criteria that must be satisfied before
17 mitigation or emergency assistance may be provided
18 to an area—

19 (A) in which drought is emerging; or

20 (B) that is experiencing a drought.

21 (14) UNDER SECRETARY.—The term “Under
22 Secretary” means the Under Secretary of Agri-
23 culture for Natural Resources and Environment.

24 (15) WATERSHED.—The term “watershed”
25 means a region or area with common hydrology, an

1 area drained by a waterway that drains into a lake
2 or reservoir, the total area above a given point on
3 a stream that contributes water to the flow at that
4 point, or the topographic dividing line from which
5 surface streams flow in two different directions. In
6 no case shall a watershed be larger than a river
7 basin.

8 (16) WATERSHED GROUP.—The term “water-
9 shed group” means a group of individuals, formally
10 recognized by the appropriate State or States, who
11 represent the broad scope of relevant interests with-
12 in a watershed and who work together in a collabo-
13 rative manner to jointly plan the management of the
14 natural resources contained within the watershed.

15 (b) EFFECT OF SECTION.—This section does not af-
16 fect—

17 (1) the authority of a State to allocate quan-
18 tities of water under the jurisdiction of the State; or

19 (2) any State water rights established as of the
20 date of enactment of this Act.

21 (c) NATIONAL DROUGHT COUNCIL.—

22 (1) ESTABLISHMENT.—There is established in
23 the Office of the Secretary of Agriculture a council
24 to be known as the “National Drought Council”.

25 (2) MEMBERSHIP.—

1 (A) COMPOSITION.—The Council shall be
2 composed of—

3 (i) the Secretary (or the designee of
4 the Secretary);

5 (ii) the Secretary of Commerce (or the
6 designee of the Secretary of Commerce);

7 (iii) the Secretary of the Army (or the
8 designee of the Secretary of the Army);

9 (iv) the Secretary of the Interior (or
10 the designee of the Secretary of the Inte-
11 rior);

12 (v) the Director of the Federal Emer-
13 gency Management Agency (or the des-
14 ignedee of the Director);

15 (vi) the Administrator of the Environ-
16 mental Protection Agency (or the designee
17 of the Administrator);

18 (vii) 4 members appointed by the Sec-
19 retary, in coordination with the National
20 Governors Association, each of whom shall
21 be the Governor of a State (or the designee
22 of the Governor) and who collectively shall
23 represent the geographic diversity of the
24 Nation;

1 (viii) 1 member appointed by the Sec-
2 retary, in coordination with the National
3 Association of Counties;

4 (ix) 1 member appointed by the Sec-
5 retary, in coordination with the United
6 States Conference of Mayors;

7 (x) 1 member appointed by the Sec-
8 retary of the Interior, in coordination with
9 Indian tribes, to represent the interests of
10 tribal governments; and

11 (xi) 1 member appointed by the Sec-
12 retary, in coordination with the National
13 Association of Conservation Districts, to
14 represent local soil and water conservation
15 districts.

16 (B) DATE OF APPOINTMENT.—The ap-
17 pointment of each member of the Council shall
18 be made not later than 120 days after the date
19 of enactment of this Act.

20 (3) TERM; VACANCIES.—

21 (A) TERM.—A non-Federal member of the
22 Council appointed under paragraph (2) shall be
23 appointed for a term of two years.

24 (B) VACANCIES.—A vacancy on the Coun-
25 cil—

1 (i) shall not affect the powers of the
2 Council; and

3 (ii) shall be filled in the same manner
4 as the original appointment was made.

5 (C) TERMS OF MEMBERS FILLING VACAN-
6 CIES.—Any member appointed to fill a vacancy
7 occurring before the expiration of the term for
8 which the member’s predecessor was appointed
9 shall be appointed only for the remainder of
10 that term.

11 (4) MEETINGS.—

12 (A) IN GENERAL.—The Council shall meet
13 at the call of the co-chairs.

14 (B) FREQUENCY.—The Council shall meet
15 at least semiannually.

16 (5) QUORUM.—A majority of the members of
17 the Council shall constitute a quorum, but a lesser
18 number may hold hearings or conduct other busi-
19 ness.

20 (6) COUNCIL LEADERSHIP.—

21 (A) IN GENERAL.—There shall be a Fed-
22 eral co-chair and non-Federal co-chair of the
23 Council.

24 (B) APPOINTMENT.—

1 (i) FEDERAL CO-CHAIR.—The Sec-
2 retary shall be Federal co-chair.

3 (ii) NON-FEDERAL CO-CHAIR.—The
4 non-Federal members of the Council shall
5 select, on a biannual basis, a non-Federal
6 co-chair of the Council from among the
7 members appointed under paragraph (2).

8 (7) DIRECTOR OF THE OFFICE.—

9 (A) IN GENERAL.—The Director of the Of-
10 fice shall serve as Secretary of the Council.

11 (B) DUTIES.—The Director of the Office
12 shall serve the interests of all members of the
13 Council.

14 (d) DUTIES OF THE COUNCIL.—

15 (1) IN GENERAL.—The Council shall—

16 (A) not later than one year after the date
17 of the first meeting of the Council, develop a
18 comprehensive National Drought Policy Action
19 Plan that—

20 (i)(I) delineates and integrates re-
21 sponsibilities for activities relating to
22 drought (including drought preparedness,
23 mitigation, research, risk management,
24 training, and emergency relief) among
25 Federal agencies; and

1 (II) ensures that those activities are
2 coordinated with the activities of the
3 States, local governments, Indian tribes,
4 and neighboring countries;

5 (ii) is consistent with—

6 (I) this Act and other applicable
7 Federal laws; and

8 (II) the laws and policies of the
9 States for water management;

10 (iii) is integrated with drought man-
11 agement programs of the States, Indian
12 tribes, local governments, watershed
13 groups, and private entities; and

14 (iv) avoids duplicating Federal, State,
15 tribal, local, watershed, and private
16 drought preparedness and monitoring pro-
17 grams in existence on the date of enact-
18 ment of this Act;

19 (B) evaluate Federal drought-related pro-
20 grams in existence on the date of enactment of
21 this Act and make recommendations to Con-
22 gress and the President on means of elimi-
23 nating—

24 (i) discrepancies between the goals of
25 the programs and actual service delivery;

1 (ii) duplication among programs; and

2 (iii) any other circumstances that
3 interfere with the effective operation of the
4 programs;

5 (C) make recommendations to the Presi-
6 dent, Congress, and appropriate Federal Agen-
7 cies on—

8 (i) the establishment of common inter-
9 agency triggers for authorizing Federal
10 drought mitigation programs; and

11 (ii) improving the consistency and
12 fairness of assistance among Federal
13 drought relief programs;

14 (D) encourage and facilitate the develop-
15 ment of drought preparedness plans under sub-
16 title C, including establishing the guidelines
17 under this section;

18 (E) based on a review of drought prepared-
19 ness plans, develop and make available to the
20 public drought planning models to reduce water
21 resource conflicts relating to water conservation
22 and droughts;

23 (F) develop and coordinate public aware-
24 ness activities to provide the public with access

1 to understandable, and informative materials on
2 drought, including—

3 (i) explanations of the causes of
4 drought, the impacts of drought, and the
5 damages from drought;

6 (ii) descriptions of the value and bene-
7 fits of land stewardship to reduce the im-
8 pacts of drought and to protect the envi-
9 ronment;

10 (iii) clear instructions for appropriate
11 responses to drought, including water con-
12 servation, water reuse, and detection and
13 elimination of water leaks;

14 (iv) information on State and local
15 laws applicable to drought; and

16 (v) opportunities for assistance to re-
17 source-dependent businesses and industries
18 in times of drought; and

19 (G) establish operating procedures for the
20 Council.

21 (2) CONSULTATION.—In carrying out this sub-
22 section, the Council shall consult with groups af-
23 fected by drought emergencies.

24 (3) REPORTS TO CONGRESS.—

25 (A) ANNUAL REPORT.—

1 (i) IN GENERAL.—Not later than one
2 year after the date of the first meeting of
3 the Council, and annually thereafter, the
4 Council shall submit to Congress a report
5 on the activities carried out under this sec-
6 tion.

7 (ii) INCLUSIONS.—

8 (I) IN GENERAL.—The annual
9 report shall include a summary of
10 drought preparedness plans.

11 (II) INITIAL REPORT.—The ini-
12 tial report submitted under subpara-
13 graph (A) shall include any rec-
14 ommendations of the Council.

15 (B) FINAL REPORT.—Not later than seven
16 years after the date of enactment of this Act,
17 the Council shall submit to Congress a report
18 that recommends—

19 (i) amendments to this section; and

20 (ii) whether the Council should con-
21 tinue.

22 (e) POWERS OF THE COUNCIL.—

23 (1) HEARINGS.—The Council may hold hear-
24 ings, meet and act at any time and place, take any

1 testimony and receive any evidence that the Council
2 considers advisable to carry out this section.

3 (2) INFORMATION FROM FEDERAL AGENCIES.—

4 (A) IN GENERAL.—The Council may ob-
5 tain directly from any Federal agency any in-
6 formation that the Council considers necessary
7 to carry out this section.

8 (B) PROVISION OF INFORMATION.—

9 (i) IN GENERAL.—Except as provided
10 in clause (ii), on request of the Secretary
11 or the non-Federal co-chair of the Council,
12 the head of a Federal agency may provide
13 information to the Council.

14 (ii) LIMITATION.—The head of a Fed-
15 eral agency shall not provide any informa-
16 tion to the Council that the Federal agency
17 head determines the disclosure of which
18 may cause harm to national security inter-
19 ests.

20 (3) POSTAL SERVICES.—The Council may use
21 the United States mail in the same manner and
22 under the same conditions as other agencies of the
23 Federal Government.

24 (4) GIFTS.—The Council may accept, use, and
25 dispose of gifts or donations of services or property.

1 (f) COUNCIL PERSONNEL MATTERS.—

2 (1) COMPENSATION OF MEMBERS.—

3 (A) NON-FEDERAL EMPLOYEES.—A mem-
4 ber of the Council who is not an officer or em-
5 ployee of the Federal Government shall serve
6 without compensation.

7 (B) FEDERAL EMPLOYEES.—A member of
8 the Council who is an officer or employee of the
9 United States shall serve without compensation
10 in addition to the compensation received for
11 services of the member as an officer or em-
12 ployee of the Federal Government.

13 (2) TRAVEL EXPENSES.—A member of the
14 Council shall be allowed travel expenses at rates au-
15 thorized for an employee of an agency under sub-
16 chapter I of chapter 57 of title 5, United States
17 Code, while away from the home or regular place of
18 business of the member in the performance of the
19 duties of the Council.

20 (g) TERMINATION OF COUNCIL.—The Council shall
21 terminate at the end of the eighth fiscal year beginning
22 on or after the date of the enactment of this Act.

23 (h) NATIONAL OFFICE OF DROUGHT PREPARED-
24 NESS.—

1 (1) ESTABLISHMENT.—The Secretary shall es-
2 tablish an office to be known as the “National Office
3 of Drought Preparedness” to provide assistance to
4 the Council.

5 (2) DIRECTOR OF THE OFFICE.—

6 (A) APPOINTMENT.—

7 (i) IN GENERAL.—The Under Sec-
8 retary shall appoint a Director of the Of-
9 fice under sections 3371 through 3375 of
10 title 5, United States Code.

11 (ii) QUALIFICATIONS.—The Director
12 of the Office shall be a person who has ex-
13 perience in—

14 (I) public administration; and

15 (II) drought mitigation or
16 drought management.

17 (B) POWERS.—The Director of the Office
18 may hire such other additional personnel or
19 contract for services with other entities as nec-
20 essary to carry out the duties of the Office.

21 (3) DETAIL OF GOVERNMENT EMPLOYEES.—

22 (A) IN GENERAL.—Except for the require-
23 ments of section 204, an employee of the Fed-
24 eral Government may be detailed to the Office
25 without reimbursement, unless the Secretary,

1 on the recommendation of the Director of the
2 Office, determines that reimbursement is appro-
3 priate.

4 (B) CIVIL SERVICE STATUS.—The detail of
5 an employee shall be without interruption or
6 loss of civil service status or privilege.

7 (i) DROUGHT ASSISTANCE FUND.—

8 (1) ESTABLISHMENT.—There is established
9 within the Department of Agriculture a fund to be
10 known as the “Drought Assistance Fund”.

11 (2) PURPOSE.—The Fund shall be used to pay
12 the costs of—

13 (A) providing technical and financial as-
14 sistance (including grants and cooperative as-
15 sistance) to States, Indian tribes, local govern-
16 ments, watershed groups, and critical service
17 providers for the development and implementa-
18 tion of drought preparedness plans;

19 (B) providing to States, Indian tribes, local
20 governments, watershed groups, and critical
21 service providers the Federal share, as deter-
22 mined by the Secretary, in consultation with the
23 other members of the Council, of the cost of
24 mitigating the overall risk and impacts of
25 droughts;

1 (C) assisting States, Indian tribes, local
2 governments, watershed groups, and critical
3 service providers in the development of mitiga-
4 tion measures to address environmental, eco-
5 nomic, and human health and safety issues re-
6 lating to drought; and

7 (D) expanding the technology transfer of
8 drought and water conservation strategies and
9 innovative water supply techniques.

10 (3) GUIDELINES.—

11 (A) IN GENERAL.—The Secretary, in con-
12 sultation with the non-Federal co-chair of the
13 Council and with the concurrence of the Coun-
14 cil, shall develop and promulgate guidelines to
15 implement this subsection.

16 (B) REQUIREMENTS.—The guidelines shall
17 address the following:

18 (i) Ensure the distribution of amounts
19 from the Fund within a reasonable period
20 of time.

21 (ii) Take into consideration regional
22 differences.

23 (iii) Take into consideration all im-
24 pacts of drought in a balanced manner.

1 (iv) Prohibit the use of amounts from
2 the Fund for Federal salaries that are not
3 directly related to the provision of drought
4 assistance.

5 (v) Require that distribution of
6 amounts from the Fund granted to States,
7 local governments, watershed groups, and
8 critical service providers to meet the re-
9 quirements of this subsection be coordi-
10 nated with and managed by the State in
11 which such local government or critical
12 service provider is located, consistent with
13 the drought preparedness priorities and
14 relevant water management plans within
15 the State.

16 (vi) Require that distribution of
17 amounts from the Fund granted to Indian
18 tribes to meet the requirements of this
19 subsection be used to implement plans that
20 are, to the extent practicable, in coordina-
21 tion with each State in which lands of the
22 Indian tribe are located and consistent
23 with existing drought preparedness and
24 water management plans of such States.

1 (vii) Require that a State, Indian
2 tribe, local government, watershed group,
3 or critical service provider that receives
4 Federal funds under paragraph (2) or (3)
5 of subsection (b) cover not less than 25
6 percent of the overall cost incurred in car-
7 rying out the project for which the Federal
8 funds are provided. This cost sharing re-
9 quirement may be satisfied using non-Fed-
10 eral grants or cash donations made by
11 non-Federal third parties.

12 (4) SPECIAL REQUIREMENT FOR INTERSTATE
13 WATERSHEDS.—

14 (A) DEVELOPMENT OF DROUGHT PRE-
15 PAREDNESS PLANS.—In order to receive funds
16 under this subsection to develop drought pre-
17 paredness plans for interstate watersheds, the
18 guidelines shall also require the relevant States,
19 Indian tribes, or both, in which the watershed
20 is located, to coordinate in the development of
21 the drought preparedness plan. The develop-
22 ment of such plans shall—

23 (i) be consistent with the relevant
24 States' and Tribal water laws, policies, and
25 agreements;

1 (ii) be consistent and coordinated with
2 any existing interstate stream compacts;

3 (iii) include the participation of any
4 relevant watershed groups located in the
5 relevant States, Indian tribes, or both; and

6 (iv) recognize that implementation of
7 the interstate drought preparedness plan
8 will involve further coordination among the
9 relevant States, Indian tribes, or both, ex-
10 cept that each State and Indian tribe has
11 sole jurisdiction over implementation of
12 that portion of the watershed that exists
13 within their boundaries.

14 (B) IMPLEMENTATION OF DROUGHT PRE-
15 PAREDNESS PLANS.—In order to receive funds
16 under this subsection to implement drought
17 preparedness plans for interstate watersheds,
18 the guidelines shall also require, to the extent
19 practicable, the relevant States, Indian tribes,
20 or both, in which the watershed is located, to
21 coordinate in the implementation of the drought
22 preparedness plan, recognizing the sovereignty
23 of the States and Indian tribes. Implementation
24 of interstate drought preparedness plans
25 shall—

1 (i) be contingent upon the existence of
2 a drought preparedness plan, but not re-
3 quire the distribution of funds to all States
4 and Indian tribes in which the watershed is
5 located;

6 (ii) consider the level of impact within
7 the watershed on each of the relevant
8 States, Indian tribes, or both; and

9 (iii) not impede on State water rights
10 established as of the date of enactment of
11 this Act.

12 (j) DROUGHT PREPAREDNESS PLANS.—

13 (1) IN GENERAL.—The Secretary shall—

14 (A) with the concurrence of the Council,
15 jointly develop guidelines for administering a
16 national program to provide technical and fi-
17 nancial assistance to States, Indian tribes, local
18 governments, watershed groups, and critical
19 service providers for the development, mainte-
20 nance, and implementation of drought pre-
21 paredness plans; and

22 (B) promulgate the guidelines developed
23 under subparagraph (A).

24 (2) REQUIREMENTS.—To build on the experi-
25 ence and avoid duplication of efforts of Federal,

1 State, local, tribal, and regional drought plans in ex-
2 istence on the date of enactment of this Act, the
3 guidelines may recognize and incorporate those
4 plans.

5 (3) FEDERAL PLANS.—

6 (A) IN GENERAL.—The Secretary and
7 other appropriate Federal agency heads shall
8 develop and implement Federal drought pre-
9 paredness plans for agencies under the jurisdic-
10 tion of the appropriate Federal agency head.

11 (B) REQUIREMENTS.—The Federal
12 plans—

13 (i) shall be integrated with each other;

14 (ii) may be included as components of
15 other Federal planning requirements;

16 (iii) shall be integrated with drought
17 preparedness plans of State, tribal, and
18 local governments that are affected by
19 Federal projects and programs; and

20 (iv) shall be completed not later than
21 two years after the date of the enactment
22 of this Act.

23 (4) STATE AND TRIBAL PLANS.—States and In-
24 dian tribes may develop and implement State and
25 tribal drought preparedness plans that—

1 (A) address monitoring of resource condi-
2 tions that are related to drought;

3 (B) identify areas that are at a high risk
4 for drought;

5 (C) describes mitigation strategies to ad-
6 dress and reduce the vulnerability of an area to
7 drought; and

8 (D) are integrated with State, tribal, and
9 local water plans in existence on the date of en-
10 actment of this Act.

11 (5) REGIONAL AND LOCAL PLANS.—Local gov-
12 ernments, watershed groups, and regional water pro-
13 viders may develop and implement drought pre-
14 paredness plans that—

15 (A) address monitoring of resource condi-
16 tions that are related to drought;

17 (B) identify areas that are at a high risk
18 for drought;

19 (C) describe mitigation strategies to ad-
20 dress and reduce the vulnerability of an area to
21 drought; and

22 (D) are integrated with corresponding
23 State plans.

24 (6) PLAN ELEMENTS.—A drought preparedness
25 plan—

1 (A) shall be consistent with Federal and
2 State laws, contracts, and policies;

3 (B) shall allow each State to continue to
4 manage water and wildlife in the State;

5 (C) shall address the health, safety, and
6 economic interests of those persons directly af-
7 fected by drought;

8 (D) shall address the economic impact on
9 resource-dependent businesses and industries,
10 including regional tourism;

11 (E) may include—

12 (i) provisions for water management
13 strategies to be used during various
14 drought or water shortage thresholds, con-
15 sistent with State water law;

16 (ii) provisions to address key issues
17 relating to drought (including public
18 health, safety, economic factors, and envi-
19 ronmental issues such as water quality,
20 water quantity, protection of threatened
21 and endangered species, and fire manage-
22 ment);

23 (iii) provisions that allow for public
24 participation in the development, adoption,
25 and implementation of drought plans;

1 (iv) provisions for periodic drought ex-
2 ercises, revisions, and updates;

3 (v) a hydrologic characterization study
4 to determine how water is being used dur-
5 ing times of normal water supply avail-
6 ability to anticipate the types of drought
7 mitigation actions that would most effec-
8 tively improve water management during a
9 drought;

10 (vi) drought triggers;

11 (vii) specific implementation actions
12 for droughts;

13 (viii) a water shortage allocation plan,
14 consistent with State water law; and

15 (ix) comprehensive insurance and fi-
16 nancial strategies to manage the risks and
17 financial impacts of droughts; and

18 (F) shall take into consideration—

19 (i) the financial impact of the plan on
20 the ability of the utilities to ensure rate
21 stability and revenue stream; and

22 (ii) economic impacts from water
23 shortages.

24 (k) AUTHORIZATION OF APPROPRIATIONS.—

1 (1) COUNCIL.—There is authorized to be appro-
2 priated to carry out the activities of the Council
3 \$2,000,000 for fiscal year 2008 and for each of the
4 subsequent seven fiscal years.

5 (2) FUND.—There are authorized to be appro-
6 priated to the Fund such sums as are necessary to
7 carry out subsection (i).

8 **SEC. 11013. PAYMENT OF PORTION OF PREMIUM FOR AREA**
9 **REVENUE PLANS.**

10 Section 508(e) of the Federal Crop Insurance Act (7
11 U.S.C. 1508(e)) is amended—

12 (1) in paragraph (2), in the matter preceding
13 subparagraph (A), by striking “paragraph (4)” and
14 inserting “paragraphs (4), (6), and (7)”; and

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

16 “(6) PREMIUM SUBSIDY FOR AREA REVENUE
17 PLANS.—Subject to paragraph (4), in the case of a
18 policy or plan of insurance that covers losses due to
19 a reduction in revenue in an area, the amount of the
20 premium paid by the Corporation shall be as follows:

21 “(A) In the case of additional area cov-
22 erage equal to or greater than 70 percent, but
23 less than 75 percent, of the recorded county
24 yield indemnified at not greater than 100 per-

1 cent of the expected market price, the amount
2 shall be equal to the sum of—

3 “(i) 59 percent of the amount of the
4 premium established under subsection
5 (d)(2)(B)(i) for the coverage level selected;
6 and

7 “(ii) the amount determined under
8 subsection (d)(2)(B)(ii) for the coverage
9 level selected to cover operating and ad-
10 ministrative expenses.

11 “(B) In the case of additional area cov-
12 erage equal to or greater than 75 percent, but
13 less than 85 percent, of the recorded county
14 yield indemnified at not greater than 100 per-
15 cent of the expected market price, the amount
16 shall be equal to the sum of—

17 “(i) 55 percent of the amount of the
18 premium established under subsection
19 (d)(2)(B)(i) for the coverage level selected;
20 and

21 “(ii) the amount determined under
22 subsection (d)(2)(B)(ii) for the coverage
23 level selected to cover operating and ad-
24 ministrative expenses.

1 “(C) In the case of additional area cov-
2 erage equal to or greater than 85 percent, but
3 less than 90 percent, of the recorded county
4 yield indemnified at not greater than 100 per-
5 cent of the expected market price, the amount
6 shall be equal to the sum of—

7 “(i) 49 percent of the amount of the
8 premium established under subsection
9 (d)(2)(B)(i) for the coverage level selected;
10 and

11 “(ii) the amount determined under
12 subsection (d)(2)(B)(ii) for the coverage
13 level selected to cover operating and ad-
14 ministrative expenses.

15 “(D) In the case of additional area cov-
16 erage equal to or greater than 90 percent of the
17 recorded county yield indemnified at not greater
18 than 100 percent of the expected market price,
19 the amount shall be equal to the sum of—

20 “(i) 44 percent of the amount of the
21 premium established under subsection
22 (d)(2)(B)(i) for the coverage level selected;
23 and

24 “(ii) the amount determined under
25 subsection (d)(2)(B)(ii) for the coverage

1 level selected to cover operating and ad-
2 ministrative expenses.

3 “(7) PREMIUM SUBSIDY FOR AREA YIELD
4 PLANS.—Subject to paragraph (4), in the case of a
5 policy or plan of insurance that covers losses due to
6 a loss of yield or prevented planting in an area, the
7 amount of the premium paid by the Corporation
8 shall be as follows:

9 “(A) In the case of additional area cov-
10 erage equal to or greater than 70 percent, but
11 less than 80 percent, of the recorded county
12 yield indemnified at not greater than 100 per-
13 cent of the expected market price, the amount
14 shall be equal to the sum of—

15 “(i) 59 percent of the amount of the
16 premium established under subsection
17 (d)(2)(B)(i) for the coverage level selected;
18 and

19 “(ii) the amount determined under
20 subsection (d)(2)(B)(ii) for the coverage
21 level selected to cover operating and ad-
22 ministrative expenses.

23 “(B) In the case of additional area cov-
24 erage equal to or greater than 80 percent, but
25 less than 90 percent, of the recorded county

1 yield indemnified at not greater than 100 per-
2 cent of the expected market price, the amount
3 shall be equal to the sum of—

4 “(i) 55 percent of the amount of the
5 premium established under subsection
6 (d)(2)(B)(i) for the coverage level selected;
7 and

8 “(ii) the amount determined under
9 subsection (d)(2)(B)(ii) for the coverage
10 level selected to cover operating and ad-
11 ministrative expenses.

12 “(C) In the case of additional area cov-
13 erage equal to or greater than 90 percent, of
14 the recorded county yield indemnified at not
15 greater than 100 percent of the expected mar-
16 ket price, the amount shall be equal to the sum
17 of—

18 “(i) 51 percent of the amount of the
19 premium established under subsection
20 (d)(2)(B)(i) for the coverage level selected;
21 and

22 “(ii) the amount determined under
23 subsection (d)(2)(B)(ii) for the coverage
24 level selected to cover operating and ad-
25 ministrative expenses.”.

1 **SEC. 11014. SHARE OF RISK.**

2 (a) IN GENERAL.—Section 508(k)(3) of the Federal
3 Crop Insurance Act (7 U.S.C. 1508(k)(3)) is amended—

4 (1) by striking “require the” and inserting “re-
5 quire—

6 “(A) the”;

7 (2) by striking the period at the end and insert-
8 ing “; and”; and

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

10 “(B)(i) the cumulative underwriting gain
11 or loss, and the associated premium and losses
12 with such amount, calculated under any rein-
13 surance agreement (except livestock) ceded to
14 the Corporation by each approved insurance
15 provider to be not less than 12.5 percent; and

16 “(ii) the Corporation to pay a ceding com-
17 mission to reinsured companies of 2 percent of
18 the premium used to define the loss ratio for
19 the approved insurance provider’s book of busi-
20 ness that is described in clause (i).”.

21 (b) CONFORMING AMENDMENTS.—Section 516(a)(2)
22 of the Federal Crop Insurance Act (7 U.S.C. 1516(a)(2))
23 is amended by adding at the end the following new sub-
24 paragraph:

25 “(E) Costs associated with the ceding com-
26 missions described in section 508(k)(3)(B)(ii).”.

1 (c) EFFECTIVE DATE.—This section shall take effect
2 on the first June 30th after the date of the enactment
3 of this Act.

4 **SEC. 11015. LIVESTOCK ASSISTANCE.**

5 Notwithstanding any other provision of law, the pur-
6 chase of a Non-insured Assistance Program policy shall
7 not be a requirement to receive any Federal livestock dis-
8 aster assistance.

9 **SEC. 11016. DETERMINATION OF CERTAIN SWEET POTATO**
10 **PRODUCTION.**

11 In the case of sweet potatoes, Risk Management
12 Agency Pilot Program data shall not be considered for
13 purposes of determining production for the 2005–2006
14 Farm Service Agency Crop Disaster Program.

15 **Subtitle B—Livestock and Poultry**

16 **SEC. 11101. SENSE OF CONGRESS REGARDING**
17 **PSEUDORABIES ERADICATION PROGRAM.**

18 It is the sense of Congress that—

19 (1) the Secretary should recognize the threat
20 feral swine pose to the domestic swine population;

21 (2) keeping the United States commercial swine
22 herd free of pseudorabies is essential to maintaining
23 and growing pork export markets;

24 (3) the establishment of a swine surveillance
25 system will assist the swine industry in the moni-

1 toring, surveillance, and eradication of pseudorabies;
2 and

3 (4) pseudorabies eradication is a high priority
4 that the Secretary should carry out under the au-
5 thorities of the Animal Health Protection Act.

6 **SEC. 11102. ARBITRATION OF LIVESTOCK AND POULTRY**
7 **CONTRACTS.**

8 The Packers and Stockyards Act, 1921 (7 U.S.C. 181
9 et seq.) is amended—

10 (1) by redesignating section 416 as section 417;
11 and

12 (2) by inserting after section 415 the following
13 new section:

14 **“SEC. 416. ARBITRATION OF LIVESTOCK AND POULTRY**
15 **CONTRACTS.**

16 “(a) ISSUANCE OF REGULATIONS.—The Secretary of
17 Agriculture shall promulgate regulations to establish
18 standards related to the inclusion of arbitration provisions
19 in livestock and poultry production contracts.

20 “(b) CONTENT.—Such regulations shall—

21 “(1) establish permissible agreements with re-
22 spect to venue of arbitration, allocation of arbitra-
23 tion costs, number and appointment of arbitrators,
24 and any other element of an arbitration agreement
25 that the Secretary determines to be necessary;

1 “(2) permit a producer to seek relief in a small
2 claims court in lieu of arbitration for disputes or
3 claims within the jurisdiction of a small claims
4 court, despite the existence of an arbitration agree-
5 ment; and

6 “(3) require any person appointed or to be ap-
7 pointed as an arbitrator to disclose any circumstance
8 likely to raise doubt as to the arbitrator’s impar-
9 tiality.”.

10 **SEC. 11103. STATE-INSPECTED MEAT AND POULTRY.**

11 (a) REVIEW OF STATE MEAT AND POULTRY INSPEC-
12 TION PROGRAMS.—

13 (1) REPORT.—Not later than 30 days after the
14 date of the enactment of this Act, the Secretary of
15 Agriculture shall submit to Congress a report con-
16 taining the results of a review by the Secretary of
17 each State meat and poultry inspection program.
18 Such report shall include—

19 (A) a determination of the effectiveness of
20 each State meat and poultry inspection pro-
21 gram; and

22 (B) an identification of changes that are
23 necessary to enable future transition to a State
24 program of enforcing Federal inspection re-

1 quirements as described in the amendments
2 made by subsections (b) and (c).

3 (2) AUTHORIZATION OF APPROPRIATIONS.—

4 (A) IN GENERAL.—There are authorized to
5 be appropriated such sums as are necessary to
6 carry out this section.

7 (B) AVAILABLE FUNDS.—Notwithstanding
8 any other provision of law, only funds specifi-
9 cally appropriated under subparagraph (A) may
10 be used to carry out this subsection.

11 (b) STATE MEAT INSPECTION PROGRAMS.—

12 (1) IN GENERAL.—Title III of the Federal
13 Meat Inspection Act (21 U.S.C. 661 et seq.) is
14 amended to read as follows:

15 **“TITLE III—STATE MEAT**
16 **INSPECTION PROGRAMS**

17 **“SEC. 301. POLICY AND FINDINGS.**

18 “(a) POLICY.—It is the policy of Congress to protect
19 the public from meat and meat food products that are
20 adulterated or misbranded and to assist in efforts by State
21 and other government agencies to accomplish that policy.

22 “(b) FINDINGS.—Congress finds that—

23 “(1) the goal of a safe and wholesome supply
24 of meat and meat food products throughout the
25 United States would be better served if a consistent

1 set of requirements, established by the Federal Gov-
2 ernment, were applied to all meat and meat food
3 products, whether produced under State inspection
4 or Federal inspection;

5 “(2) under such a system, State and Federal
6 meat inspection programs would function together to
7 create a seamless inspection system to ensure food
8 safety and inspire consumer confidence in the food
9 supply in interstate commerce; and

10 “(3) such a system would ensure the viability of
11 State meat inspection programs, which should help
12 to foster the viability of small establishments.

13 **“SEC. 302. APPROVAL OF STATE MEAT INSPECTION PRO-**
14 **GRAMS.**

15 “(a) IN GENERAL.—Notwithstanding any other pro-
16 vision of this Act, the Secretary may approve a State meat
17 inspection program and allow the shipment in commerce
18 of carcasses, parts of carcasses, meat, and meat food prod-
19 ucts inspected under the State meat inspection program
20 in accordance with this title.

21 “(b) ELIGIBILITY.—

22 “(1) IN GENERAL.—To receive or maintain ap-
23 proval from the Secretary for a State meat inspec-
24 tion program in accordance with subsection (a), a
25 State shall—

1 “(A) implement a State meat inspection
2 program that enforces the mandatory ante-
3 mortem and postmortem inspection, reinspec-
4 tion, sanitation, and related Federal require-
5 ments of titles I, II, and IV (including the regu-
6 lations, directives, notices, policy memoranda,
7 and other regulatory requirements issued under
8 those titles); and

9 “(B) enter into a cooperative agreement
10 with the Secretary in accordance with sub-
11 section (c).

12 “(2) ADDITIONAL REQUIREMENTS.—

13 “(A) IN GENERAL.—In addition to the re-
14 quirements described in paragraph (1), a State
15 meat inspection program reviewed in accord-
16 ance with section 11103(a) of the Farm, Nutri-
17 tion, and Bioenergy Act of 2007 shall imple-
18 ment, not later than 180 days after the date on
19 which the report is submitted under subsection
20 (b) of such section, all recommendations from
21 the review, in a manner approved by the Sec-
22 retary.

23 “(B) REVIEW OF NEW STATE MEAT IN-
24 SPECTION PROGRAMS.—

1 “(i) REVIEW REQUIREMENT.—Not
2 later than one year after the date on which
3 the Secretary approves a new State meat
4 inspection program, the Secretary shall
5 conduct a review of the new State meat in-
6 spection program, which shall include—

7 “(I) a determination of the effec-
8 tiveness of the new State meat inspec-
9 tion program; and

10 “(II) identification of changes
11 necessary to ensure enforcement of
12 Federal inspection requirements.

13 “(ii) IMPLEMENTATION REQUIRE-
14 MENTS.—In addition to the requirements
15 described in paragraph (1), to continue to
16 be an approved State meat inspection pro-
17 gram, a new State meat inspection pro-
18 gram shall implement all recommendations
19 from the review conducted in accordance
20 with this subparagraph, in a manner ap-
21 proved by the Secretary.

22 “(iii) DEFINITION OF NEW STATE
23 MEAT INSPECTION PROGRAM.—In this sub-
24 paragraph, the term ‘new State meat in-
25 spection program’ means a State meat in-

1 inspection program that is not approved in
2 accordance with subsection (a) between the
3 effective date of the Farm, Nutrition, and
4 Bioenergy Act of 2007 and the date that
5 is one year after the effective date of such
6 Act.

7 “(c) COOPERATIVE AGREEMENT.—Notwithstanding
8 chapter 63 of title 31, United States Code, the Secretary
9 may enter into a cooperative agreement with a State
10 that—

11 “(1) establishes the terms governing the rela-
12 tionship between the Secretary and the State meat
13 inspection program;

14 “(2) provides that the State will adopt (includ-
15 ing adoption by reference) provisions identical to ti-
16 tles I, II, and IV (including the regulations, direc-
17 tives, notices, policy memoranda, and other regu-
18 latory requirements issued under those titles);

19 “(3) provides that State-inspected and passed
20 meat and meat food products shall be marked with
21 a mark of State inspection, which shall be deemed
22 to be an official mark, in accordance with require-
23 ments issued by the Secretary;

24 “(4) provides that the State will comply with all
25 labeling requirements issued by the Secretary gov-

1 erning meat and meat food products inspected under
2 the State meat inspection program;

3 “(5) provides that the Secretary shall have au-
4 thority—

5 “(A) to detain and seize livestock, car-
6 casses, parts of carcasses, meat, and meat food
7 products under the State meat inspection pro-
8 gram;

9 “(B) to obtain access to facilities, records,
10 livestock, carcasses, parts of carcasses, meat,
11 and meat food products of any person, firm, or
12 corporation that slaughters, processes, handles,
13 stores, transports, or sells meat or meat food
14 products inspected under the State meat inspec-
15 tion program to determine compliance with this
16 Act (including the regulations issued under this
17 Act); and

18 “(C) to direct the State to conduct any ac-
19 tivity authorized to be conducted by the Sec-
20 retary under this Act (including the regulations
21 issued under this Act); and

22 “(6) includes such other terms as the Secretary
23 determines to be necessary to ensure that the ac-
24 tions of the State and the State meat inspection pro-
25 gram are consistent with this Act (including the reg-

1 ulations, directives, notices, policy memoranda, and
2 other regulatory requirements issued under this
3 Act).

4 “(d) RESTRICTION ON ESTABLISHMENT SIZE.—After
5 the date that is 90 days after the effective date of the
6 Farm, Nutrition, and Bioenergy Act of 2007, establish-
7 ments with more than 50 employees may not be accepted
8 into a State meat inspection program. Any establishment
9 that is subject to state inspection on such date, may re-
10 main subject to State inspection.

11 “(e) REIMBURSEMENT OF STATE COSTS.—The Sec-
12 retary may reimburse a State for not more than 50 per-
13 cent of the State’s costs of meeting the Federal require-
14 ments for the State meat inspection program.

15 “(f) SAMPLING.—A duly authorized representative of
16 the Secretary shall be afforded access to State inspected
17 establishments to take reasonable samples of the inventory
18 of such establishments upon payment of the fair market
19 value therefor.

20 “(g) NONCOMPLIANCE.—If the Secretary determines
21 that a State meat inspection program does not comply
22 with this title or the cooperative agreement under sub-
23 section (c), the Secretary shall take such action as the Sec-
24 retary determines to be necessary to ensure that the car-
25 casses, parts of carcasses, meat, and meat food products

1 in the State are inspected in a manner that effectuates
2 this Act (including the regulations, directives, notices, pol-
3 icy memoranda, and other regulatory requirements issued
4 under this Act).

5 **“SEC. 303. AUTHORITY TO TAKE OVER STATE MEAT INSPEC-**
6 **TION PROGRAMS.**

7 “(a) NOTIFICATION.—If the Secretary has reason to
8 believe that a State is not in compliance with this Act (in-
9 cluding the regulations, directives, notices, policy memo-
10 randa, and other regulatory requirements issued under
11 this Act) or the cooperative agreement under section
12 302(e) and is considering the revocation or temporary sus-
13 pension of the approval of the State meat inspection pro-
14 gram, the Secretary shall promptly notify and consult with
15 the Governor of the State.

16 “(b) SUSPENSION AND REVOCATION.—

17 “(1) IN GENERAL.—The Secretary may revoke
18 or temporarily suspend the approval of a State meat
19 inspection program and take over a State meat in-
20 spection program if the Secretary determines that
21 the State meat inspection program is not in compli-
22 ance with this Act (including the regulations, direc-
23 tives, notices, policy memoranda, and other regu-
24 latory requirements issued under this Act) or the co-
25 operative agreement under section 302(c).

1 “(2) PROCEDURES FOR REINSTATEMENT.—A
2 State meat inspection program that has been the
3 subject of a revocation may be reinstated as an ap-
4 proved State meat inspection program under this
5 Act only in accordance with the procedures under
6 section 302(b)(2)(B).

7 “(c) PUBLICATION.—If the Secretary revokes or tem-
8 porarily suspends the approval of a State meat inspection
9 program in accordance with subsection (b), the Secretary
10 shall publish notice of the revocation or temporary suspen-
11 sion under that subsection in the Federal Register.

12 “(d) INSPECTION OF ESTABLISHMENTS.—Not later
13 than 30 days after the date of publication of a determina-
14 tion under subsection (c), an establishment subject to a
15 State meat inspection program with respect to which the
16 Secretary makes a determination under subsection (b)
17 shall be inspected by the Secretary.

18 **“SEC. 304. EXPEDITED AUTHORITY TO TAKE OVER INSPEC-**
19 **TION OF STATE-INSPECTED ESTABLISH-**
20 **MENTS.**

21 “Notwithstanding any other provision of this title, if
22 the Secretary determines that an establishment operating
23 under a State meat inspection program is not operating
24 in accordance with this Act (including the regulations, di-
25 rectives, notices, policy memoranda, and other regulatory

1 requirements issued under this Act) or the cooperative
2 agreement under section 302(c), and the State, after noti-
3 fication by the Secretary to the Governor, has not taken
4 appropriate action within a reasonable time as determined
5 by the Secretary, the Secretary may immediately deter-
6 mine that the establishment is an establishment that shall
7 be inspected by the Secretary, until such time as the Sec-
8 retary determines that the State will meet the require-
9 ments of this Act (including the regulations, directives, no-
10 tices, policy memoranda, and other regulatory require-
11 ments) and the cooperative agreement with respect to the
12 establishment.

13 **“SEC. 305. ANNUAL REVIEW.**

14 “(a) IN GENERAL.—The Secretary shall develop and
15 implement a process to annually review each State meat
16 inspection program approved under this title and to certify
17 the State meat inspection programs that comply with the
18 cooperative agreement entered into with the State under
19 section 302(c).

20 “(b) COMMENT FROM INTERESTED PARTIES.—In
21 developing the review process described in subsection (a),
22 the Secretary shall solicit comment from interested par-
23 ties.

1 **“SEC. 306. FEDERAL INSPECTION OPTION.**

2 “(a) IN GENERAL.—An establishment that operates
3 in a State with an approved State meat inspection pro-
4 gram may apply for inspection under the State meat in-
5 spection program or for Federal inspection.

6 “(b) LIMITATION.—An establishment shall not make
7 an application under subsection (a) more than once every
8 four years.”.

9 (2) RESTAURANTS AND RETAIL STORES.—Title
10 IV of the Federal Meat Inspection Act is amended—

11 (A) by redesignating section 411 (21
12 U.S.C. 681) as section 414; and

13 (B) by inserting after section 410 (21
14 U.S.C. 680) the following:

15 **“SEC. 411. RESTAURANTS AND RETAIL STORES.**

16 “(a) LIMITATION ON APPLICABILITY OF INSPECTION
17 REQUIREMENTS.—The provisions of this Act requiring in-
18 spection of the slaughter of animals and the preparation
19 of carcasses, parts of carcasses, meat, and meat food prod-
20 ucts shall not apply to operations of types traditionally
21 and usually conducted at retail stores and restaurants, as
22 determined by the Secretary, if the operations are con-
23 ducted at a retail store, restaurant, or similar retail estab-
24 lishment for sale of such prepared articles in normal retail
25 quantities or for service of the articles to consumers at
26 such an establishment.

1 “(b) CENTRAL KITCHEN FACILITIES.—

2 “(1) IN GENERAL.—For the purposes of this
3 section, operations conducted at a central kitchen fa-
4 cility of a restaurant shall be considered to be con-
5 ducted at a restaurant if the central kitchen of the
6 restaurant prepares meat or meat food products that
7 are ready to eat when they leave the facility and are
8 served in meals or as entrees only to customers at
9 restaurants owned or operated by the same person,
10 firm, or corporation that owns or operates the facil-
11 ity.

12 “(2) EXCEPTION.—A facility described in para-
13 graph (1) shall be subject to section 202 and may
14 be subject to the inspection requirements of title I
15 for as long as the Secretary determines to be nec-
16 essary, if the Secretary determines that the sanitary
17 conditions or practices of the facility or the proc-
18 essing procedures or methods at the facility are such
19 that any of the meat or meat food products of the
20 facility are rendered adulterated.

21 **“SEC. 412. ACCEPTANCE OF INTERSTATE SHIPMENTS OF**
22 **MEAT AND MEAT FOOD PRODUCTS.**

23 “Notwithstanding any provision of State law, a State
24 or local government shall not prohibit or restrict the move-
25 ment or sale of meat or meat food products that have been

1 inspected and passed in accordance with this Act for inter-
2 state commerce.

3 **“SEC. 413. ADVISORY COMMITTEES FOR FEDERAL AND**
4 **STATE PROGRAMS.**

5 “The Secretary may appoint advisory committees
6 consisting of such representatives of appropriate State
7 agencies as the Secretary and the State agencies may des-
8 ignate to consult with the Secretary concerning State and
9 Federal programs with respect to meat inspection and
10 other matters within the scope of this Act.”.

11 (c) STATE POULTRY INSPECTION PROGRAMS.—

12 (1) IN GENERAL.—The Poultry Products In-
13 spection Act (21 U.S.C. 451 et seq.) is amended by
14 striking section 5 and inserting the following:

15 **“SEC. 5. STATE POULTRY INSPECTION PROGRAMS.**

16 “(a) POLICY.—It is the policy of Congress to protect
17 the public from poultry products that are adulterated or
18 misbranded and to assist in efforts by State and other gov-
19 ernment agencies to accomplish that policy.

20 “(b) FINDINGS.—Congress finds that—

21 “(1) the goal of a safe and wholesome supply
22 of poultry products throughout the United States
23 would be better served if a consistent set of require-
24 ments, established by the Federal Government, were

1 applied to all poultry products, whether produced
2 under State inspection or Federal inspection;

3 “(2) under such a system, State and Federal
4 poultry inspection programs would function together
5 to create a seamless inspection system to ensure
6 food safety and inspire consumer confidence in the
7 food supply in interstate commerce; and

8 “(3) such a system would ensure the viability of
9 State poultry inspection programs, which should
10 help to foster the viability of small official establish-
11 ments.

12 “(c) APPROVAL OF STATE POULTRY INSPECTION
13 PROGRAMS.—

14 “(1) IN GENERAL.—Notwithstanding any other
15 provision of this Act, the Secretary may approve a
16 State poultry inspection program and allow the ship-
17 ment in commerce of poultry products inspected
18 under the State poultry inspection program in ac-
19 cordance with this section and section 5A.

20 “(2) ELIGIBILITY.—

21 “(A) IN GENERAL.—To receive or main-
22 tain approval from the Secretary for a State
23 poultry inspection program in accordance with
24 paragraph (1), a State shall—

1 “(i) implement a State poultry inspec-
2 tion program that enforces the mandatory
3 antemortem and postmortem inspection,
4 reinspection, sanitation, and related Fed-
5 eral requirements of sections 1 through 4
6 and 6 through 33 (including the regula-
7 tions, directives, notices, policy memo-
8 randa, and other regulatory requirements
9 issued under those sections); and

10 “(ii) enter into a cooperative agree-
11 ment with the Secretary in accordance
12 with paragraph (3).

13 “(B) ADDITIONAL REQUIREMENTS.—

14 “(i) IN GENERAL.—In addition to the
15 requirements described in subparagraph
16 (A), a State poultry inspection program re-
17 viewed in accordance with section 11103(a)
18 of the Farm, Nutrition, and Bioenergy Act
19 of 2007 shall implement, not later 180
20 days after the date on which the report is
21 submitted under subsection (b) of such
22 section, all recommendations from the re-
23 view, in a manner approved by the Sec-
24 retary.

1 “(ii) REVIEW OF NEW STATE POUL-
2 TRY INSPECTION PROGRAMS.—

3 “(I) REVIEW REQUIREMENT.—

4 Not later than one year after the date
5 on which the Secretary approves a
6 new State poultry inspection program,
7 the Secretary shall conduct a review
8 of the new State poultry inspection
9 program, which shall include—

10 “(aa) a determination of the
11 effectiveness of the new State
12 poultry inspection program; and

13 “(bb) identification of
14 changes necessary to ensure en-
15 forcement of Federal inspection
16 requirements.

17 “(II) IMPLEMENTATION RE-
18 QUIREMENTS.—In addition to the re-
19 quirements described in subparagraph
20 (A), to continue to be an approved
21 State poultry inspection program, a
22 new State poultry inspection program
23 shall implement all recommendations
24 from the review conducted in accord-

1 ance with this clause, in a manner ap-
2 proved by the Secretary.

3 “(III) DEFINITION OF NEW
4 STATE POULTRY INSPECTION PRO-
5 GRAM.—In this clause, the term ‘new
6 State poultry inspection program’
7 means a State poultry inspection pro-
8 gram that is not approved in accord-
9 ance with paragraph (1) between the
10 effective date of the Farm, Nutrition,
11 and Bioenergy Act of 2007 and the
12 date that is one year after the effec-
13 tive date of such Act.

14 “(3) COOPERATIVE AGREEMENT.—Notwith-
15 standing chapter 63 of title 31, United States Code,
16 the Secretary may enter into a cooperative agree-
17 ment with a State that—

18 “(A) establishes the terms governing the
19 relationship between the Secretary and the
20 State poultry inspection program;

21 “(B) provides that the State will adopt (in-
22 cluding adoption by reference) provisions iden-
23 tical to sections 1 through 4 and 6 through 33
24 (including the regulations, directives, notices,

1 policy memoranda, and other regulatory re-
2 quirements issued under those sections);

3 “(C) provides that State-inspected and
4 passed poultry products may be marked with
5 the mark of State inspection, which shall be
6 deemed to be an official mark, in accordance
7 with requirements issued by the Secretary;

8 “(D) provides that the State will comply
9 with all labeling requirements issued by the
10 Secretary governing poultry products inspected
11 under the State poultry inspection program;

12 “(E) provides that the Secretary shall have
13 authority—

14 “(i) to detain and seize poultry and
15 poultry products under the State poultry
16 inspection program;

17 “(ii) to obtain access to facilities,
18 records, and poultry products of any per-
19 son that slaughters, processes, handles,
20 stores, transports, or sells poultry products
21 inspected under the State poultry inspec-
22 tion program to determine compliance with
23 this Act (including the regulations issued
24 under this Act); and

1 “(iii) to direct the State to conduct
2 any activity authorized to be conducted by
3 the Secretary under this Act (including the
4 regulations issued under this Act); and

5 “(F) includes such other terms as the Sec-
6 retary determines to be necessary to ensure
7 that the actions of the State and the State
8 poultry inspection program are consistent with
9 this Act (including the regulations, directives,
10 notices, policy memoranda, and other regulatory
11 requirements issued under this Act).

12 “(4) RESTRICTION ON ESTABLISHMENT SIZE.—
13 After the date that is 90 days after the effective
14 date of the Farm, Nutrition, and Bioenergy Act of
15 2007, establishments with more than 50 employees
16 may not be accepted into a State meat inspection
17 program. Any establishment that is subject to state
18 inspection on such date may remain subject to state
19 inspection.

20 “(5) REIMBURSEMENT OF STATE COSTS.—The
21 Secretary may reimburse a State for not more than
22 60 percent of the State’s costs of meeting the Fed-
23 eral requirements for the State poultry inspection
24 program.

1 “(6) SAMPLING.—A duly authorized representa-
2 tive of the Secretary shall be afforded access to
3 State inspected establishments to take reasonable
4 samples of their inventory upon payment of the fair
5 market value therefor.

6 “(7) NONCOMPLIANCE.—If the Secretary deter-
7 mines that a State poultry inspection program does
8 not comply with this section, section 5A, or the co-
9 operative agreement under paragraph (3), the Sec-
10 retary shall take such action as the Secretary deter-
11 mines to be necessary to ensure that the poultry
12 products in the State are inspected in a manner that
13 effectuates this Act (including the regulations, direc-
14 tives, notices, policy memoranda, and other regu-
15 latory requirements issued under this Act).

16 “(d) ANNUAL REVIEW.—

17 “(1) IN GENERAL.—The Secretary shall develop
18 and implement a process to annually review each
19 State poultry inspection program approved under
20 this section and to certify the State poultry inspec-
21 tion programs that comply with the cooperative
22 agreement entered into with the State under sub-
23 section (c)(3).

24 “(2) COMMENT FROM INTERESTED PARTIES.—
25 In developing the review process described in para-

1 graph (1), the Secretary shall solicit comment from
2 interested parties.

3 “(e) FEDERAL INSPECTION OPTION.—

4 “(1) IN GENERAL.—An official establishment
5 that operates in a State with an approved State
6 poultry inspection program may apply for inspection
7 under the State poultry inspection program or for
8 Federal inspection.

9 “(2) LIMITATION.—An official establishment
10 shall not make an application under paragraph (1)
11 more than once every 4 years.

12 **“SEC. 5A. AUTHORITY TO TAKE OVER STATE POULTRY IN-**
13 **SPECTION ACTIVITIES.**

14 “(a) AUTHORITY TO TAKE OVER STATE POULTRY
15 INSPECTION PROGRAMS.—

16 “(1) NOTIFICATION.—If the Secretary has rea-
17 son to believe that a State is not in compliance with
18 this Act (including the regulations, directives, no-
19 tices, policy memoranda, and other regulatory re-
20 quirements issued under this Act) or the cooperative
21 agreement under section 5(c)(3) and is considering
22 the revocation or temporary suspension of the ap-
23 proval of the State poultry inspection program, the
24 Secretary shall promptly notify and consult with the
25 Governor of the State.

1 “(2) SUSPENSION AND REVOCATION.—

2 “(A) IN GENERAL.—The Secretary may re-
3 voke or temporarily suspend the approval of a
4 State poultry inspection program and take over
5 a State poultry inspection program if the Sec-
6 retary determines that the State poultry inspec-
7 tion program is not in compliance with this Act
8 (including the regulations, directives, notices,
9 policy memoranda, and other regulatory re-
10 quirements issued under this Act) or the coop-
11 erative agreement.

12 “(B) PROCEDURES FOR REINSTATE-
13 MENT.—A State poultry inspection program
14 that has been the subject of a revocation may
15 be reinstated as an approved State poultry in-
16 spection program under this Act only in accord-
17 ance with the procedures under section
18 5(e)(2)(B)(ii).

19 “(3) PUBLICATION.—If the Secretary revokes
20 or temporarily suspends the approval of a State
21 poultry inspection program in accordance with para-
22 graph (2), the Secretary shall publish notice of the
23 revocation or temporary suspension under that para-
24 graph in the Federal Register.

1 “(4) INSPECTION OF ESTABLISHMENTS.—Not
2 later than 30 days after the date of publication of
3 a determination under paragraph (3), an official es-
4 tablishment subject to a State poultry inspection
5 program with respect to which the Secretary makes
6 a determination under paragraph (2) shall be in-
7 spected by the Secretary.

8 “(b) EXPEDITED AUTHORITY TO TAKE OVER IN-
9 SPECTION OF STATE-INSPECTED OFFICIAL ESTABLISH-
10 MENTS.—Notwithstanding any other provision of this
11 title, if the Secretary determines that an official establish-
12 ment operating under a State poultry inspection program
13 is not operating in accordance with this Act (including the
14 regulations, directives, notices, policy memoranda, and
15 other regulatory requirements issued under this Act) or
16 the cooperative agreement under section 5(c)(3), and the
17 State, after notification by the Secretary to the Governor,
18 has not taken appropriate action within a reasonable time
19 as determined by the Secretary, the Secretary may imme-
20 diately determine that the official establishment is an es-
21 tablishment that shall be inspected by the Secretary, until
22 such time as the Secretary determines that the State will
23 meet the requirements of this Act (including the regula-
24 tions, directives, notices, policy memoranda, and other reg-

1 ulatory requirements) and the cooperative agreement with
2 respect to the official establishment.”.

3 (2) RESTAURANTS AND RETAIL STORES, AC-
4 CEPTANCE OF INTERSTATE SHIPMENTS OF POULTRY
5 PRODUCTS, AND ADVISORY COMMITTEES FOR FED-
6 ERAL AND STATE PROGRAMS.—The Poultry Prod-
7 ucts Inspection Act (21 U.S.C. 451 et seq.) is
8 amended by inserting after section 30 the following:

9 **“SEC. 31. RESTAURANTS AND RETAIL STORES.**

10 “(a) LIMITATION ON APPLICABILITY OF INSPECTION
11 REQUIREMENTS.—The provisions of this Act requiring in-
12 spection of the slaughter of poultry and the processing of
13 poultry products shall not apply to operations of types tra-
14 ditionally and usually conducted at retail stores and res-
15 taurants, if the operations are conducted at a retail store,
16 restaurant, or similar retail establishment for sale of such
17 prepared articles in normal retail quantities or for service
18 of the articles to consumers at such an establishment.

19 “(b) CENTRAL KITCHEN FACILITIES.—

20 “(1) IN GENERAL.—For the purposes of this
21 section, operations conducted at a central kitchen fa-
22 cility of a restaurant shall be considered to be con-
23 ducted at a restaurant if the central kitchen of the
24 restaurant prepares poultry products that are ready
25 to eat when they leave the facility and are served in

1 meals or as entrees only to customers at restaurants
2 owned or operated by the same person that owns or
3 operates the facility.

4 “(2) EXCEPTION.—A facility described in para-
5 graph (1) shall be subject to section 11(b) and may
6 be subject to the inspection requirements of this Act
7 for as long as the Secretary determines to be nec-
8 essary, if the Secretary determines that the sanitary
9 conditions or practices of the facility or the proc-
10 essing procedures or methods at the facility are such
11 that any of the poultry products of the facility are
12 rendered adulterated.

13 **“SEC. 32. ACCEPTANCE OF INTERSTATE SHIPMENTS OF**
14 **POULTRY PRODUCTS.**

15 “Notwithstanding any provision of State law, a State
16 or local government shall not prohibit or restrict the move-
17 ment or sale of poultry products that have been inspected
18 and passed in accordance with this Act for interstate com-
19 merce.

20 **“SEC. 33. ADVISORY COMMITTEES FOR FEDERAL AND**
21 **STATE PROGRAMS.**

22 “The Secretary may appoint advisory committees
23 consisting of such representatives of appropriate State
24 agencies as the Secretary and the State agencies may des-
25 ignate to consult with the Secretary concerning State and

1 Federal programs with respect to poultry product inspec-
2 tion and other matters within the scope of this Act.”.

3 (d) REGULATIONS.—Not later than 180 days after
4 the date of the enactment of this Act, the Secretary of
5 Agriculture shall promulgate such regulations as are nec-
6 essary to implement the amendments made by subsections
7 (b) and (c).

8 (e) EFFECTIVE DATE.—The amendments made by
9 subsections (b) and (c) of this Act shall take effect on the
10 date that is 180 days after the date of the enactment of
11 this Act.

12 **SEC. 11104. COUNTRY OF ORIGIN LABELING.**

13 Subtitle D of the Agricultural Marketing Act of 1946
14 (7 U.S.C. 1638 et seq.) is amended—

15 (1) in section 281(2)(A)—

16 (A) in clause (v) by striking “and”;

17 (B) in clause (vi), by striking “peanuts.”

18 and inserting “peanuts; and”; and

19 (C) by adding at the end the following new
20 clause:

21 “(vii) meat produced from goats.”;

22 (2) in section 282—

23 (A) in subsection (a), by striking para-
24 graphs (2) and (3) and inserting the following:

1 “(2) DESIGNATION OF COUNTRY OF ORIGIN
2 FOR BEEF, LAMB, PORK, AND GOAT.—

3 “(A) UNITED STATES COUNTRY OF ORI-
4 GIN.—A retailer of a covered commodity that is
5 beef, lamb, pork, or goat may designate the cov-
6 ered commodity as exclusively having a United
7 States country of origin only if the covered
8 commodity is derived from an animal that
9 was—

10 “(i) exclusively born, raised, and
11 slaughtered in the United States;

12 “(ii) born and raised in Alaska or Ha-
13 waii and transported for a period of not
14 more than 60 days through Canada to the
15 United States and slaughtered in the
16 United States; or

17 “(iii) present in the United States on
18 or before January 1, 2008.

19 “(B) MULTIPLE COUNTRIES OF ORIGIN.—
20 A retailer of a covered commodity that is beef,
21 lamb, pork, or goat that is derived from an ani-
22 mal that is—

23 “(i) not exclusively born, raised, and
24 slaughtered in the United States,

1 “(ii) born, raised, or slaughtered in
2 the United States, and

3 “(iii) not imported into the United
4 States for immediate slaughter,

5 may designate the country of origin of such cov-
6 ered commodity as all of the countries in which
7 the animal may have been born, raised, or
8 slaughtered.

9 “(C) IMPORTED FOR IMMEDIATE SLAUGH-
10 TER.—A retailer of a covered commodity that is
11 beef, lamb, pork, or goat that is derived from
12 an animal that is imported into the United
13 States for immediate slaughter must designate
14 the origin of such covered commodity as—

15 “(i) the country from which the ani-
16 mal was imported; and

17 “(ii) the United States.

18 “(D) FOREIGN COUNTRY OF ORIGIN.—A
19 retailer of a covered commodity that is beef,
20 lamb, pork, or goat that is derived from an ani-
21 mal that is not born, raised, or slaughtered in
22 the United States must designate a country
23 other than the United States as the country of
24 origin of such commodity.

1 “(E) GROUND BEEF, PORK, AND LAMB.—

2 The notice of country of origin for ground beef,
3 ground pork, or ground lamb shall include—

4 “(i) a list of all countries of origin of
5 such ground beef, ground pork, or ground
6 lamb; or

7 “(ii) a list of all reasonably possible
8 countries of origin of such ground beef,
9 ground pork, or ground lamb.

10 “(3) DESIGNATION OF COUNTRY OF ORIGIN
11 FOR FISH.—

12 “(A) IN GENERAL.—A retailer of a covered
13 commodity that is farm-raised fish or wild fish
14 may designate the covered commodity as having
15 a United States country of origin only if the
16 covered commodity—

17 “(i) in the case of farm-raised fish, is
18 hatched, raised, harvested, and processed
19 in the United States; and

20 “(ii) in the case of wild fish, is—

21 “(I) harvested in the United
22 States, a territory of the United
23 States, or a State, or by a vessel that
24 is documented under chapter 121 of

1 title 46, United States Code, or reg-
2 istered in the United States; and

3 “(II) processed in the United
4 States, a territory of the United
5 States, or a State, including the wa-
6 ters thereof.

7 “(B) DESIGNATION OF WILD FISH AND
8 FARM-RAISED FISH.—The notice of country of
9 origin for wild fish and farm-raised fish shall
10 distinguish between wild fish and farm-raised
11 fish.

12 “(4) DESIGNATION OF COUNTRY OF ORIGIN
13 FOR PERISHABLE AGRICULTURAL COMMODITIES AND
14 PEANUTS.—

15 “(A) IN GENERAL.—A retailer of a covered
16 commodity that is a perishable agricultural
17 commodity or peanut may designate the covered
18 commodity as having a United States country
19 of origin only if the covered commodity is exclu-
20 sively produced in the United States.

21 “(B) STATE, REGION, LOCALITY OF THE
22 UNITED STATES.—With respect to a covered
23 commodity that is a perishable agricultural
24 commodity produced exclusively in the United
25 States, designation by a retailer of the State,

1 region, or locality of the United States where
2 such commodity was produced shall be suffi-
3 cient to identify the United States as the coun-
4 try of origin.”; and

5 (B) by striking subsection (d) and insert-
6 ing the following:

7 “(d) AUDIT VERIFICATION SYSTEM.—

8 “(1) IN GENERAL.—The Secretary may conduct
9 an audit of any person that prepares, stores, han-
10 dles, or distributes a covered commodity for retail
11 sale to verify compliance with this subtitle (including
12 the regulations promulgated under section 284(b)).

13 “(2) RECORD REQUIREMENTS.—

14 “(A) IN GENERAL.—A person subject to
15 an audit under paragraph (1) shall provide the
16 Secretary with verification of the country of ori-
17 gin of covered commodities. Records maintained
18 in the course of the normal conduct of the busi-
19 ness of such person, including animal health pa-
20 pers, import or customs documents, or producer
21 affidavits, may serve as such verification.

22 “(B) PROHIBITION ON REQUIREMENT OF
23 ADDITIONAL RECORDS.—The Secretary may not
24 require a person that prepares, stores, handles,
25 or distributes a covered commodity to maintain

1 a record of the country of origin of a covered
2 commodity other than those maintained in the
3 course of the normal conduct of the business of
4 such person.”;

5 (3) in section 283—

6 (A) by striking subsections (a) and (c);

7 (B) by redesignating subsection (b) sub-
8 section (a);

9 (C) in subsection (a) (as so redesignated),
10 by striking “retailer” and inserting “retailer or
11 person engaged in the business of supplying a
12 covered commodity to a retailer”; and

13 (D) by adding at the end the following new
14 subsection:

15 “(b) FINES.—If, on completion of the 30-day period
16 described in subsection (a)(2), the Secretary determines
17 that the retailer or person engaged in the business of sup-
18 plying a covered commodity to a retailer has—

19 “(1) not made a good faith effort to comply
20 with section 282, and

21 “(2) continues to willfully violate section 282
22 with respect to the violation about which the retailer
23 or person received notification under subsection
24 (a)(1),

1 after providing notice and an opportunity for a hearing
2 before the Secretary with respect to the violation, the Sec-
3 retary may fine the retailer or person in an amount of
4 not more than \$1,000 for each violation.”.

5 **SEC. 11105. SENSE OF CONGRESS REGARDING THE VOL-**
6 **UNTARY CONTROL PROGRAM FOR LOW**
7 **PATHOGENIC AVIAN INFLUENZA.**

8 It is the sense of Congress that—

9 (1) the voluntary control program for low path-
10 ogenic avian influenza is a critical component of the
11 animal health protection system of the United
12 States, as well as a safeguard against highly patho-
13 genic avian influenza; and

14 (2) the Secretary of Agriculture has appro-
15 priately provided for the payment of compensation to
16 owners of poultry and cooperating State agencies of
17 100 percent of eligible costs, and the Secretary
18 should continue to provide such payments at 100
19 percent of such costs.

20 **SEC. 11106. SENSE OF CONGRESS REGARDING THE CATTLE**
21 **FEVER TICK ERADICATION PROGRAM.**

22 It is the sense of Congress that—

23 (1) the cattle fever tick and the southern cattle
24 tick are vectors of the causal agent of babesiosis, a
25 severe and often fatal disease of cattle; and

1 (2) implementing a national strategic plan for
2 the cattle fever tick eradication program is a high
3 priority that the secretary should carry out in order
4 to—

5 (A) prevent the entry of cattle fever ticks
6 into the United States;

7 (B) enhance and maintain an effective sur-
8 veillance program to rapidly detect any cattle
9 fever tick incursions; and

10 (C) research, identify, and procure the
11 tools and knowledge necessary to prevent and
12 eradicate cattle fever ticks in the United States.

13 **Subtitle C—Socially Disadvantaged**
14 **Producers and Limited Re-**
15 **source Producers**

16 **SEC. 11201. OUTREACH AND TECHNICAL ASSISTANCE FOR**
17 **SOCIALLY DISADVANTAGED FARMERS AND**
18 **RANCHERS AND LIMITED RESOURCE FARM-**
19 **ERS AND RANCHERS.**

20 Section 2501 of the Food, Agriculture, Conservation,
21 and Trade Act of 1990 (7 U.S.C. 2279) is amended—

22 (1) in subsection (a)—

23 (A) by striking paragraph (2) and insert-
24 ing the following new paragraph:

1 “(2) REQUIREMENTS.—The outreach and tech-
2 nical assistance program under paragraph (1) shall
3 be used—

4 “(A) to enhance coordination of the out-
5 reach, technical assistance, and education ef-
6 forts authorized under agriculture programs;
7 and

8 “(B) to assist the Secretary in—

9 “(i) reaching socially disadvantaged or
10 limited resource farmers and ranchers and
11 prospective socially disadvantaged or lim-
12 ited resource farmers and ranchers in an
13 appropriate manner; and

14 “(ii) improving the participation of
15 those farmers and ranchers in Department
16 programs, as determined under section
17 2501A.”;

18 (B) in paragraph (3)—

19 (i) in subparagraph (A), by striking
20 “entity to provide information” and insert-
21 ing “entity that has demonstrated an abil-
22 ity to carry out the requirements described
23 in paragraph (2) to provide outreach”; and

24 (ii) by adding at the end the following
25 new subparagraphs:

1 “(D) ADDITIONAL CONTRACTING AUTHOR-
2 ITY.—Any agency of the Department of Agri-
3 culture may make grants and enter into con-
4 tracts and cooperative agreements with a com-
5 munity-based organization that meets the defi-
6 nition of an eligible entity under subsection (e)
7 in order to utilize the community-based organi-
8 zation to provide outreach and technical assist-
9 ance.

10 “(E) REPORT.—The Secretary shall sub-
11 mit to the Committee on Agriculture of the
12 House of Representatives and the Committee
13 on Agriculture, Nutrition, and Forestry of the
14 Senate, and make publicly available, an annual
15 report that includes a list of the following:

16 “(i) The recipients of funds made
17 available under the program.

18 “(ii) The activities undertaken and
19 services provided.

20 “(iii) The number of producers served
21 and outcomes of such service.

22 “(iv) The problems and barriers iden-
23 tified by entities in trying to increase par-
24 ticipation by socially disadvantaged farm-
25 ers and ranchers.”; and

1 (C) in paragraph (4)—

2 (i) by striking subparagraph (A), and
3 inserting the following new subparagraph:

4 “(A) AVAILABILITY OF FUNDS.—Of the
5 funds of the Commodity Credit Corporation, the
6 Secretary shall make available \$15,000,000 for
7 each of the fiscal years 2008 through 2012 to
8 carry out this subsection.”;

9 (ii) in subparagraph (B), by striking
10 “authorized to be appropriated under sub-
11 paragraph (A)” and inserting “made avail-
12 able under subparagraph (A)”;

13 (iii) by adding at the end the fol-
14 lowing new subparagraph:

15 “(C) LIMITATION ON USE OF FUNDS FOR
16 ADMINISTRATIVE EXPENSES.—Not more than 5
17 percent of the amounts made available under
18 subparagraph (A) for a fiscal year may be used
19 for expenses related to administering the pro-
20 gram under this section.”; and

21 (2) in subsection (e)(5)(A)(ii)—

22 (A) by inserting “and on behalf of” before
23 “socially”; and

24 (B) by striking “2-year” and inserting “3-
25 year”.

1 **SEC. 11202. IMPROVED PROGRAM DELIVERY BY DEPART-**
2 **MENT OF AGRICULTURE ON INDIAN RES-**
3 **ERVATIONS.**

4 Section 2501(g)(1) of the Food, Agriculture, Con-
5 servation, and Trade Act of 1990 (7 U.S.C. 2279(g)(1))
6 is amended—

7 (1) in the first sentence, by striking “where
8 there is a demonstrated demand for service” after
9 “offices”; and

10 (2) by striking the second sentence.

11 **SEC. 11203. TRANSPARENCY AND ACCOUNTABILITY FOR SO-**
12 **CIALLY DISADVANTAGED FARMERS AND**
13 **RANCHERS.**

14 Section 2501A of the Food, Agriculture, Conserva-
15 tion, and Trade Act of 1990 (7 U.S.C. 2279–1) is amend-
16 ed by striking subsection (c) and inserting the following
17 new subsections:

18 “(c) **COMPILATION OF PROGRAM PARTICIPATION**
19 **DATA.**—

20 “(1) **ANNUAL REQUIREMENT.**—For each county
21 and State in the United States, the Secretary of Ag-
22 riculture (referred to in this section as the ‘Sec-
23 retary’) shall annually compile program application
24 and participation rate data regarding socially dis-
25 advantaged farmers and ranchers by computing for

1 each program of the Department of Agriculture that
2 serves agricultural producers and landowners—

3 “(A) raw numbers of applicants and par-
4 ticipants by race, ethnicity, and gender, subject
5 to appropriate privacy protections, as deter-
6 mined by the Secretary; and

7 “(B) the application and participation rate,
8 by race, ethnicity, and gender, as a percentage
9 of the total participation rate of all agricultural
10 producers and landowners.

11 “(2) AUTHORITY TO COLLECT DATA.—The
12 heads of the agencies of the Department of Agri-
13 culture shall collect and transmit to the Secretary
14 any data, including data on race, gender, and eth-
15 nicity, that the Secretary determines to be necessary
16 to carry out paragraph (1).

17 “(3) REPORT.—Using the technologies and sys-
18 tems of the National Agricultural Statistics Service,
19 the Secretary shall compile and present the data
20 compiled under paragraph (1) for each program de-
21 scribed in that paragraph in a manner that includes
22 the raw numbers and participation rates for—

23 “(A) the entire United States;

24 “(B) each State; and

25 “(C) each county in each State.

1 “(4) PUBLIC AVAILABILITY OF REPORT.—The
2 Secretary shall maintain and make readily available
3 to the public, via website and otherwise in electronic
4 and paper form, the report described in paragraph
5 (3).

6 “(d) LIMITATIONS ON USE OF DATA.—

7 “(1) PRIVACY PROTECTIONS.—In carrying out
8 this section, the Secretary shall not disclose the
9 names or individual data of any program partici-
10 pant.

11 “(2) AUTHORIZED USES.—The data under this
12 section shall be used exclusively for the purposes de-
13 scribed in subsection (a).

14 “(3) LIMITATION.—Except as otherwise pro-
15 vided, the data under this section shall not be used
16 for the evaluation of individual applications for as-
17 sistance.”.

18 **SEC. 11204. BEGINNING FARMER AND RANCHER DEVELOP-**
19 **MENT PROGRAM.**

20 Section 7405 of the Farm Security and Rural Invest-
21 ment Act of 2002 (7 U.S.C. 3319f) is amended by striking
22 subsection (h) and inserting the following new subsection:

23 “(h) AVAILABILITY OF FUNDS.—Of the funds of the
24 Commodity Credit Corporation, the Secretary shall make

1 available \$15,000,000 for each of the fiscal years 2008
2 through 2012 to carry out this section.”.

3 **SEC. 11205. PROVISION OF RECEIPT FOR SERVICE OR DE-**
4 **NIAL OF SERVICE.**

5 In any case in which a producer or landowner, or pro-
6 spective producer or landowner, requests from the Depart-
7 ment of Agriculture any benefit or service offered by the
8 Department to agricultural producers or landowners, the
9 Secretary of Agriculture shall provide for the issuance, on
10 the date on which the producer or landowner, or prospec-
11 tive producer or landowner, makes the request, a receipt
12 containing—

13 (1) the date, place, and subject of the request;

14 and

15 (2) the action taken, not taken, or rec-
16 ommendations made in response to the request.

17 **SEC. 11206. TRACKING OF SOCIALLY DISADVANTAGED**
18 **FARMERS AND RANCHERS AND LIMITED RE-**
19 **SOURCE FARMERS AND RANCHERS IN CEN-**
20 **SUS OF AGRICULTURE AND CERTAIN STUD-**
21 **IES.**

22 The Secretary of Agriculture shall ensure, to the
23 maximum extent practicable, that the Census of Agri-
24 culture and studies carried out by the Economic Research
25 Service accurately document the number, location, and

1 economic contributions of socially disadvantaged farmers
2 and ranchers and limited resource farmers and ranchers
3 in agricultural production.

4 **SEC. 11207. FARMWORKER COORDINATOR.**

5 (a) ESTABLISHMENT.—The Secretary of Agriculture
6 shall establish the position of Farmworker Coordinator (in
7 this section referred to as the “Coordinator”), which shall
8 be located in the Office of Outreach of the Department
9 of Agriculture.

10 (b) DUTIES.—The Secretary may delegate to the Co-
11 ordinator responsibility for any or all of the following:

12 (1) Assisting in administering the program es-
13 tablished by section 2281 of the Food, Agriculture,
14 Conservation, and Trade Act of 1990 (42 U.S.C.
15 5177a).

16 (2) Serving as a liaison to community-based
17 non-profit organizations that represent, and have
18 demonstrated experience serving, low-income mi-
19 grant and seasonal farmworkers.

20 (3) Coordinating with the Department of Agri-
21 culture and State and local governments to assure
22 that farmworker needs are assessed and met during
23 declared disasters and other emergencies.

24 (4) Consulting with the Office of Small Farm
25 Coordination, Office of Outreach, Outreach Coordi-

1 nators, and other entities to better integrate farm-
2 worker perspectives, concerns, and interests into the
3 ongoing programs of the Department.

4 (5) Consulting with Hispanic-serving institu-
5 tions on research, program improvements, or agri-
6 cultural education opportunities that assist low-in-
7 come and migrant seasonal farmworkers.

8 (6) Assuring that farmworkers have access to
9 services and support to enter agriculture as pro-
10 ducers.

11 (c) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated to the Secretary such
13 sums as necessary to carry out this section for fiscal years
14 2008 through 2012.

15 **SEC. 11208. OFFICE OF OUTREACH RELOCATION.**

16 (a) RELOCATION PROPOSAL.—Not more than 18
17 months after the date of enactment of the Act, the Sec-
18 retary shall develop a proposal to relocate the Office of
19 Outreach of the Department of Agriculture.

20 (b) ADMINISTRATION.—The Office of Outreach shall
21 be responsible for the administration of—

22 (1) the outreach and technical assistance pro-
23 gram established under section 2501 of the Food,
24 Agriculture, Conservation, and Trade Act of 1990 (7
25 U.S.C. 2279);

1 (2) the beginning farmer and rancher develop-
2 ment program established under section 7405 of the
3 Farm Security and Rural Investment Act of 2002 (7
4 U.S.C. 3319f); and

5 (3) the coordination of the outreach activities
6 among the various agencies within the Department.

7 (c) REPORT.—After the relocation described in this
8 section is completed, the Secretary shall submit to Con-
9 gress a report that includes information describing the
10 new location of the program.

11 **SEC. 11209. MINORITY FARMER ADVISORY COMMITTEE.**

12 (a) ESTABLISHMENT.—Not later than 18 months
13 after the date of enactment of this Act, the Secretary of
14 Agriculture shall establish an advisory committee, to be
15 known as the “Advisory Committee on Minority Farmers”
16 (in this section referred to as the “Committee”), which
17 shall be overseen by the Office of Outreach of the Depart-
18 ment of Agriculture.

19 (b) DUTIES.—The Committee shall—

20 (1) review all civil rights cases to ensure that
21 they are processed in a timely manner;

22 (2) ensure that the processing of civil rights
23 cases complies with applicable laws;

24 (3) report quarterly to the Secretary of Agri-
25 culture on civil rights enforcement and outreach;

1 (4) monitor and annually report to Congress on
2 compliance with all civil rights and related laws by
3 all agencies and under all programs of the Depart-
4 ment;

5 (5) recommend to the Secretary corrective ac-
6 tions to prevent civil rights violations;

7 (6) review the operations of the outreach and
8 technical assistance program established under sec-
9 tion 2501 of the Food, Agriculture, Conservation,
10 and Trade Act of 1990 (7 U.S.C. 2279); and

11 (7) review ongoing efforts toward outreach in
12 the agencies and programs of the Department.

13 (c) MEMBERSHIP OF COMMITTEE.—The Committee
14 shall be composed of the following:

15 (1) Three members appointed by the Secretary.

16 (2) Two members appointed by the chairman of
17 the Committee on Agriculture, Nutrition, and For-
18 estry of the Senate, in consultation with the ranking
19 member of the Committee.

20 (3) Two members appointed by the chairman of
21 the Committee on Agriculture of the House of Rep-
22 resentatives, in consultation with the ranking mem-
23 ber of the Committee.

24 (4) A civil rights professional.

25 (5) A socially disadvantaged farmer or rancher.

1 (6) Such other persons or professionals as de-
2 termined by the Secretary to be appropriate.

3 **SEC. 11210. COORDINATOR FOR CHRONICALLY UNDER-**
4 **SERVED RURAL AREAS.**

5 (a) ESTABLISHMENT.—The Secretary of Agriculture
6 shall establish a Coordinator for Chronically Underserved
7 Rural Areas (in this section referred to as the “Coordi-
8 nator”), to be located in the Office of Outreach of the De-
9 partment of Agriculture.

10 (b) MISSION.—The mission of the Coordinator shall
11 be to direct Department of Agriculture resources to high
12 need, high poverty rural areas.

13 (c) DUTIES.—The Coordinator shall consult with
14 other offices in directing technical assistance, strategic re-
15 gional planning, at the State and local level, for developing
16 rural economic development that leverages the resources
17 of State and local governments and non-profit and com-
18 munity development organizations.

19 (d) AUTHORIZATION OF APPROPRIATIONS.—There
20 are authorized to be appropriated to the Secretary such
21 sums as necessary to carry out this section for fiscal years
22 2008 through 2012.

1 **Subtitle D—Other Miscellaneous**
2 **Provisions**

3 **SEC. 11301. DESIGNATION OF SEPARATE COTTON-PRO-**
4 **DUCING STATES UNDER COTTON RESEARCH**
5 **AND PROMOTION ACT.**

6 Section 17(f) of the Cotton Research and Promotion
7 Act (7 U.S.C. 2116(f)) is amended by adding at the end
8 the following new sentence: “Notwithstanding the pre-
9 ceding sentence, effective beginning with the 2008 crop
10 of cotton, the States of Kansas, Virginia, and Florida shall
11 each be deemed to be a separate cotton-producing State
12 for the purposes of this Act.”.

13 **SEC. 11302. COTTON CLASSIFICATION SERVICES.**

14 (a) EXTENSION.—The first sentence of section 3a of
15 the Act of March 3, 1927 (commonly known as the Cotton
16 Statistics and Estimates Act; 7 U.S.C. 473a), is amended
17 by striking “2007” and inserting “2012”.

18 (b) ESTABLISHMENT OF OFFICES.—The second sen-
19 tence of section 3a of the Act of March 3, 1927, is amend-
20 ed in the proviso—

21 (1) by striking “and” at the end of clause (6);

22 (2) by striking the period at the end of clause

23 (7) and inserting “; and”; and

24 (3) by adding at the end the following new
25 clause: “(8) the Secretary may enter into long-term

1 lease agreements that exceed five years or may take
2 title to property, including through purchase agree-
3 ments, for the purposes of obtaining offices to be
4 used for the classification of cotton in accordance
5 with this Act if the Secretary determines such action
6 would best effectuate the purposes of this Act.”.

7 **SEC. 11303. AVAILABILITY OF EXCESS AND SURPLUS COM-**
8 **PUTERS IN RURAL AREAS.**

9 The Secretary of Agriculture may make available to
10 any city or town located in a rural area (as defined in
11 section 343(a)(13)(A) of the Consolidated Farm and
12 Rural Development Act) excess or surplus computers or
13 other technical equipment of the Department of Agri-
14 culture.

15 **SEC. 11304. PERMANENT DEBARMENT FROM PARTICIPA-**
16 **TION IN DEPARTMENT OF AGRICULTURE**
17 **PROGRAMS FOR FRAUD.**

18 The Secretary of Agriculture is hereby granted the
19 authority to permanently debar an individual, organiza-
20 tion, corporation, or other entity convicted of knowingly
21 defrauding the United States in connection with any pro-
22 gram administered by the Department of Agriculture from
23 any subsequent participation in Department of Agri-
24 culture programs.

1 **SEC. 11305. NO DISCRIMINATION AGAINST USE OF REG-**
2 **ISTERED PESTICIDE PRODUCTS OR CLASSES**
3 **OF PESTICIDE PRODUCTS.**

4 In establishing priorities and evaluation criteria for
5 the approval of plans, contracts, and agreements under
6 title II, the Secretary of Agriculture shall not discriminate
7 against the use of specific registered pesticide products or
8 classes of pesticide products.

9 **SEC. 11306. PROHIBITION ON CLOSURE OR RELOCATION OF**
10 **COUNTY OFFICES FOR THE FARM SERVICE**
11 **AGENCY, RURAL DEVELOPMENT AGENCY,**
12 **AND NATURAL RESOURCES CONSERVATION**
13 **SERVICE.**

14 Until the date that is one year after the date of the
15 enactment of this Act, the Secretary of Agriculture may
16 not close or relocate a county or field office of the Farm
17 Service Agency, Rural Development Agency, or Natural
18 Resources Conservation Service of the Department of Ag-
19 riculture.

20 **SEC. 11307. REGULATION OF EXPORTS OF PLANTS, PLANT**
21 **PRODUCTS, BIOLOGICAL CONTROL ORGA-**
22 **NISMS, AND NOXIOUS WEEDS.**

23 (a) IN GENERAL.—Subtitle A of title IV of the Agri-
24 cultural Risk Protection Act of 2000 (7 U.S.C. 7701 et
25 seq.) is amended by adding at the end the following new
26 section:

1 **“SEC. 420. REGULATION OF EXPORTS OF PLANTS, PLANT**
2 **PRODUCTS, BIOLOGICAL CONTROL ORGA-**
3 **NISMS, AND NOXIOUS WEEDS.**

4 “(a) IN GENERAL.—The Secretary may regulate
5 plants, plant products, biological control organisms, and
6 noxious weeds for export purposes.

7 “(b) DUTIES.—The Secretary shall—

8 “(1) coordinate fruit and vegetable market
9 analyses with the private sector and the Adminis-
10 trator of Foreign Agricultural Service; and

11 “(2) make publicly available on an Internet
12 website—

13 “(A) the status of all export petitions;

14 “(B) to the greatest extent possible, an ex-
15 planation of the sanitary or phytosanitary
16 issues associated with each pending export peti-
17 tion; and

18 “(C) to the greatest extent possible, infor-
19 mation on the import requirements of foreign
20 countries for fruits and vegetables.

21 “(c) REGULATIONS.—The Secretary may issue regu-
22 lations to implement this section.”.

23 (b) TABLE OF CONTENTS.—The table of contents in
24 section 1(b) of such Act (7 U.S.C. 1501 note) is amended
25 by inserting after the item relating to section 419 the fol-
26 lowing new item:

“Sec. 420. Regulation of exports of plants, plant products, biological control organisms, and noxious weeds.”.

1 **SEC. 11308. GRANTS TO REDUCE PRODUCTION OF**
2 **METHAMPHETAMINES FROM ANHYDROUS**
3 **AMMONIA.**

4 (a) GRANT AUTHORITY.—The Secretary of Agri-
5 culture may make a grant to an eligible entity to enable
6 the entity to obtain and add to an anhydrous ammonia
7 fertilizer nurse tank a substance which will reduce the
8 amount of methamphetamine which can be produced from
9 any anhydrous ammonia removed from the tank.

10 (b) DEFINITIONS.—In this section:

11 (1) ELIGIBLE ENTITY.—The term “eligible enti-
12 ty” means—

13 (A) a producer of agricultural commod-
14 ities;

15 (B) a cooperative association a majority of
16 the members of which produce or process agri-
17 cultural commodities, and

18 (C) a person in the trade or business of—

19 (i) selling an agricultural product, in-
20 cluding an agricultural chemical, at retail,
21 predominantly to farmers and ranchers; or

22 (ii) aerial and ground application of
23 an agricultural chemical.

1 (2) NURSE TANK.—The term “nurse tank”
2 shall have the meaning set forth in section
3 173.315(m) of title 49, Code of Federal Regulations,
4 as in effect as of the date of the enactment of this
5 Act.

6 (c) GRANT AMOUNT.—The amount of a grant made
7 under this section to an entity shall be not less than \$40
8 and not more than \$60, multiplied by the number of fer-
9 tilizer nurse tanks of the entity.

10 (d) LIMITATIONS ON AUTHORIZATION OF APPRO-
11 PRIATIONS.—For grants under this section, there are au-
12 thorized to be appropriated to the Secretary a total of not
13 more than \$15,000,000 for fiscal years 2008 through
14 2012.

15 **SEC. 11309. USDA GRADUATE SCHOOL.**

16 (a) Section 921 of the Federal Agriculture Improve-
17 ment and Reform Act of 1996 (7 U.S.C. 2279b) is amend-
18 ed by striking subsections (a) through (k) and inserting
19 the following: “The Department of Agriculture shall not
20 establish, maintain, or otherwise operate a non-
21 appropriated fund instrumentality of the United States to
22 develop, administer, or provide educational training and
23 professional development activities, including educational
24 activities for Federal agencies, Federal employees, non-

1 profit organizations, other entities, and members of the
2 general public.”.

3 (b) EFFECTIVE DATE.—The amendment made in
4 subsection (a) apply beginning October 1, 2008.

5 **SEC. 11310. PREVENTION AND INVESTIGATION OF PAY-**
6 **MENT AND FRAUD AND ERROR.**

7 Section 1113(k) of the Right to Financial Privacy
8 Act of 1978 (12 U.S.C. 3413(k)) is amended to read as
9 follows:

10 “(k) DISCLOSURE NECESSARY FOR PROPER ADMIN-
11 ISTRATION OF PROGRAMS OF CERTAIN GOVERNMENT AU-
12 THORITIES.—

13 “(1) DISCLOSURE TO GOVERNMENT AUTHORI-
14 TIES.—Nothing in this title shall apply to the disclo-
15 sure by the financial institution of the financial
16 records of any customer to the Department of the
17 Treasury, the Social Security Administration, the
18 Railroad Retirement Board, or any other Govern-
19 ment authority that certifies, disburses, or collects
20 payments, when the disclosure of such information is
21 necessary to, and such information is used solely for
22 the purposes of—

23 “(A) the proper administration of section
24 1441 of the Internal Revenue Code of 1986 (26
25 U.S.C. 1441);

1 “(B) the proper administration of title II
2 of the Social Security Act (42 U.S.C. 401 et
3 seq.);

4 “(C) the proper administration of the Rail-
5 road Retirement Act of 1974 (45 U.S.C. 231 et
6 seq.);

7 “(D) the verification of the identify of any
8 person in connection with the issuance of a
9 Federal payment or collection of funds by a
10 Government authority; or

11 “(E) the investigation or recovery of an
12 improper Federal payment or collection of
13 funds, or an improperly negotiated Treasury
14 check.

15 “(2) LIMITATIONS ON SUBSEQUENT DISCLO-
16 SURE.—Notwithstanding any other provision of law,
17 any request authorized by paragraph (1), and the in-
18 formation contained therein, may be used by the fi-
19 nancial institution and its agents solely for the pur-
20 pose of providing the customer’s financial records to
21 the Government authority requesting the informa-
22 tion and shall be barred from redisclosure by the fi-
23 nancial institution or its agents. Any Government
24 authority receiving information pursuant to para-
25 graph (1) may not disclose or use the information

1 except for the purposes set forth in such para-
2 graph.”.

3 **SEC. 11311. SENSE OF CONGRESS REGARDING FOOD**
4 **DESERTS, GEOGRAPHICALLY ISOLATED**
5 **NEIGHBORHOODS AND COMMUNITIES WITH**
6 **LIMITED OR NO ACCESS TO MAJOR CHAIN**
7 **GROCERY STORES.**

8 It is the sense of Congress that the Secretary of Agri-
9 culture, in conjunction with the National Institutes of
10 Health, the Centers for Disease Control, the Institute of
11 Medicine and faith-based organizations, should—

12 (1) conduct a national assessment of food
13 deserts in the United States, namely those geo-
14 graphically isolated neighborhoods and communities
15 with limited or no access to major-chain grocery
16 stores; and

17 (2) develop recommendations for eliminating
18 food deserts.

19 **SEC. 11312. PIGFORD CLAIMS.**

20 (a) **IN GENERAL.**—Any Pigford claimant who has not
21 previously obtained a determination on the merits of a
22 Pigford claim may, in a civil action, obtain that determina-
23 tion.

24 (b) **LIMITATION.**—Notwithstanding any other provi-
25 sion of law—

1 (1) all payments or debt relief (including any
2 limitation on foreclosure under subsection (f)) made
3 pursuant to an action commenced under subsection
4 (a) shall be made exclusively from funds made avail-
5 able pursuant to subsection (h), Provided that the
6 total amount of payments and debt relief pursuant
7 to an action commenced under subsection (a) shall
8 not exceed \$100,000,000; and

9 (2) in no event may such payments or debt re-
10 lief be made from the Judgement Fund established
11 by 31 U.S.C. 1304.

12 (c) INTENT OF CONGRESS AS TO REMEDIAL NATURE
13 OF SECTION.—It is the intent of Congress that this sec-
14 tion be liberally construed so as to effectuate its remedial
15 purpose of giving a full determination on the merits for
16 each Pigford claim denied that determination.

17 (d) LOAN DATA.—

18 (1) REPORT TO PERSON SUBMITTING PETI-
19 TION.—Not later than 60 days after the Secretary
20 of Agriculture receives notice of a complaint filed by
21 a claimant under subsection (a), the Secretary shall
22 provide to the claimant a report on farm credit loans
23 made within the claimant's county or adjacent coun-
24 ty by the Department during the period beginning
25 on January 1 of the year preceding the year or years

1 covered by the complaint and ending on December
2 31 of year following such year or years. Such report
3 shall contain information on all persons whose appli-
4 cation for a loan was accepted, including—

5 (A) the race of the applicant;

6 (B) the date of application;

7 (C) the date of the loan decision;

8 (D) the location of the office making the
9 loan decision; and

10 (E) all data relevant to the process of de-
11 ciding on the loan.

12 (2) NO PERSONALLY IDENTIFIABLE INFORMA-
13 TION.—The reports provided pursuant to paragraph
14 (1) shall not contain any information that would
15 identify any person that applied for a loan from the
16 Department of Agriculture.

17 (e) EXPEDITED RESOLUTIONS AUTHORIZED.—Any
18 person filing a complaint under this Act for discrimination
19 in the application for, or making or servicing of, a farm
20 loan, at his or her discretion, may seek liquidated damages
21 of \$50,000, discharge of the debt that was incurred under,
22 or affected by, the discrimination that is the subject of
23 the person's complaint, and a tax payment in the amount
24 equal to 25 percent of the liquidated damages and loan
25 principal discharged, in which case—

1 (1) if only such damages, debt discharge, and
2 tax payment are sought, the complainant shall be
3 able to prove his or her case by substantial evidence;
4 and

5 (2) the court shall decide the case based on a
6 review of documents submitted by the complainant
7 and defendant relevant to the issues of liability and
8 damages.

9 (f) LIMITATION ON FORECLOSURES.—The Secretary
10 of Agriculture may not begin acceleration on or foreclosure
11 of a loan if a borrower is a Pigford claimant and, in an
12 appropriate administrative proceeding, makes a prima
13 facie case that the foreclosure is related to a Pigford
14 claim.

15 (g) DEFINITIONS.—In this Act—

16 (1) the term “Pigford claimant” means an indi-
17 vidual who previously submitted a late-filing request
18 under section 5(g) of the consent decree in the case
19 of Pigford v. Glickman, approved by the United
20 States District Court for the District of Columbia on
21 April 14, 1999; and

22 (2) the term “Pigford claim” means a discrimi-
23 nation complaint, as defined by section 1(h) of that
24 consent decree and documented under section 5(b)
25 of that consent decree.

1 (h) FUNDING.—Of the funds of the Commodity Cred-
2 it Corporation, the Secretary shall make available
3 \$100,000,000 for fiscal year 2008, to remain available
4 until expended, for payments and debt relief in satisfac-
5 tion of claims against the United States under subsection
6 (a), and for any actions made pursuant to subsection (f).

7 **SEC. 11313. COMPTROLLER GENERAL STUDY OF WASTE-**
8 **WATER INFRASTRUCTURE NEAR UNITED**
9 **STATES-MEXICO BORDER.**

10 The Comptroller General shall conduct a study of the
11 state of wastewater infrastructure in rural communities
12 within 150 miles of the United States-Mexico border to
13 determine what the Federal Government can do to assist
14 border rural communities in bringing wastewater infra-
15 structure up to date.

16 **SEC. 11314. ELIMINATION OF STATUTE OF LIMITATIONS AP-**
17 **PLICABLE TO COLLECTION OF DEBT BY AD-**
18 **MINISTRATIVE OFFSET.**

19 (a) ELIMINATION.—Section 3716(e) of title 31,
20 United States Code, is amended to read as follows:

21 “(e)(1) Notwithstanding any other provision of law,
22 regulation, or administrative limitation, no limitation on
23 the period within which an offset may be initiated or taken
24 pursuant to this section shall be effective.

1 “(2) This section does not apply when a statute ex-
2 plicitly prohibits using administrative offset or setoff to
3 collect the claim or type of claim involved.”.

4 (b) APPLICATION OF AMENDMENT.—The amendment
5 made by subsection (a) shall apply to any debt outstanding
6 on or after the date of the enactment of this Act.

7 **SEC. 11315. POLLINATOR PROTECTION.**

8 (a) SHORT TITLE.—This section may be cited as the
9 “Pollinator Protection Act of 2007”.

10 (b) FINDINGS.—Congress finds that—

11 (1) many of the crops that humans and live-
12 stock consume rely on pollinators for healthy
13 growth;

14 (2) pollination by honey and native bees adds
15 more than \$18,000,000,000 annually to the value of
16 United States crops;

17 (3) $\frac{1}{3}$ of the food supply of the United States
18 depends on bee pollination, which makes the man-
19 agement and protection of pollinators an issue of
20 paramount importance to the security of the United
21 States food supply system;

22 (4) colony collapse disorder is the name that
23 has been given to the latest die-off of honey bee colo-
24 nies, exacerbating the continual decline of pollinators
25 in North America;

1 (5) honey bee colonies in more than 23 states
2 have been affected by colony collapse disorder;

3 (6) if the current rate of decline continues, the
4 United States will be forced to rely more heavily on
5 imported foods, which will destabilize the food secu-
6 rity of the United States through adverse affects on
7 the availability, price, and quality of the many fruits,
8 vegetables, and other products that depend on ani-
9 mal pollination; and

10 (7) enhanced funding for research on honey
11 bees, native bees, parasites, pathogens, toxins, and
12 other environmental factors affecting bees and polli-
13 nation of cultivated and wild plants will result in
14 methods of response to colony collapse disorder and
15 other factors causing the decline of pollinators in
16 North America.

17 (c) AUTHORIZATIONS OF APPROPRIATIONS.—

18 (1) AGRICULTURAL RESEARCH SERVICE.—
19 There is authorized to be appropriated to the Sec-
20 retary of Agriculture, acting through the Agricul-
21 tural Research Service—

22 (A) \$3,000,000 for each of fiscal years
23 2008 through 2012, to be used for new per-
24 sonnel, facilities improvement, and additional

1 research at Department of Agriculture Bee Re-
2 search Laboratories;

3 (B) \$2,500,000 for each of fiscal years
4 2008 and 2009, to be used for research on
5 honey and native bee physiology, insect pathol-
6 ogy, insect chemical ecology, and honey and na-
7 tive bee toxicology at other Department of Agri-
8 culture facilities in New York, Florida, Cali-
9 fornia, Utah, and Texas; and

10 (C) \$1,750,000 for each of fiscal years
11 2008 through 2010, to be used for an area-wide
12 research program to identify causes and solu-
13 tions for colony collapse disorder in affected
14 States.

15 (2) COOPERATIVE STATE RESEARCH, EDU-
16 CATION, AND EXTENSION SERVICE.—There is au-
17 thorized to be appropriated to the Secretary of Agri-
18 culture, acting through the Cooperative State Re-
19 search, Education, and Extension Service,
20 \$10,000,000 for each of fiscal years 2008 through
21 2012 to be used to fund Department of Agriculture
22 extension and research grants to investigate—

23 (A) honey bee biology, immunology, and
24 ecology;

25 (B) honey bee genomics;

1 (C) honey bee bioinformatics;

2 (D) native bee crop pollination and habitat
3 conservation;

4 (E) native bee taxonomy and ecology;

5 (F) pollination biology;

6 (G) sublethal effects of insecticides, herbi-
7 cides, and fungicides on honey bees, native pol-
8 linators, and other beneficial insects;

9 (H) the effects of genetically-modified
10 crops, including the interaction of genetically-
11 modified crops with honey bees and other native
12 pollinators; and

13 (I) honey, bumble, and other native bee
14 parasites and pathogens and effects on other
15 native pollinators.

16 (3) ANIMAL AND PLANT HEALTH INSPECTION
17 SERVICE.—There is authorized to be appropriated to
18 the Secretary of Agriculture, acting through the Ani-
19 mal and Plant Health Inspection Service,
20 \$2,250,000 for each of fiscal years 2008 through
21 2012 to conduct a nationwide honey bee pest and
22 pathogen surveillance program.

23 (d) ANNUAL REPORTS.—The Secretary of Agri-
24 culture, acting through the Agricultural Research Service
25 and the Cooperative State Research, Education, and Ex-

1 tension Service, shall submit to the Committee on Agri-
2 culture of the House of Representatives and the Com-
3 mittee on Agriculture, Nutrition, and Forestry of the Sen-
4 ate a report on the status and progress of bee research
5 projects that are carried out by the Secretary.

6 (e) GIVING POLLINATOR HABITAT AND PROTECTION
7 A PRIORITY IN CONSERVATION PROGRAMS.—Section
8 1244 of the Food Security Act of 1985 (16 U.S.C. 3844)
9 is amended by adding at the end the following new sub-
10 section:

11 “(c) NATIVE AND MANAGED POLLINATORS.—In car-
12 rying out any conservation program administered by the
13 Secretary, except the farmland protection program, the
14 Secretary shall establish a priority and provide incentives
15 for—

16 “(1) increasing habitat for native and managed
17 pollinators, especially native habitat; and

18 “(2) establishing cropping systems, integrated
19 pest management regimes, and other practices to
20 protect native and managed pollinators.”.

21 **SEC. 11316. PROHIBITION ON USE OF LIVE ANIMALS FOR**
22 **MARKETING MEDICAL DEVICES; FINES**
23 **UNDER THE ANIMAL WELFARE ACT.**

24 (a) PROHIBITION ON USE OF ANIMALS FOR MAR-
25 KETING OF MEDICAL DEVICES.—The Animal Welfare Act

1 (7 U.S.C. 2131 et seq.) is amended by inserting after sec-
2 tion 17 the following new section:

3 “PROHIBITION ON USE OF LIVE ANIMALS FOR
4 MARKETING MEDICAL DEVICES

5 “SEC. 18. (a) IN GENERAL.—No person may use a
6 live animal to—

7 “(1) demonstrate a medical device or product to
8 a sales representative for the purpose of marketing
9 such medical device or product;

10 “(2) train a sales representative to use a med-
11 ical device or product;

12 “(3) demonstrate a medical device or product in
13 a workshop or training session for the purpose of
14 marketing a medical device or product; or

15 “(4) create a multimedia recording (including a
16 video recording) for the purpose of marketing a
17 medical device or product.

18 “(b) EXCEPTION.—Subsection (a) shall not apply to
19 the training of medical personnel for a purpose other than
20 marketing a medical device or product.

21 “(c) DEVICE DEFINED.—In this section, the term
22 ‘device’ has the meaning given the term in section 201(h)
23 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C.
24 321(h)).”.

1 (b) FINES FOR VIOLATIONS OF THE ANIMAL WEL-
2 FARE ACT.—Section 19(b) of the Animal Welfare Act (7
3 U.S.C. 2149(b)) is amended—

4 (1) in the first sentence by striking “not more
5 than \$2,500 for each such violation” and inserting
6 “not more than \$10,000 for each such violation”;
7 and

8 (2) by striking the second sentence and insert-
9 ing the following: “Each violation, each day during
10 which a violation continues, and, in the case of a vio-
11 lation with respect to animals, each animal that is
12 the subject of such a violation shall be a separate of-
13 fense.”.

14 (c) REPORTS ON ACTIVITIES UNDER THE ANIMAL
15 WELFARE ACT.—The Animal Welfare Act (7 U.S.C. 2131
16 et seq.) is further amended by striking section 25 and in-
17 serting the following new section:

18 “ANNUAL REPORT

19 “SEC. 25. Not later than March 1 of each year, the
20 Secretary shall submit to Congress a report containing—

21 “(1) an identification of all research facilities,
22 exhibitors, and other persons and establishments li-
23 censed by the Secretary under section 3 and section
24 12;

1 “(2) an identification of all research facilities,
2 intermediate handlers, carriers, and exhibitors reg-
3 istered under section 6;

4 “(3) the nature and place of all investigations
5 and inspections conducted by the Secretary under
6 section 16, and all reports received by the Secretary
7 under section 13;

8 “(4) recommendations for legislation to improve
9 the administration of this Act or any provisions of
10 this Act; and

11 “(5) recommendations and conclusions con-
12 cerning the aircraft environment as it relates to the
13 carriage of live animals in air transportation.”.

14 **SEC. 11317. PROTECTION OF PETS.**

15 (a) **SHORT TITLE.**—This section may be cited as the
16 “Pet Safety and Protection Act of 2007”.

17 (b) **RESEARCH FACILITIES.**—Section 7 of the Animal
18 Welfare Act (7 U.S.C. 2137) is amended to read as fol-
19 lows:

20 **“SEC. 7. SOURCES OF DOGS AND CATS FOR RESEARCH FA-**
21 **CILITIES.**

22 “(a) **DEFINITION OF PERSON.**—In this section, the
23 term ‘person’ means any individual, partnership, firm,
24 joint stock company, corporation, association, trust, es-
25 tate, pound, shelter, or other legal entity.

1 “(b) USE OF DOGS AND CATS.—No research facility
2 or Federal research facility may use a dog or cat for re-
3 search or educational purposes if the dog or cat was ob-
4 tained from a person other than a person described in sub-
5 section (d).

6 “(c) SELLING, DONATING, OR OFFERING DOGS AND
7 CATS.—No person, other than a person described in sub-
8 section (d), may sell, donate, or offer a dog or cat to any
9 research facility or Federal research facility.

10 “(d) PERMISSIBLE SOURCES.—A person from whom
11 a research facility or a Federal research facility may ob-
12 tain a dog or cat for research or educational purposes
13 under subsection (b), and a person who may sell, donate,
14 or offer a dog or cat to a research facility or a Federal
15 research facility under subsection (c), shall be—

16 “(1) a dealer licensed under section 3 that has
17 bred and raised the dog or cat;

18 “(2) a publicly owned and operated pound or
19 shelter that—

20 “(A) is registered with the Secretary;

21 “(B) is in compliance with section 28(a)(1)
22 and with the requirements for dealers in sub-
23 sections (b) and (c) of section 28; and

24 “(C) obtained the dog or cat from its legal
25 owner, other than a pound or shelter;

1 “(3) a person that is donating the dog or cat
2 and that—

3 “(A) bred and raised the dog or cat; or

4 “(B) owned the dog or cat for not less
5 than 1 year immediately preceding the dona-
6 tion;

7 “(4) a research facility licensed by the Sec-
8 retary; and

9 “(5) a Federal research facility licensed by the
10 Secretary.

11 “(e) PENALTIES.—

12 “(1) IN GENERAL.—A person that violates this
13 section shall be fined \$1,000 for each violation.

14 “(2) ADDITIONAL PENALTY.—A penalty under
15 this subsection shall be in addition to any other ap-
16 plicable penalty.

17 “(f) NO REQUIRED SALE OR DONATION.—Nothing
18 in this section requires a pound or shelter to sell, donate,
19 or offer a dog or cat to a research facility or Federal re-
20 search facility.”.

21 (c) FEDERAL RESEARCH FACILITIES.—Section 8 of
22 the Animal Welfare Act (7 U.S.C. 2138) is amended—

23 (1) by striking “Sec. 8. No department” and
24 inserting the following:

1 **“SEC. 8. FEDERAL RESEARCH FACILITIES.**

2 “Except as provided in section 7, no department”;

3 (2) by striking “research or experimentation
4 or”; and

5 (3) by striking “such purposes” and inserting
6 “that purpose”.

7 (d) CERTIFICATION.—Section 28(b)(1) of the Animal
8 Welfare Act (7 U.S.C. 2158(b)(1)) is amended by striking
9 “individual or entity” and inserting “research facility or
10 Federal research facility”.

11 (e) EFFECTIVE DATE.—The amendments made by
12 subsections (b), (c), and (d) take effect on the date that
13 is 90 days after the date of the enactment of this Act.

14 **TITLE XII—PREVENTION OF TAX**
15 **TREATY EXPLOITATION TO**
16 **EVADE UNITED STATES TAX-**
17 **ATION**

Sec. 12001. Limitation on treaty benefits for certain deductible payments.

18 **SEC. 12001. LIMITATION ON TREATY BENEFITS FOR CER-**
19 **TAIN DEDUCTIBLE PAYMENTS.**

20 (a) IN GENERAL.—Section 894 of the Internal Rev-
21 enue Code of 1986 (relating to income affected by treaty)
22 is amended by adding at the end the following new sub-
23 section:

24 “(d) LIMITATION ON TREATY BENEFITS FOR CER-
25 TAIN DEDUCTIBLE PAYMENTS.—

1 “(1) IN GENERAL.—In the case of any deduct-
2 ible related-party payment, the amount of any with-
3 holding tax imposed under chapter 3 (and any tax
4 imposed under subpart A or B of this part) with re-
5 spect to such payment shall not be less than the
6 amount which would be imposed if the payment were
7 made directly to the foreign parent corporation (tak-
8 ing into account any income tax treaty between the
9 United States and the country in which the foreign
10 parent corporation is resident).

11 “(2) DEDUCTIBLE RELATED-PARTY PAY-
12 MENT.—For purposes of this subsection, the term
13 ‘deductible related-party payment’ means any pay-
14 ment made, directly or indirectly, by any person to
15 any other person if the payment is allowable as a de-
16 duction under this chapter and both persons are
17 members of the same foreign controlled group of en-
18 tities.

19 “(3) FOREIGN CONTROLLED GROUP OF ENTI-
20 TIES.—For purposes of this subsection—

21 “(A) IN GENERAL.—The term ‘foreign
22 controlled group of entities’ means a controlled
23 group of entities the common parent of which
24 is a foreign corporation.

1 “(B) CONTROLLED GROUP OF ENTITIES.—

2 The term ‘controlled group of entities’ means a
3 controlled group of corporations as defined in
4 section 1563(a)(1), except that—

5 “(i) ‘more than 50 percent’ shall be
6 substituted for ‘at least 80 percent’ each
7 place it appears therein, and

8 “(ii) the determination shall be made
9 without regard to subsections (a)(4) and
10 (b)(2) of section 1563.

11 A partnership or any other entity (other than a
12 corporation) shall be treated as a member of a
13 controlled group of entities if such entity is con-
14 trolled (within the meaning of section
15 954(d)(3)) by members of such group (includ-
16 ing any entity treated as a member of such
17 group by reason of this sentence).

18 “(4) FOREIGN PARENT CORPORATION.—For
19 purposes of this subsection, the term ‘foreign parent
20 corporation’ means, with respect to any deductible
21 related-party payment, the common parent of the
22 foreign controlled group of entities referred to in
23 paragraph (3)(A).

24 “(5) REGULATIONS.—The Secretary may pre-
25 scribe such regulations or other guidance as are nec-

1 essary or appropriate to carry out the purposes of
2 this subsection, including regulations or other guid-
3 ance which provide for—

4 “(A) the treatment of two or more persons
5 as members of a foreign controlled group of en-
6 tities if such persons would be the common par-
7 ent of such group if treated as one corporation,
8 and

9 “(B) the treatment of any member of a
10 foreign controlled group of entities as the com-
11 mon parent of such group if such treatment is
12 appropriate taking into account the economic
13 relationships among such entities.”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall apply to payments made after the date
16 of the enactment of this Act.

17 **TITLE XIII—ADDITIONAL** 18 **OFFSETS**

Subtitle A—Conservation of Resources Fees and Repeal of Royalty Relief

- Sec. 13001. Conservation of resources fees.
- Sec. 13002. Repeal of certain taxpayer subsidized royalty relief for the oil and gas industry.
- Sec. 13003. Time for payment of corporate estimated taxes.

Subtitle B—Allocation of Offsets

- Sec. 13011. Report on funds; rate of federal crop insurance.

1 **Subtitle A—Conservation of Re-**
2 **sources Fees and Repeal of Roy-**
3 **alty Relief**

4 **SEC. 13001. CONSERVATION OF RESOURCES FEES.**

5 (a) CONSERVATION OF RESOURCES FEES.—

6 (1) IN GENERAL.—Not later than 60 days after
7 the date of enactment of this Act, the Secretary of
8 the Interior by regulation shall establish a conserva-
9 tion of resources fee for producing Federal oil and
10 gas leases in the Gulf of Mexico.

11 (2) FEE TERMS.—The fee under paragraph
12 (1)—

13 (A) subject to subparagraph (C), shall
14 apply to covered leases that are producing
15 leases;

16 (B) shall be set at \$9 per barrel for oil and
17 \$1.25 per million Btu for gas, respectively, in
18 2005 dollars; and

19 (C) shall apply only to production of oil or
20 gas occurring—

21 (i) in any calendar year in which the
22 arithmetic average of the daily closing
23 prices for light sweet crude oil on the New
24 York Mercantile Exchange (NYMEX) ex-
25 ceeds \$34.73 per barrel for oil and \$4.34

1 per million Btu for gas in 2005 dollars;

2 and

3 (ii) on or after October 1, 2006.

4 (3) TREATMENT OF RECEIPTS.—Amounts re-
5 ceived by the United States as fees under this sub-
6 section shall be treated as offsetting receipts.

7 (b) COVERED LEASE DEFINED.—In this section the
8 term “covered lease” means a lease for oil or produc-
9 tion in the Gulf of Mexico that is—

10 (1) in existence on the date of enactment of this
11 Act;

12 (2) issued by the Department of the Interior
13 under section 304 of the Outer Continental Shelf
14 Deep Water Royalty Relief Act (43 U.S.C. 1337
15 note; Public Law 104–58); and

16 (3) not subject to limitations on royalty relief
17 based on market price that are equal to or less than
18 the price thresholds described in clauses (v) through
19 (vii) of section 8(a)(3)(C) of the Outer Continental
20 Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

1 **SEC. 13002. REPEAL OF CERTAIN TAXPAYER SUBSIDIZED**
2 **ROYALTY RELIEF FOR THE OIL AND GAS IN-**
3 **DUSTRY.**

4 (a) REPEAL OF PROVISIONS OF ENERGY POLICY ACT
5 OF 2005.—The following provisions of the Energy Policy
6 Act of 2005 (Public Law 109–58) are repealed:

7 (1) Section 344 (42 U.S.C. 15904; relating to
8 incentives for natural gas production from deep wells
9 in shallow waters of the Gulf of Mexico).

10 (2) Section 345 (42 U.S.C. 15905; relating to
11 royalty relief for deep water production in the Gulf
12 of Mexico).

13 (3) Subsection (i) of section 365 (42 U.S.C.
14 15924; relating to the prohibition on drilling-related
15 permit application cost recovery fees).

16 (b) PROVISIONS RELATING TO PLANNING AREAS
17 OFFSHORE ALASKA.—Section 8(a)(3)(B) of the Outer
18 Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(B))
19 is amended by striking “and in the Planning Areas off-
20 shore Alaska” after “West longitude”.

21 (c) PROVISIONS RELATING TO NAVAL PETROLEUM
22 RESERVE IN ALASKA.—Section 107 of the Naval Petro-
23 leum Reserves Production Act of 1976 (as transferred, re-
24 designated, moved, and amended by section 347 of the En-
25 ergy Policy Act of 2005 (119 Stat. 704)) is amended—

1 (1) in subsection (i) by striking paragraphs (2)
2 through (6); and
3 (2) by striking subsection (k).

4 **SEC. 13003. TIME FOR PAYMENT OF CORPORATE ESTI-**
5 **MATED TAXES.**

6 Subparagraph (B) of section 401(1) of the Tax In-
7 crease Prevention and Reconciliation Act of 2005 is
8 amended by striking “114.50 percent” and inserting
9 “115.75 percent”.

10 **Subtitle B—Allocation of Offsets**

11 **SEC. 13011. REPORT ON FUNDS; RATE OF FEDERAL CROP**
12 **INSURANCE.**

13 (a) REPORT.—Not later than the September 15 pre-
14 ceding each fiscal year, the Secretary of the Interior shall
15 report to the Secretary of Agriculture the total amount
16 expected to be received in the fiscal year as a result of
17 the changes in subtitle A.

18 (b) RATE.—Notwithstanding section 508(k)(4)(A)(ii)
19 of the Federal Crop Insurance Act (7 U.S.C.
20 1508(k)(4)(A)(ii)), the reimbursement rate established for
21 each of the reinsurance years 2012 through 2017 shall
22 be the lesser of—

- 23 (1) the rate established in such section; and
24 (2) the product of—

1 (A) the rate established in such section;

2 and

3 (B) the factor calculated in subsection (c).

4 (c) CALCULATION.—In carrying out subsection (b),
5 the Secretary of the Interior shall calculate the appro-
6 priate factor by dividing the amount calculated under sub-
7 section (a) for the fiscal year by the amount calculated
8 under subsection (a) for fiscal year 2012.

Passed the House of Representatives July 27, 2007.

Attest:

Clerk.

110TH CONGRESS
1ST SESSION

H. R. 2419

AN ACT

To provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes.