# Agricultural Act of 2014

[Public Law 113–79]

[As Amended Through P.L. 115–334, Enacted December 20, 2018]

[Currency: This publication is a compilation of the text of Public Law 113-79. It was last amended by the public law listed in the As Amended Through note above and below at the bottom of each page of the pdf version and reflects current law through the date of the enactment of the public law listed at https://www.govinfo.gov/app/collection/comps/]

[Note: While this publication does not represent an official version of any Federal statute, substantial efforts have been made to ensure the accuracy of its contents. The official version of Federal law is found in the United States Statutes at Large and in the United States Code. The legal effect to be given to the Statutes at Large and the United States Code is established by statute (1 U.S.C. 112, 204).]

AN ACT To provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2018, and for other purposes.

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

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

(a) SHORT TITLE.—This Act may be cited as the "Agricultural Act of 2014".

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

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**SEC. 2. [7 U.S.C. 9001] DEFINITION OF SECRETARY OF AGRICULTURE.**

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

# TITLE I—COMMODITIES

## Subtitle A—Repeals and Reforms

### PART I—REPEALS

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

Sections 1103 and 1303 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8713, 8753) are repealed.

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

(a) REPEAL.—Sections 1104 and 1304 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8714, 8754) are repealed.

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

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

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

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

### PART II—COMMODITY POLICY

**SEC. 1111. [7 U.S.C. 9011] DEFINITIONS.**

In this subtitle and subtitle B:

(1) ACTUAL CROP REVENUE.—The term "actual crop revenue", with respect to a covered commodity for a crop year, means the amount determined by the Secretary under section 1117(b).

(2) AGRICULTURE RISK COVERAGE.—The term "agriculture risk coverage" means coverage provided under section 1117.

(3) AGRICULTURE RISK COVERAGE GUARANTEE.—The term "agriculture risk coverage guarantee", with respect to a covered commodity for a crop year, means the amount determined by the Secretary under section 1117(c).

(4) BASE ACRES.—

(A) IN GENERAL.—The term "base acres", with respect to a covered commodity on a farm, means the number of acres in effect under sections 1001 and 1301 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702, 8751), as adjusted pursuant to sections 1101, 1108, and 1302 of such Act (7 U.S.C. 8711, 8718, 8752), as in effect on September 30, 2013, subject to any reallocation, adjustment, or reduction under section 1112 of this Act.

(B) INCLUSION OF GENERIC BASE ACRES.—The term "base acres" includes any generic base acres planted to a covered commodity as determined in section 1114(b).

(5) COUNTY COVERAGE.—The term "county coverage" means agriculture risk coverage selected under section 1115(b)(1) to be obtained at the county level.

(6) COVERED COMMODITY.—

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

(B) INCLUSION.—Effective beginning with the 2018 crop year, the term "covered commodity" includes seed cotton.

(7) EFFECTIVE PRICE.—The term "effective price", with respect to a covered commodity for a crop year, means the price calculated by the Secretary under section 1116(b) to determine whether price loss coverage payments are required to be provided for that crop year.

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

(A) An amount equal to 115 percent of the reference price for such covered commodity.

(B) An amount equal to the greater of—

(i) the reference price for such covered commodity; or

(ii) 85 percent of the average of the marketing year average price of the covered commodity for the most recent 5 crop years, excluding each of the crop years with the highest and lowest marketing year average price.

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

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

United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and

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

(10) GENERIC BASE ACRES.—The term "generic base acres" means the number of base acres for cotton in effect under section 1001 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702), as adjusted pursuant to section 1101 of such Act (7 U.S.C. 8711), as in effect on September 30, 2013, subject to any adjustment or reduction under section 1112 of this Act.

(11) INDIVIDUAL COVERAGE.—The term "individual coverage" means agriculture risk coverage selected under section 1115(b)(2) to be obtained at the farm level.

(12) MEDIUM GRAIN RICE.—The term "medium grain rice" includes short grain rice and temperate japonica rice.

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

(14) PAYMENT ACRES.—The term "payment acres", with respect to the provision of price loss coverage payments and agriculture risk coverage payments, means the number of acres determined for a farm under section 1114.

(15) PAYMENT YIELD.—The term "payment yield", for a farm for a covered commodity—

(A) means the yield used to make payments pursuant to section 1104 or 1304 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8714, 8754), as in effect on September 30, 2013; or

(B) means the yield established under section 1113 of this Act.

(16) PRICE LOSS COVERAGE.—The term "price loss coverage" means coverage provided under section 1116.

(17) PRODUCER.—

(A) IN GENERAL.—The term "producer" means an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing a crop and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

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

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

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

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

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

(A) For wheat, $5.50 per bushel.

(B) For corn, $3.70 per bushel.
(C) For grain sorghum, $3.95 per bushel.
(D) For barley, $4.95 per bushel.
(E) For oats, $2.40 per bushel.
(F) For long grain rice, $14.00 per hundredweight.
(G) For medium grain rice, $14.00 per hundredweight.
(H) For soybeans, $8.40 per bushel.
(I) For other oilseeds, $20.15 per hundredweight.
(J) For peanuts, $535.00 per ton.
(K) For dry peas, $11.00 per hundredweight.
(L) For lentils, $19.97 per hundredweight.
(M) For small chickpeas, $19.04 per hundredweight.
(N) For large chickpeas, $21.54 per hundredweight.
(O) For seed cotton, $0.367 per pound.

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

(21) SEED COTTON.—The term "seed cotton" means unginned upland cotton that includes both lint and seed.

(22) STATE.—The term "State" means—
(A) a State;
(B) the District of Columbia;
(C) the Commonwealth of Puerto Rico; and
(D) any other territory or possession of the United States.

(23) TEMPERATE JAPONICA RICE.—The term "temperate japonica rice" means rice that is grown in high altitudes or temperate regions of high latitudes with cooler climate conditions, in the Western United States, as determined by the Secretary, for the purpose of—
(A) the reallocation of base acres under section 1112;
(B) the establishment of a reference price (as required under section 1116(g)) and an effective price pursuant to section 1116; and
(C) the determination of the actual crop revenue and agriculture risk coverage guarantee pursuant to section 1117.

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

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

(26) UNITED STATES PREMIUM FACTOR.—The term "United States Premium Factor" means the percentage by which the difference in the United States loan schedule premiums for Strict Middling (SM) 1⅛-inch upland cotton and for Middling (M) 1 3/32-inch upland cotton exceeds the difference in the applicable premiums for comparable international qualities.

**SEC. 1112. [7 U.S.C. 9012] BASE ACRES.**

(a) RETENTION OR 1-TIME REALLOCATION OF BASE ACRES.—
(1) ELECTION REQUIRED.—
(A) NOTICE OF ELECTION OPPORTUNITY.—As soon as practicable after the date of enactment of this Act, the Secretary shall provide notice to the owners of a farm regard-

ing their opportunity to make an election, in the manner provided in this subsection—

(i) to retain base acres, including any generic base acres, as provided in paragraph (2); or

(ii) in lieu of retaining base acres, to reallocate base acres, other than any generic base acres, as provided in paragraph (3).

(B) CONTENT OF NOTICE.—The notice under subparagraph (A) shall include the following:

(i) Information that the opportunity of an owner to make the election is being provided only once.

(ii) Information regarding the manner in which the owner must make the election and the manner of notifying the Secretary of the election.

(iii) Information regarding the deadline before which the owner must notify the Secretary of the election to be in effect beginning with the 2014 crop year.

(C) EFFECT OF FAILURE TO MAKE ELECTION.—If the owner of a farm fails to make the election under this subsection, or fails to timely notify the Secretary of the election as required by subparagraph (B)(iii), the owner shall be deemed to have elected to retain base acres, including generic base acres, as provided in paragraph (2).

(2) RETENTION OF BASE ACRES.—

(A) ELECTION TO RETAIN.—For the purpose of applying this part to a covered commodity, the Secretary shall give an owner of a farm an opportunity to elect to retain all of the base acres for each covered commodity on the farm.

(B) TREATMENT OF GENERIC BASE ACRES.—Generic base acres are automatically retained.

(3) REALLOCATION OF BASE ACRES.—

(A) ELECTION TO REALLOCATE.—For the purpose of applying this part to covered commodities, the Secretary shall give an owner of a farm an opportunity to elect to reallocate all of the base acres for covered commodities on the farm, as in effect on September 30, 2013, among those covered commodities planted on the farm at any time during the 2009 through 2012 crop years.

(B) REALLOCATION FORMULA.—The reallocation of base acres among covered commodities on a farm shall be in proportion to the ratio of—

(i) the 4-year average of—

(I) the acreage planted on the farm to each covered commodity for harvest, grazing, haying, silage, or other similar purposes for the 2009 through 2012 crop years; and

(II) any acreage on the farm that the producers were prevented from planting during the 2009 through 2012 crop years to that covered commodity because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, as determined by the Secretary; to

(ii) the 4-year average of—

(I) the acreage planted on the farm to all covered commodities for harvest, grazing, haying, silage, or other similar purposes for such crop years; and

(II) any acreage on the farm that the producers were prevented from planting during such crop years to covered commodities because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, as determined by the Secretary.

(C) TREATMENT OF GENERIC BASE ACRES.—Generic base acres are retained and may not be reallocated under this paragraph.

(D) INCLUSION OF ALL 4 YEARS IN AVERAGE.—For the purpose of determining a 4-year acreage average under subparagraph (B) for a farm, the Secretary shall not exclude any crop year in which a covered commodity was not planted.

(E) TREATMENT OF MULTIPLE PLANTING OR PREVENTED PLANTING.—For the purpose of determining under subparagraph (B) the acreage on a farm that producers planted or were prevented from planting during the 2009 through 2012 crop years to covered commodities, if the acreage that was planted or prevented from being planted was devoted to another covered commodity in the same crop year (other than a covered commodity produced under an established practice of double cropping), the owner may elect the commodity to be used for that crop year in determining the 4-year average, but may not include both the initial commodity and the subsequent commodity.

(F) LIMITATION.—The reallocation of base acres among covered commodities on a farm under this paragraph may not result in a total number of base acres (including generic base acres) for the farm in excess of the number of base acres in effect for the farm on September 30, 2013.

(4) APPLICATION OF ELECTION TO ALL COVERED COMMODITIES.—The election made under this subsection, or deemed to be made under paragraph (1)(C), with respect to a farm shall apply to all of the covered commodities on the farm.

(b) ADJUSTMENT OF BASE ACRES.—

(1) IN GENERAL.—Notwithstanding the election made under subsection (a), the Secretary shall provide for an adjustment, as appropriate, in the base acres for covered commodities for a farm and any generic base acres for the farm whenever any of the following circumstances occur:

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

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

(C) The producer has eligible oilseed acreage as the result of the Secretary designating additional oilseeds, which shall be determined in the same manner as eligible oilseed

acreage under section 1101(a)(1)(D) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8711(a)(1)(D)).

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

(c) PREVENTION OF EXCESS BASE ACRES.—

(1) REQUIRED REDUCTION.—Notwithstanding the election made under subsection (a), if the sum of the base acres for a farm, including generic base acres, and the acreage described in paragraph (2) exceeds the actual cropland acreage of the farm, the Secretary shall reduce the base acres for 1 or more covered commodities or generic base acres for the farm so that the sum of the base acres, including generic base acres, and the acreage described in paragraph (2) does not exceed the actual cropland acreage of the farm.

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

(A) Any acreage on the farm enrolled in—

(i) the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.); or

(ii) a wetland reserve easement under section 1265C of the Food Security Act of 1985 (16 U.S.C. 3865c).

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

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

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

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

(d) REDUCTION IN BASE ACRES.—

(1) REDUCTION AT OPTION OF OWNER.—

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

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

(2) REQUIRED ACTION BY SECRETARY.—

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

(i) remains devoted to commercial agricultural production; or

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

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

(3) TREATMENT OF BASE ACRES ON FARMS ENTIRELY PLANTED TO GRASS OR PASTURE.—

(A) IN GENERAL.—In the case of a farm on which all of the cropland was planted to grass or pasture (including cropland that was idle or fallow), as determined by the Secretary, during the period beginning on January 1, 2009, and ending on December 31, 2017, the Secretary shall maintain all base acres and payment yields for the covered commodities on the farm, except that no payment shall be made with respect to those base acres under section 1116 or 1117 for the 2019 through 2023 crop years.

(B) INELIGIBILITY.—The producers on a farm for which all of the base acres are maintained under subparagraph (A) shall be ineligible for the option to change the election applicable to the producers on the farm under section 1115(h).

(4) PROHIBITION ON RECONSTITUTION OF FARM.—The Secretary shall ensure that producers on a farm do not reconstitute the farm to void or change the treatment of base acres under this section.

**SEC. 1113. [7 U.S.C. 9013] PAYMENT YIELDS.**

(a) ESTABLISHMENT AND PURPOSE.—For the purpose of making price loss coverage payments under section 1116, the Secretary shall provide for the establishment of a yield for each farm for any designated oilseed for which a payment yield was not established under section 1102 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8712) in accordance with this section.

(b) PAYMENT YIELDS FOR DESIGNATED OILSEEDS.—

(1) DETERMINATION OF AVERAGE YIELD.—In the case of oilseeds designated before the date of enactment of the Agriculture Improvement Act of 2018, the Secretary shall determine the average yield per planted acre for the designated oilseed on a farm for the 1998 through 2001 crop years, excluding any crop year in which the acreage planted to the designated oilseed was zero.

(2) ADJUSTMENT FOR PAYMENT YIELD.—

(A) IN GENERAL.—The payment yield for a farm for an oilseed designated before the date of enactment of the Ag-

riculture Improvement Act of 2018 shall be equal to the product of the following:

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

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

(B) NO NATIONAL AVERAGE YIELD INFORMATION AVAILABLE.—To the extent that national average yield information for an oilseed designated before the date of enactment of the Agriculture Improvement Act of 2018 is not available, the Secretary shall use such information as the Secretary determines to be fair and equitable to establish a national average yield under this section.

(3) USE OF COUNTY AVERAGE YIELD.—If the yield per planted acre for a crop of an oilseed designated before the date of enactment of the Agriculture Improvement Act of 2018 for a farm for any of the 1998 through 2001 crop years was less than 75 percent of the county yield for that designated oilseed, the Secretary shall assign a yield for that crop year equal to 75 percent of the county yield for the purpose of determining the average under paragraph (1).

(4) TREATMENT OF OILSEEDS DESIGNATED AFTER CERTAIN DATE.—In the case of oilseeds designated on or after the date of enactment of the Agriculture Improvement Act of 2018, the payment yield shall be equal to 90 percent of the average of the yield per planted acre for the most recent 5 crop years, as determined by the Secretary, excluding any crop year in which the acreage planted to the covered commodity was zero.

(c) EFFECT OF LACK OF PAYMENT YIELD.—

(1) ESTABLISHMENT BY SECRETARY.—In the case of a covered commodity on a farm for which base acres have been established or that is planted on generic base acres, if no payment yield is otherwise established for the covered commodity on the farm, the Secretary shall establish an appropriate payment yield for the covered commodity on the farm under paragraph (2).

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

(d) SINGLE OPPORTUNITY TO UPDATE YIELDS.—

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

(2) METHOD OF UPDATING YIELDS FOR COVERED COMMODITIES.—If the owner of a farm elects to update yields under paragraph (1), the payment yield for a covered commodity on the farm, for the purpose of calculating price loss coverage payments only, shall be equal to the product obtained by multiplying—

(A) 90 percent;

(B) the average of the yield per planted acre for the crop of covered commodities on the farm for the 2013 through 2017 crop years, as determined by the Secretary, excluding any crop year in which the acreage planted to the covered commodity was zero; and

(C) subject to paragraph (3), the ratio obtained by dividing—

(i) the average of the 2008 through 2012 national average yield per planted acre for the covered commodity, as determined by the Secretary; by

(ii) the average of the 2013 through 2017 national average yield per planted acre for the covered commodity, as determined by the Secretary.

(3) LIMITATION.—In no case shall the ratio obtained under paragraph (2)(C) be less than 90 percent or greater than 100 percent.

(4) USE OF COUNTY AVERAGE YIELD.—For the purposes of determining the average yield per planted acre under paragraph (2)(B), if the yield per planted acre for a crop of a covered commodity for a farm for any of the crop years described in that subparagraph was less than 75 percent of the average of county yields for those crop years for that commodity, the Secretary shall assign a yield for that crop year equal to 75 percent of the average of the 2013 through 2017 county yield for the covered commodity.

(5) UPLAND COTTON CONVERSION.—In the case of seed cotton, for purposes of determining the average of the yield per planted acre under this subsection, the average yield for seed cotton per planted acre shall be equal to 2.4 times the average yield for upland cotton per planted acre.

(6) TIME FOR ELECTION.—An election under this subsection shall be made at a time and manner so as to be in effect beginning with the 2020 crop year, as determined by the Secretary.

(e) PAYMENT YIELD FOR SEED COTTON.—

(1) PAYMENT YIELD.—Subject to paragraph (2), the payment yield for seed cotton for a farm shall be equal to 2.4 times the payment yield for upland cotton for the farm established under section 1104(e)(3) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8714(e)(3)) (as in effect on September 30, 2013).

(2) UPDATE.—At the sole discretion of the owner of a farm with a yield for upland cotton described in paragraph (1), the owner of the farm shall have a 1-time opportunity to update the payment yield for upland cotton for the farm, as provided in subsection (d), for the purpose of calculating the payment yield for seed cotton under paragraph (1).

**SEC. 1114. [7 U.S.C. 9014] PAYMENT ACRES.**

(a) DETERMINATION OF PAYMENT ACRES.—

(1) GENERAL RULE.—For the purpose of price loss coverage and agriculture risk coverage when county coverage has been selected under section 1115(b)(1), but subject to subsection (e), the payment acres for each covered commodity on a farm shall be equal to 85 percent of the base acres for the covered commodity on the farm.

(2) EFFECT OF INDIVIDUAL COVERAGE.—In the case of agriculture risk coverage when individual coverage has been selected under section 1115(b)(2), but subject to subsection (e), the payment acres for a farm shall be equal to 65 percent of the base acres for all of the covered commodities on the farm.

(b) TREATMENT OF GENERIC BASE ACRES.—

(1) IN GENERAL.—In the case of generic base acres, price loss coverage payments and agriculture risk coverage payments are made only with respect to generic base acres planted to a covered commodity for the crop year.

(2) ATTRIBUTION.—With respect to a farm containing generic base acres, for the purpose of applying paragraphs (1) and (2) of subsection (a), generic base acres on the farm are attributed to a covered commodity in the following manner:

(A) If a single covered commodity is planted and the total acreage planted exceeds the generic base acres on the farm, the generic base acres are attributed to that covered commodity in an amount equal to the total number of generic base acres.

(B) If multiple covered commodities are planted and the total number of acres planted to all covered commodities on the farm exceeds the generic base acres on the farm, the generic base acres are attributed to each of the covered commodities on the farm on a pro rata basis to reflect the ratio of—

(i) the acreage planted to a covered commodity on the farm; to

(ii) the total acreage planted to all covered commodities on the farm.

(C) If the total number of acres planted to all covered commodities on the farm does not exceed the generic base acres on the farm, the number of acres planted to a covered commodity is attributed to that covered commodity.

(3) TREATED AS ADDITIONAL ACREAGE.—When generic base acres are planted to a covered commodity or acreage planted to a covered commodity is attributed to generic base acres, the generic base acres are in addition to other base acres on the farm.

(4) SEED COTTON.—

(A) IN GENERAL.—Not later than 90 days after the date of enactment of this paragraph, the Secretary shall require the owner of a farm to allocate all generic base acres on the farm under subparagraph (B) or (C), or both.

(B) NO RECENT HISTORY OF COVERED COMMODITIES.—In the case of a farm on which no covered commodities (including seed cotton) were planted or were prevented from

being planted at any time during the 2009 through 2016 crop years, the owner of such farm shall allocate generic base acres on the farm to unassigned crop base for which no payments may be made under section 1116 or 1117.

(C) RECENT HISTORY OF COVERED COMMODITIES.—In the case of a farm not described in subparagraph (B), the owner of such farm shall allocate generic base acres on the farm—

(i) subject to subparagraph (D), to seed cotton base acres in a quantity equal to the greater of—

(I) 80 percent of the generic base acres on the farm; or

(II) the average number of seed cotton acres planted or prevented from being planted on the farm during the 2009 through 2012 crop years (not to exceed the total generic base acres on the farm); or

(ii) to base acres for covered commodities (including seed cotton), by applying subparagraphs (B), (D), (E), and (F) of section 1112(a)(3).

(D) TREATMENT OF RESIDUAL GENERIC BASE ACRES.—In the case of a farm on which generic base acres are allocated under subparagraph (C)(i), the residual generic base acres shall be allocated to unassigned crop base for which no payments may be made under section 1116 or 1117.

(E) EFFECT OF FAILURE TO ALLOCATE.—In the case of a farm not described in subparagraph (B) for which the owner of the farm fails to make an election under subparagraph (C), the owner of the farm shall be deemed to have elected to allocate all generic base acres in accordance with subparagraph (C)(i).

(c) EXCLUSION.—The quantity of payment acres determined under subsection (a) may not include any crop subsequently planted during the same crop year on the same land for which the first crop is eligible for price loss coverage payments or agriculture risk coverage payments, unless the crop was approved for double cropping in the county, as determined by the Secretary.

(d) EFFECT OF MINIMAL PAYMENT ACRES.—

(1) PROHIBITION ON PAYMENTS.—Notwithstanding any other provision of this title, a producer on a farm may not receive price loss coverage payments or agriculture risk coverage payments if the sum of the base acres on the farm is 10 acres or less, as determined by the Secretary, unless the sum of the base acres on the farm, when combined with the base acres of other farms in which the producer has an interest, is more than 10 acres.

(2) EXCEPTIONS.—Paragraph (1) does not apply to a producer that is—

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

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

(C) a beginning farmer or rancher (as defined in subsection (a) of section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279)); or

(D) a veteran farmer or rancher (as defined in subsection (a) of section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279)).

(e) EFFECT OF PLANTING FRUITS AND VEGETABLES.—

(1) REDUCTION REQUIRED.—In the manner provided in this subsection, payment acres on a farm shall be reduced in any crop year in which fruits, vegetables (other than mung beans and pulse crops), or wild rice have been planted on base acres on a farm.

(2) PRICE LOSS COVERAGE AND COUNTY COVERAGE.—In the case of price loss coverage payments and agricultural risk coverage payments using county coverage, the reduction under paragraph (1) shall be the amount equal to the base acres planted to crops referred to in such paragraph in excess of 15 percent of base acres.

(3) INDIVIDUAL COVERAGE.—In the case of agricultural risk coverage payments using individual coverage, the reduction under paragraph (1) shall be the amount equal to the base acres planted to crops referred to in such paragraph in excess of 35 percent of base acres.

(4) REDUCTION EXCEPTIONS.—No reduction to payment acres shall be made under this subsection if—

(A) cover crops or crops referred to in paragraph (1) are grown solely for conservation purposes and not harvested for use or sale, as determined by the Secretary; or

(B) in any region in which there is a history of double-cropping covered commodities with crops referred to in paragraph (1) and such crops were so double-cropped on the base acres, as determined by the Secretary.

(5) EFFECT OF REDUCTION.—For each crop year for which fruits, vegetables (other than mung beans and pulse crops), or wild rice are planted to base acres on a farm for which a reduction in payment acres is made under this subsection, the Secretary shall consider such base acres to be planted, or prevented from being planted, to a covered commodity for purposes of any adjustment or reduction of base acres for the farm under section 1112.

(f) UNASSIGNED CROP BASE.—The Secretary shall maintain information on generic base acres on a farm allocated as unassigned crop base under subsection (b)(4).

**SEC. 1115. [7 U.S.C. 9015] PRODUCER ELECTION.**

(a) ELECTION REQUIRED.—For the 2014 through 2018 crop years (except as provided in subsection (g)) and for the 2019 through 2023 crop years (subject to subsection (h)), all of the producers on a farm shall make a 1-time, irrevocable election to obtain—

(1) price loss coverage under section 1116 on a covered commodity-by-covered-commodity basis; or

(2) agriculture risk coverage under section 1117.

(b) COVERAGE OPTIONS.—In the election under subsection (a) or (h), as applicable, the producers on a farm that elect to obtain agriculture risk coverage shall unanimously select whether to receive agriculture risk coverage payments based on—

(1) county coverage applicable on a covered commodity-by-covered-commodity basis; or

(2) individual coverage applicable to all of the covered commodities on the farm.

(c) EFFECT OF FAILURE TO MAKE UNANIMOUS ELECTION.—If all the producers on a farm fail to make a unanimous election under subsection (a) for the 2014 crop year or the 2019 crop year, as applicable—

(1) the Secretary shall not make any payments with respect to the farm for the 2014 crop year or the 2019 crop year, as applicable, under section 1116 or 1117; and

(2) subject to subsection (h), the producers on the farm shall be deemed to have elected, as applicable—

(A) price loss coverage for all covered commodities on the farm for the 2015 through 2018 crop years; and

(B) the same coverage for each covered commodity on the farm for the 2020 through 2023 crop years as was applicable for the 2015 through 2018 crop years.

(d) EFFECT OF SELECTION OF COUNTY COVERAGE.—If all the producers on a farm select county coverage for a covered commodity under subsection (b)(1), the Secretary may not make price loss coverage payments under section 1116 to the producers on the farm with respect to that covered commodity.

(e) EFFECT OF SELECTION OF INDIVIDUAL COVERAGE.—If all the producers on a farm select individual coverage under subsection (b)(2), in addition to the selection and election under this section applying to each producer on the farm, the Secretary shall consider, for purposes of making the calculations required by subsections (b)(2) and (c)(3) of section 1117, the producer's share of all farms in the same State—

(1) in which the producer has an interest; and

(2) for which individual coverage has been selected.

(f) PROHIBITION ON RECONSTITUTION.—The Secretary shall ensure that producers on a farm do not reconstitute the farm to void or change an election or selection made under this section.

(g) SPECIAL ELECTION.—

(1) IN GENERAL.—In the case of acres allocated to seed cotton on a farm, for the 2018 crop year, all of the producers on the farm shall be given the opportunity to make a new 1-time election under subsection (a) to reflect the designation of seed cotton as a covered commodity for that crop year under section 1111(6)(B).

(2) EFFECT OF FAILURE TO MAKE UNANIMOUS ELECTION.—If all the producers on a farm fail to make a unanimous election under paragraph (1), the producers on the farm shall be deemed to have elected price loss coverage under section 1116 for acres allocated on the farm to seed cotton.

(h) OPTION TO CHANGE ELECTION.—

(1) IN GENERAL.—For the 2021 crop year and each crop year thereafter, all of the producers on a farm may change the

election under subsection (a), subsection (c), or this subsection, as applicable, to price loss coverage or agriculture risk coverage, as applicable.

(2) APPLICABILITY.—An election change under paragraph (1) shall apply to—

(A) the crop year for which the election change is made; and

(B) each crop year thereafter until another election change is made under that paragraph.

**SEC. 1116. [7 U.S.C. 9016] PRICE LOSS COVERAGE.**

(a) PRICE LOSS COVERAGE PAYMENTS.—If all of the producers on a farm make the election under subsection (a) or (h) of section 1115 to obtain price loss coverage or, subject to subsection (c)(1) of such section, are deemed to have made such election under subsection (c)(2) of such section, the Secretary shall make price loss coverage payments to producers on the farm on a covered commodity-by-covered-commodity basis if the Secretary determines that—

(1) for any of the 2014 through 2018 crop years—

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

(B) the reference price for the covered commodity for the crop year; or

(2) for any of the 2019 through 2023 crop years—

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

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

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

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

(2) the national average loan rate for a marketing assistance loan for the covered commodity in effect for such crop year under subtitle B.

(c) PAYMENT RATE.—

(1) IN GENERAL.—

(A) 2014 THROUGH 2018 CROP YEARS.—For the 2014 through 2018 crop years, the payment rate shall be equal to the difference between—

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

(ii) the effective price determined under subsection (b) for the covered commodity.

(B) 2019 THROUGH 2023 CROP YEARS.—For the 2019 through 2023 crop years, the payment rate shall be equal to the difference between—

(i) the effective reference price for the covered commodity; and

(ii) the effective price determined under subsection (b) for the covered commodity.

(2) ANNOUNCEMENT.—Not later than 30 days after the end of each applicable 12-month marketing year for each covered commodity, the Secretary shall publish the payment rate determined under paragraph (1).

(3) INSUFFICIENT DATA.—In the case of a covered commodity, such as temperate japonica rice, for which the Secretary cannot determine the payment rate for the most recent 12-month marketing year by the date described in paragraph (2) due to insufficient reporting of timely pricing data by 1 or more nongovernmental entities, including a marketing cooperative for the covered commodity, the Secretary shall publish the payment rate as soon as practicable after the marketing year data are made available.

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

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

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

(3) the payment acres for the covered commodity.

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

(f) EFFECTIVE PRICE FOR BARLEY.—In determining the effective price for barley under subsection (b), the Secretary shall use the all-barley price.

(g) REFERENCE PRICE FOR TEMPERATE JAPONICA RICE.—In order to reflect price premiums, the Secretary shall provide a reference price with respect to temperate japonica rice in an amount equal to the amount established under subparagraph (F) of section 1111(19), as adjusted by paragraph (8) of such section, multiplied by the ratio obtained by dividing—

(1) the simple average of the marketing year average price of medium grain rice from the 2012 through 2016 crop years; by

(2) the simple average of the marketing year average price of all rice from the 2012 through 2016 crop years.

(h) EFFECTIVE PRICE FOR SEED COTTON.—

(1) IN GENERAL.—The effective price for seed cotton under subsection (b) shall be equal to the marketing year average price for seed cotton, as calculated under paragraph (2).

(2) CALCULATION.—The marketing year average price for seed cotton for a crop year shall be equal to the quotient obtained by dividing—

(A) the sum obtained by adding—

(i) the product obtained by multiplying—

(I) the upland cotton lint marketing year average price; and

(II) the total United States upland cotton lint production, measured in pounds; and

(ii) the product obtained by multiplying—

(I) the cottonseed marketing year average price; and

(II) the total United States cottonseed production, measured in pounds; by

(B) the sum obtained by adding—

(i) the total United States upland cotton lint production, measured in pounds; and

(ii) the total United States cottonseed production, measured in pounds.

**SEC. 1117. [7 U.S.C. 9017] AGRICULTURE RISK COVERAGE.**

(a) AGRICULTURE RISK COVERAGE PAYMENTS.—If all of the producers on a farm make the election under section 1115(a) to obtain agriculture risk coverage, the Secretary shall make agriculture risk coverage payments (beginning with the 2019 crop year, based on the physical location of the farm) to producers on the farm if the Secretary determines that, for any of the 2014 through 2018 crop years or the 2019 through 2023 crop years, as applicable—

(1) the actual crop revenue determined under subsection (b) for the crop year; is less than

(2) the agriculture risk coverage guarantee determined under subsection (c) for the crop year.

(b) ACTUAL CROP REVENUE.—

(1) COUNTY COVERAGE.—In the case of county coverage, the amount of the actual crop revenue for a county for a crop year of a covered commodity shall be equal to the product obtained by multiplying—

(A) the actual average county yield per planted acre for the covered commodity, as determined by the Secretary; and

(B) the higher of—

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

(ii) the national average loan rate for a marketing assistance loan for the covered commodity in effect for such crop year under subtitle B.

(2) INDIVIDUAL COVERAGE.—In the case of individual coverage, the amount of the actual crop revenue for a producer on a farm for a crop year shall be based on the producer's share of all covered commodities planted on all farms for which individual coverage has been selected and in which the producer has an interest, to be determined by the Secretary as follows:

(A) For each covered commodity, the product obtained by multiplying—

(i) the total production of the covered commodity on such farms, as determined by the Secretary; and

(ii) the higher of—

(I) the national average market price received by producers during the 12-month marketing year, as determined by the Secretary; or

(II) the national average loan rate for a marketing assistance loan for the covered commodity in effect for such crop year under subtitle B.

(B) The sum of the amounts determined under subparagraph (A) for all covered commodities on such farms.

(C) The quotient obtained by dividing the amount determined under subparagraph (B) by the total planted acres of all covered commodities on such farms.

(c) AGRICULTURE RISK COVERAGE GUARANTEE.—

(1) IN GENERAL.—The agriculture risk coverage guarantee for a crop year for a covered commodity shall equal 86 percent of the benchmark revenue.

(2) BENCHMARK REVENUE FOR COUNTY COVERAGE.—In the case of county coverage, the benchmark revenue shall be the product obtained by multiplying—

(A) subject to paragraphs (4) and (5), the average historical county yield as determined by the Secretary for the most recent 5 crop years, excluding each of the crop years with the highest and lowest yields; and

(B) subject to paragraph (6), the national average market price received by producers during the 12-month marketing year for the most recent 5 crop years, excluding each of the crop years with the highest and lowest prices.

(3) BENCHMARK REVENUE FOR INDIVIDUAL COVERAGE.—In the case of individual coverage, the benchmark revenue for a producer on a farm for a crop year shall be based on the producer's share of all covered commodities planted on all farms for which individual coverage has been selected and in which the producer has an interest, to be determined by the Secretary as follows:

(A) For each covered commodity for each of the most recent 5 crop years, the product obtained by multiplying—

(i) subject to paragraph (4), the yield per planted acre for the covered commodity on such farms, as determined by the Secretary; by

(ii) subject to paragraph (6), the national average market price received by producers during the 12-month marketing year.

(B) For each covered commodity, the average of the revenues determined under subparagraph (A) for the most recent 5 crop years, excluding each of the crop years with the highest and lowest revenues.

(C) For each of the 2014 through 2023 crop years, the sum of the amounts determined under subparagraph (B) for all covered commodities on such farms, but adjusted to reflect the ratio between the total number of acres planted on such farms to a covered commodity and the total acres of all covered commodities planted on such farms.

(4) YIELD CONDITIONS.—

(A) 2014 THROUGH 2018 CROP YEARS.—Effective for the 2014 through 2018 crop years, if the yield per planted acre for the covered commodity or historical county yield per planted acre for the covered commodity for any of the 5 most recent crop years, as determined by the Secretary, is

less than 70 percent of the transitional yield, as determined by the Secretary, the amounts used for any of those years in paragraph (2)(A) or (3)(A)(i) shall be 70 percent of the transitional yield.

(B) 2019 THROUGH 2023 CROP YEARS.—Effective for the 2019 through 2023 crop years, if the yield per planted acre for the covered commodity or historical county yield per planted acre for the covered commodity for any of the 5 most recent crop years, as determined by the Secretary, is less than 80 percent of the transitional yield, as determined by the Secretary, the amounts used for any of those years in paragraph (2)(A) or (3)(A)(i) shall be 80 percent of the transitional yield.

(5) TREND-ADJUSTED YIELD.—The Secretary shall calculate and use a trend-adjusted yield factor to adjust the yield determined under paragraph (2)(A) and subsection (b)(1)(A), taking into consideration, but not exceeding, the trend-adjusted yield factor that is used to increase yield history under the endorsement under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) for that crop and county.

(6) LOW NATIONAL AVERAGE MARKET PRICE.—

(A) REFERENCE PRICE.—For the 2014 through 2018 crop years, if the national average market price received by producers during the 12-month marketing year for any of the 5 most recent crop years is lower than the reference price for the covered commodity, the Secretary shall use the reference price for any of those years for the amounts in paragraph (2)(B) or (3)(A)(ii).

(B) EFFECTIVE REFERENCE PRICE.—For the 2019 through 2023 crop years, if the national average market price received by producers during the 12-month marketing year for any of the 5 most recent crop years is lower than the effective reference price for the covered commodity, the Secretary shall use the effective reference price for any of those years for the amounts in paragraph (2)(B) or (3)(A)(ii).

(d) PAYMENT RATE.—

(1) IN GENERAL.—The payment rate for a covered commodity, in the case of county coverage, or a farm, in the case of individual coverage, shall be equal to the lesser of—

(A) the amount that—

(i) the agriculture risk coverage guarantee for the crop year applicable under subsection (c); exceeds

(ii) the actual crop revenue for the crop year applicable under subsection (b); or

(B) 10 percent of the benchmark revenue for the crop year applicable under subsection (c).

(2) ANNOUNCEMENT.—Not later than 30 days after the end of each applicable 12-month marketing year for each covered commodity, the Secretary shall publish the payment rate determined under paragraph (1) for each county.

(e) PAYMENT AMOUNT.—If agriculture risk coverage payments are required to be paid for any of the 2014 through 2023 crop

years, the amount of the agriculture risk coverage payment for the crop year shall be determined by multiplying—

(1) the payment rate determined under subsection (d); and

(2) the payment acres determined under section 1114.

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

(g) ADDITIONAL DUTIES OF THE SECRETARY.—In providing agriculture risk coverage, the Secretary shall—

(1) to the maximum extent practicable, use all available information and analysis, including data mining, to check for anomalies in the determination of agriculture risk coverage payments;

(2) calculate a separate actual crop revenue and agriculture risk coverage guarantee for irrigated and nonirrigated covered commodities;

(3) in the case of individual coverage, assign an average yield for a farm on the basis of the yield history of representative farms in the State, region, or crop reporting district, as determined by the Secretary, if the Secretary determines that the farm has planted acreage in a quantity that is insufficient to calculate a representative average yield for the farm;

(4) effective for the 2014 through 2018 crop years, in the case of county coverage, assign an actual or benchmark county yield for each planted acre for the crop year for the covered commodity on the basis of the yield history of representative farms in the State, region, or crop reporting district, as determined by the Secretary, if—

(A) the Secretary cannot establish the actual or benchmark county yield for each planted acre for a crop year for a covered commodity in the county in accordance with subsection (b)(1) or (c)(2); or

(B) the yield determined under subsection (b)(1) or (c)(2) is an unrepresentative average yield for the county, as determined by the Secretary; and

(5) effective for the 2019 through 2023 crop years, in the case of county coverage, assign an actual or benchmark county yield for each planted acre for the crop year for the covered commodity—

(A) for a county for which county data collected by the Risk Management Agency are sufficient for the Secretary to offer a county-wide insurance product, using the actual average county yield determined by the Risk Management Agency; or

(B) for a county not described in subparagraph (A), using—

(i) other sources of yield information, as determined by the Secretary; or

(ii) the yield history of representative farms in the State, region, or crop reporting district, as determined by the Secretary.

(h) PUBLICATIONS.—

(1) COUNTY GUARANTEE.—

(A) IN GENERAL.—For each crop year for a covered commodity, the Secretary shall publish information describing, for that crop year for the covered commodity in each county—

(i) the agriculture risk coverage guarantee for county coverage determined under subsection (c)(1);

(ii) the average historical county yield determined under subsection (c)(2)(A); and

(iii) the national average market price determined under subsection (c)(2)(B).

(B) TIMING.—

(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), not later than 30 days after the end of each applicable 12-month marketing year, the Secretary shall publish the information described in subparagraph (A).

(ii) INSUFFICIENT DATA.—In the case of a covered commodity, such as temperate japonica rice, for which the Secretary cannot determine the national average market price for the most recent 12-month marketing year by the date described in clause (i) due to insufficient reporting of timely pricing data by 1 or more nongovernmental entities, including a marketing cooperative for the covered commodity, as soon as practicable after the pricing data are made available, the Secretary shall publish information describing—

(I) the agriculture risk coverage guarantee under subparagraph (A)(i); and

(II) the national average market price under subparagraph (A)(iii).

(iii) TRANSITION.—Not later than 60 days after the date of enactment of the Agriculture Improvement Act of 2018, the Secretary shall publish the information described in clauses (i) and (ii) of subparagraph (A) for the 2018 crop year.

(2) ACTUAL AVERAGE COUNTY YIELD.—As soon as practicable after each crop year, the Secretary shall determine and publish each actual average county yield for each covered commodity, as determined under subsection (b)(1)(A).

(3) DATA SOURCES FOR COUNTY YIELDS.—For the 2018 crop year and each crop year thereafter, the Secretary shall make publicly available information describing, for the most recent crop year—

(A) the sources of data used to calculate county yields under subsection (c)(2)(A) for each covered commodity—

(i) by county; and

(ii) nationally; and

(B) the number and outcome of occurrences in which the Farm Service Agency reviewed, changed, or determined not to change a source of data used to calculate county yields under subsection (c)(2)(A).

(i) ADMINISTRATIVE UNITS.—

(1) IN GENERAL.—For purposes of agriculture risk coverage payments in the case of county coverage, a county may be divided into not greater than 2 administrative units in accordance with this subsection.

(2) ELIGIBLE COUNTIES.—A county that may be divided into administrative units under this subsection is a county that—

(A) is larger than 1,400 square miles; and

(B) contains more than 190,000 base acres.

(3) ELECTIONS.—Before making any agriculture risk coverage payments for the 2019 crop year, the Farm Service Agency State committee, in consultation with the Farm Service Agency county or area committee of a county described in paragraph (2), may make a 1-time election to divide the county into administrative units under this subsection along a boundary that better reflects differences in weather patterns, soil types, or other factors.

(4) LIMITATION.—The Secretary shall—

(A) limit the number of counties that may be divided into administrative units under paragraph (3) to 25 counties; and

(B) give preference to the division of counties that have greater variation in climate, soils, and expected productivity between the proposed administrative units.

(5) ADMINISTRATION.—For purposes of providing agriculture risk coverage payments in the case of county coverage, the Secretary shall consider an administrative unit elected under paragraph (3) to be a county for the 2019 through 2023 crop years.

**SEC. 1118. [7 U.S.C. 9018] PRODUCER AGREEMENTS.**

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

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

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

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

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

(D) to use the land on the farm, in a quantity equal to the attributable base acres for the farm and any base acres for an agricultural or conserving use, and not for a nonagricultural commercial, industrial, or residential use, as determined by the Secretary.

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

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

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

(1) TERMINATION.—

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

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

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

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

(d) PRODUCTION REPORTS.—As an additional condition on receiving agriculture risk coverage payments for individual coverage, the Secretary shall require a producer on a farm to submit to the Secretary annual production reports with respect to all covered commodities produced on all farms in the same State—

(1) in which the producer has an interest; and

(2) for which individual coverage has been selected.

(e) EFFECT OF INACCURATE REPORTS.—No penalty with respect to benefits under this subtitle or subtitle B shall be assessed against a producer on a farm for an inaccurate acreage or production report unless the Secretary determines that the producer on the farm knowingly and willfully falsified the acreage or production report.

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

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

## Subtitle B—Marketing Loans

**SEC. 1201. [7 U.S.C. 9031] AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR LOAN COMMODITIES.**

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

(b) NONRECOURSE LOANS AVAILABLE.—

(1) IN GENERAL.—For each of the 2014 through 2023 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm.

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

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

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

(e) SPECIAL RULES FOR PEANUTS.—

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

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

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

(B) the Farm Service Agency.

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

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

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

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

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

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

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

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

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

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

**SEC. 1202. [7 U.S.C. 9032] LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.**

(a) 2014 THROUGH 2018 CROP YEARS [1].—For purposes of each of the 2014 through 2018 crop years, the loan rate for a marketing assistance loan under section 1201 for a loan commodity shall be equal to the following:

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

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

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

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

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

(6) In the case of base quality of upland cotton, for each of the 2014 through 2018 crop years, the simple average of the adjusted prevailing world price for the 2 immediately preceding marketing years, as determined by the Secretary and announced October 1 preceding the next domestic plantings, but in no case less than $0.45 per pound or more than $0.52 per pound.

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

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

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

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

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

(A) Sunflower seed.

(B) Rapeseed.

(C) Canola.

(D) Safflower.

(E) Flaxseed.

(F) Mustard seed.

(G) Crambe.

(H) Sesame seed.

(I) Other oilseeds designated by the Secretary.

(12) In the case of dry peas, $5.40 per hundredweight.

(13) In the case of lentils, $11.28 per hundredweight.

(14) In the case of small chickpeas, $7.43 per hundredweight.

[1] The formatting in the heading of subsection (a), as amended by section 1202(a)(1) of Public Law 115–334, appears in all caps boldface in the amendment enacted into law; however, it should appear in initial cap and small caps and light typeface (as shown here).

(15) In the case of large chickpeas, $11.28 per hundredweight.

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

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

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

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

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

(b) 2019 THROUGH 2023 CROP YEARS.—For purposes of each of the 2019 through 2023 crop years, the loan rate for a marketing assistance loan under section 1201 for a loan commodity shall be equal to the following:

(1) In the case of wheat, $3.38 per bushel.

(2) In the case of corn, $2.20 per bushel.

(3) In the case of grain sorghum, $2.20 per bushel.

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

(5) In the case of oats, $2.00 per bushel.

(6)(A) Subject to subparagraphs (B) and (C), in the case of base quality of upland cotton, the simple average of the adjusted prevailing world price for the 2 immediately preceding marketing years, as determined by the Secretary and announced October 1 preceding the next domestic planting.

(B) Except as provided in subparagraph (C), the loan rate determined under subparagraph (A) may not equal less than an amount equal to 98 percent of the loan rate for base quality of upland cotton for the preceding year.

(C) The loan rate determined under subparagraph (A) may not be equal to an amount—

(i) less than $0.45 per pound; or

(ii) more than $0.52 per pound.

(7) In the case of extra long staple cotton, $0.95 per pound.

(8) In the case of long grain rice, $7.00 per hundredweight.

(9) In the case of medium grain rice, $7.00 per hundredweight.

(10) In the case of soybeans, $6.20 per bushel.

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

(A) Sunflower seed.

(B) Rapeseed.

(C) Canola.

(D) Safflower.

(E) Flaxseed.

(F) Mustard seed.

(G) Crambe.

(H) Sesame seed.

(I) Other oilseeds designated by the Secretary.

(12) In the case of dry peas, $6.15 per hundredweight.

(13) In the case of lentils, $13.00 per hundredweight.

(14) In the case of small chickpeas, $10.00 per hundredweight.

(15) In the case of large chickpeas, $14.00 per hundredweight.

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

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

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

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

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

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

(d) SEED COTTON.—

(1) IN GENERAL.—For purposes of section 1116(b)(2) and paragraphs (1)(B)(ii) and (2)(A)(ii)(II) of section 1117(b), the loan rate for seed cotton shall be deemed to be equal to $0.25 per pound.

(2) EFFECT.—Nothing in this subsection authorizes any nonrecourse marketing assistance loan under this subtitle for seed cotton.

**SEC. 1203. [7 U.S.C. 9033] TERM OF LOANS.**

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

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

**SEC. 1204. [7 U.S.C. 9034] REPAYMENT OF LOANS.**

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

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

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

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

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

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

(A) minimize potential loan forfeitures;

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

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

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

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

(b) REPAYMENT RATES FOR UPLAND COTTON, LONG GRAIN RICE, AND MEDIUM GRAIN RICE.—The Secretary shall permit producers to

repay a marketing assistance loan under section 1201 for upland cotton, long grain rice, and medium grain rice at a rate that is the lesser of—

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

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

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

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

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

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

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

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

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

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

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

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

(B) may be further adjusted, during the period beginning on the date of enactment of this Act and ending on July 31, 2024, if the Secretary determines the adjustment is necessary—

(i) to minimize potential loan forfeitures;

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

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

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

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

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

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

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

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

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

(g) PAYMENT OF COTTON STORAGE COSTS.—Effective for each of the 2014 through 2023 crop years, the Secretary shall make cotton storage payments available in the same manner, and at the same rates as the Secretary provided storage payments for the 2006 crop of cotton, except that the rates shall be reduced by 10 percent.

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

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

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

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

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

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

(i) AUTHORITY TO TEMPORARILY ADJUST REPAYMENT RATES.—

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

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

**SEC. 1205. [7 U.S.C. 9035] LOAN DEFICIENCY PAYMENTS.**

(a) AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.—

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

(2) UNSHORN PELTS, HAY, AND SILAGE.—

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

(B) LOAN DEFICIENCY PAYMENT.—Effective for each of the 2014 through 2023 crop years, the Secretary may make loan deficiency payments available under this section to producers on a farm that produce unshorn pelts or hay and silage derived from a loan commodity.

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

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

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

(c) PAYMENT RATE.—

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

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

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

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

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

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

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

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

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

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

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

**SEC. 1206. [7 U.S.C. 9036] PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.**

(a) ELIGIBLE PRODUCERS.—

(1) IN GENERAL.—Effective for each of the 2014 through 2023 crop years, in the case of a producer that would be eligible for a loan deficiency payment under section 1205 for wheat, barley, or oats, but that elects to use acreage planted to the wheat, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, or oats on that acreage.

(2) GRAZING OF TRITICALE ACREAGE.—Effective for each of the 2014 through 2023 crop years, with respect to a producer on a farm that uses acreage planted to triticale for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of triticale on that acreage.

(b) PAYMENT AMOUNT.—

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

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

(B) the payment quantity determined by multiplying—

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

(ii)(I) the payment yield in effect for the calculation of price loss coverage under section 1115 with respect to that loan commodity on the farm;

(II) in the case of a farm for which agriculture risk coverage is elected under section 1116(a), the payment yield that would otherwise be in effect with respect to that loan commodity on the farm in the absence of such election; or

(III) in the case of a farm for which no payment yield is otherwise established for that loan commodity on the farm, an appropriate yield established by the Secretary in a manner consistent with section 1113(c).

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

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

(B) the payment quantity determined by multiplying—

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

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

(II) in the case of a farm for which agriculture risk coverage is elected under section 1116(a), the payment yield that would otherwise be in effect for wheat on the farm in the absence of such election; or

(III) in the case of a farm for which no payment yield is otherwise established for wheat on the farm, an appropriate yield established by the Secretary in a manner consistent with section 1113(c).

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

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

(2) AVAILABILITY.—

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

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

(d) PROHIBITION ON CROP INSURANCE INDEMNITY OR NONINSURED CROP ASSISTANCE.—A 2014 through 2023 crop of wheat, barley, oats, or triticale planted on acreage that a producer elects, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for an indemnity under a policy or plan of insurance authorized under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

**SEC. 1207. [7 U.S.C. 9037] SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.**

(a) SPECIAL IMPORT QUOTA.—

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

(2) ESTABLISHMENT.—

(A) IN GENERAL.—The President shall carry out an import quota program beginning on August 1, 2014, as provided in this subsection.

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

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

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

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

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

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

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

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

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

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

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

(1) DEFINITIONS.—In this subsection:

(A) DEMAND.—The term "demand" means—

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

(ii) the larger of—

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

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

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

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

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

(ii) production of the current crop; and

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

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

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

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

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

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

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

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

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

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

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

(c) ECONOMIC ADJUSTMENT ASSISTANCE FOR TEXTILE MILLS.—

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

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

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

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

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

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

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

**SEC. 1208. [7 U.S.C. 9038] SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.**

(a) COMPETITIVENESS PROGRAM.—Notwithstanding any other provision of law, during the period beginning on the date of enactment of this Act through July 31, 2024, the Secretary shall carry out a program—

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

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

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

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

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

(2) the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is less than 113 percent of the loan rate for extra long staple cotton.

(c) ELIGIBLE RECIPIENTS.—The Secretary shall make payments available under this section to domestic users of extra long staple cotton produced in the United States and exporters of extra long

staple cotton produced in the United States that enter into an agreement with the Commodity Credit Corporation to participate in the program under this section.

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

**SEC. 1209. [7 U.S.C. 9039] AVAILABILITY OF RECOURSE LOANS FOR HIGH MOISTURE FEED GRAINS AND SEED COTTON.**

(a) HIGH MOISTURE FEED GRAINS.—

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

(2) RECOURSE LOANS AVAILABLE.—For each of the 2014 through 2023 crops of corn and grain sorghum, the Secretary shall make available recourse loans, as determined by the Secretary, to producers on a farm that—

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

(B) present—

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

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

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

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

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

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

(B) the lower of—

(i) the payment yield in effect for the calculation of price loss coverage under section 1115, or the payment yield deemed to be in effect or established under subclause (II) or (III) of section 1206(b)(1)(B)(ii), with respect to corn or grain sorghum on a field that is similar to the field from which the corn or grain sorghum referred to in subparagraph (A) was obtained; or

(ii) the actual yield of corn or grain sorghum on a field, as determined by the Secretary, that is similar to the field from which the corn or grain sorghum referred to in subparagraph (A) was obtained.

(b) RECOURSE LOANS AVAILABLE FOR SEED COTTON.—For each of the 2014 through 2023 crops of upland cotton and extra long staple cotton, the Secretary shall make available recourse seed cotton loans, as determined by the Secretary, on any production.

(c) RECOURSE LOANS AVAILABLE FOR CONTAMINATED COMMODITIES.—In the case of a loan commodity that is ineligible for 100 percent of the nonrecourse marketing loan rate in the county due to a determination that the commodity is contaminated yet still merchantable, for each of the 2019 through 2023 crops of such loan commodity, the Secretary shall make available recourse commodity loans, at the rate provided under section 1202, on any production.

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

**SEC. 1210. [7 U.S.C. 9040] ADJUSTMENTS OF LOANS.**

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

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

(c) ADJUSTMENT ON COUNTY BASIS.—

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

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

(d) ADJUSTMENT IN LOAN RATE FOR COTTON.—

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

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

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

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

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

(3) CONSULTATION WITH PRIVATE SECTOR.—

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

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

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

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

# Subtitle C—Sugar

**SEC. 1301. SUGAR POLICY.**

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

(1) SUGARCANE.—Section 156(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(a)) is amended—

(A) by inserting "and" at the end of paragraph (3);

(B) in paragraph (4), by striking "the 2011 crop year; and" and inserting "each of the 2011 through 2018 crop years."; and

(C) by striking paragraph (5).

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

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

(b) FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.—

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

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

# Subtitle D—Dairy

## PART I—DAIRY MARGIN COVERAGE

**SEC. 1401. [7 U.S.C. 9051] DEFINITIONS.**

In this part:

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

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

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

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

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

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

(4) DAIRY OPERATION.—

(A) IN GENERAL.—The term "dairy operation" means, as determined by the Secretary, 1 or more dairy producers that produce and market milk as a single dairy operation in which each dairy producer—

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

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

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

(5) DAIRY MARGIN COVERAGE.—The term "dairy margin coverage" means the dairy margin coverage program required by section 1403.

(6) DAIRY MARGIN COVERAGE PAYMENT.—The term "dairy margin coverage payment" means a payment made to a participating dairy operation under dairy margin coverage pursuant to section 1406.

(7) PARTICIPATING DAIRY OPERATION.—The term "participating dairy operation" means a dairy operation that registers under section 1404 to participate in dairy margin coverage.

(8) PRODUCTION HISTORY.—The term "production history" means the production history determined for a participating dairy operation under subsection (a) or (b) of section 1405 when the participating dairy operation first registers to participate in dairy margin coverage.

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

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

**SEC. 1402. [7 U.S.C. 9052] CALCULATION OF AVERAGE FEED COST AND ACTUAL DAIRY PRODUCTION MARGINS.**

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

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

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

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

(b) CALCULATION OF ACTUAL DAIRY PRODUCTION MARGIN.—

(1) IN GENERAL.—For use in dairy margin coverage, the Secretary shall calculate the actual dairy production margin for each month by subtracting—

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

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

(2) TIME FOR CALCULATION.—The calculation required by this subsection shall be made as soon as practicable using the full-month price of the applicable reference month.

**SEC. 1403. [7 U.S.C. 9053] DAIRY MARGIN COVERAGE.**

(a) IN GENERAL.—The Secretary shall continue to administer a dairy margin coverage program for dairy producers under which participating dairy operations are paid a dairy margin coverage payment when actual dairy production margins are less than the threshold levels for a dairy margin coverage payment.

(b) REGULATIONS.—Subpart A of part 1430 of title 7, Code of Federal Regulations (as in effect on the date of enactment of the Agriculture Improvement Act of 2018), shall remain in effect for dairy margin coverage beginning with the 2019 calendar year, except to the extent that the regulations are inconsistent with any provision of this Act.

**SEC. 1404. [7 U.S.C. 9054] PARTICIPATION OF DAIRY OPERATIONS IN DAIRY MARGIN COVERAGE.**

(a) ELIGIBILITY.—All dairy operations in the United States shall be eligible to participate in dairy margin coverage to receive dairy margin coverage payments.

(b) REGISTRATION PROCESS.—

(1) IN GENERAL.—The Secretary shall specify the manner and form by which a participating dairy operation may register to participate in dairy margin coverage, including the establishment of a date each calendar year by which a dairy operation shall register for the calendar year.

(2) EXTENSION OF ELECTION PERIOD FOR 2018 CALENDAR YEAR.—

(A) IN GENERAL.—The Secretary shall extend the election period for the 2018 calendar year by not less than 90 days after the date of enactment of the Bipartisan Budget Act of 2018 or such additional period as the Secretary determines is necessary for dairy operations to make new elections to participate for that calendar year, including dairy operations that elected to so participate before that date of enactment.

(B) RETROACTIVE PROGRAM OPTION.—In the case of a dairy operation that, by operation of subsection (d) (as in effect on the day before the date of enactment of the Agriculture Improvement Act of 2018), was ineligible to participate in the margin protection program for any part of calendar year 2018, the Secretary shall establish a new election period for that calendar year that ends on a date that is not less than 90 days after the date of enactment of the Agriculture Improvement Act of 2018 and the Secretary determines is necessary for dairy operations to make new elections to participate in the margin protection program (as in effect on the day before the date of enactment of the Agriculture Improvement Act of 2018) for that calendar year, including dairy operations that elected to participate in the livestock gross margin for dairy program under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) before the date of enactment of the Bipartisan Budget Act of 2018 (Public Law 115–123).

(3) ELECTION PERIOD FOR 2019 CALENDAR YEAR.—For the 2019 calendar year, the Secretary shall—

(A) open the election period not later than 60 days after the effective date described in section 1401(m) of the Agriculture Improvement Act of 2018; and

(B) hold that election period open for not less than 90 days.

(4) TREATMENT OF MULTIPRODUCER DAIRY OPERATION.—

(A) IN GENERAL.—If a participating dairy operation is operated by more than 1 dairy producer, the dairy producers of the dairy operation who elect to participate shall be treated as a single dairy operation for purposes of participating in dairy margin coverage.

(B) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed to allow a producer to adjust the propor-

tion of their share covered under tier I or tier II premiums from the proportion covered for the operation.

(5) TREATMENT OF PRODUCERS WITH MULTIPLE DAIRY OPERATIONS.—If a dairy producer operates 2 or more dairy operations, each dairy operation of the producer shall separately register to participate in dairy margin coverage.

(c) ANNUAL ADMINISTRATIVE FEE.—

(1) ADMINISTRATIVE FEE REQUIRED.—Each participating dairy operation shall—

(A) pay an administrative fee to register to participate in dairy margin coverage; and

(B) pay the administrative fee annually through the duration of dairy margin coverage specified in section 1409.

(2) AMOUNT OF FEE.—The administrative fee for a participating dairy operation shall be $100.

(3) USE OF FEES.—The Secretary shall use administrative fees collected under this subsection to cover administrative costs incurred to carry out dairy margin coverage.

(4) EXEMPTION.—A limited resource, beginning, veteran, or socially disadvantaged farmer, as defined by the Secretary, shall be exempt from the administrative fee under this subsection.

**SEC. 1405. [7 U.S.C. 9055] PRODUCTION HISTORY OF PARTICIPATING DAIRY OPERATIONS.**

(a) PRODUCTION HISTORY.—

(1) IN GENERAL.—Except as provided in subsection (b), when a dairy operation first registers to participate in dairy margin coverage, the production history of the dairy operation for dairy margin coverage is equal to the highest annual milk marketings of the participating dairy operation during any one of the 2011, 2012, or 2013 calendar years.

(2) ADJUSTMENT.—In the subsequent calendar years ending before January 1, 2019, the Secretary shall adjust the production history of a participating dairy operation determined under paragraph (1) to reflect any increase in the national average milk production.

(3) CONTINUED APPLICABILITY OF BASE PRODUCTION HISTORY.—A production history established for a dairy operation under paragraph (1) shall be the base production history for the dairy operation in subsequent years (as adjusted under paragraph (2), as applicable).

(b) ELECTION BY NEW DAIRY OPERATIONS.—

(1) DAIRY OPERATIONS WITH LESS THAN 1 YEAR OF PRODUCTION HISTORY.—In the case of a participating dairy operation that has been in operation for less than a year, the participating dairy operation shall elect 1 of the following methods for the Secretary to determine the production history of the participating dairy operation:

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

(B) An estimate of the actual milk marketings of the participating dairy operation based on the herd size of the

participating dairy operation relative to the national rolling herd average data published by the Secretary.

(2) DAIRY OPERATIONS WITH 1 YEAR OR MORE OF PRODUCTION HISTORY.—In the case of a participating dairy operation that was not in operation prior to January 1, 2014, that has not established a production history, and that has been in operation for equal to or longer than 1 year, the participating dairy operation shall elect the annual milk marketings during any 1 calendar year to determine the production history of the participating dairy operation.

(3) ADJUSTMENT.—The Secretary shall adjust the production history of a participating dairy operation determined under paragraph (1) or (2) to reflect any increase or decrease in the national average milk production relative to calendar year 2017.

(c) REQUIRED INFORMATION.—A participating dairy operation shall provide all information that the Secretary may require in order to establish the production history of the participating dairy operation for purposes of participating in dairy margin coverage.

(d) LIMITATION ON CHANGES TO BUSINESS STRUCTURE.—The Secretary may not make dairy margin coverage payments to a participating dairy operation if the Secretary determines that the participating dairy operation has reorganized the structure of such operation solely for the purpose of qualifying as a new operation under subsection (b).

**SEC. 1406. [7 U.S.C. 9056] DAIRY MARGIN COVERAGE PAYMENTS.**

(a) COVERAGE LEVEL THRESHOLD AND COVERAGE PERCENTAGE.—

(1) COVERAGE LEVEL THRESHOLD.—

(A) IN GENERAL.—For purposes of receiving dairy margin coverage payments for a month, a participating dairy operation shall annually elect a coverage level threshold that is equal to $4.00, $4.50, $5.00, $5.50, $6.00, $6.50, $7.00, $7.50, $8.00, $8.50, $9.00, or $9.50.

(B) APPLICABILITY.—Except as provided in subparagraph (C), the coverage level threshold elected under subparagraph (A) shall apply to the covered production elected by the participating dairy operation under paragraph (2).

(C) SECOND COVERAGE ELECTION FOR TIER II.—In the case of a participating dairy operation that elects a coverage level threshold of $8.50, $9.00, or $9.50 under subparagraph (A)—

(i) that coverage level threshold shall apply to the first 5,000,000 pounds of milk marketings included in the covered production elected by the participating dairy operation; and

(ii) the participating dairy operation shall elect a coverage level threshold that is equal to $4.00, $4.50, $5.00, $5.50, $6.00, $6.50, $7.00, $7.50, or $8.00 to apply to milk marketings in excess of 5,000,000 pounds included in the covered production elected by the participating dairy operation.

(2) COVERAGE PERCENTAGE.—For purposes of receiving dairy margin coverage payments for a month, a participating dairy operation shall annually elect a percentage of coverage, in 5-percent increments, not exceeding 95 percent of the production history of the participating dairy operation.

(b) PAYMENT THRESHOLD.—A participating dairy operation shall receive a dairy margin coverage payment whenever the average actual dairy production margin for a month is less than the coverage level threshold selected by the participating dairy operation.

(c) AMOUNT OF PAYMENT.—The dairy margin coverage payment for the participating dairy operation shall be determined as follows:

(1) The Secretary shall calculate the amount by which the coverage level threshold selected by the participating dairy operation exceeds the average actual dairy production margin for the month.

(2) The amount determined under paragraph (1) shall be multiplied by—

(A) the coverage percentage selected by the participating dairy operation; and

(B) the production history of the participating dairy operation divided by 12.

**SEC. 1407. [7 U.S.C. 9057] PREMIUMS FOR DAIRY MARGIN COVERAGE.**

(a) CALCULATION OF PREMIUMS.—For purposes of participating in dairy margin coverage, a participating dairy operation shall pay an annual premium equal to the product obtained by multiplying—

(1) the coverage percentage elected by the participating dairy operation under section 1406(a)(2);

(2) the production history of the participating dairy operation; and

(3) the premium per hundredweight of milk imposed by this section for the coverage level selected.

(b) TIER I: PREMIUM PER HUNDREDWEIGHT FOR FIRST 5,000,000 POUNDS OF PRODUCTION.—

(1) IN GENERAL.—For the first 5,000,000 pounds of milk marketings included in the production history of a participating dairy operation, the premium per hundredweight for each coverage level is specified in the table contained in paragraph (2).

(2) PRODUCER PREMIUMS.—Except as provided in subsection (g), the following annual premiums apply:

| Coverage Level | Premium per Cwt. |
|---|---|
| $4.00 | None |
| $4.50 | $0.0025 |
| $5.00 | $0.005 |
| $5.50 | $0.030 |
| $6.00 | $0.050 |
| $6.50 | $0.070 |
| $7.00 | $0.080 |
| $7.50 | $0.090 |
| $8.00 | $0.100 |
| $8.50 | $0.105 |

| Coverage Level | Premium per Cwt. |
|---|---|
| $9.00 | $0.110 |
| $9.50 | $0.150 |

(c) TIER II: PREMIUM PER HUNDREDWEIGHT FOR PRODUCTION IN EXCESS OF 5,000,000 POUNDS.—

(1) IN GENERAL.—For milk marketings in excess of 5,000,000 pounds included in the production history of a participating dairy operation, the premium per hundredweight for each coverage level is specified in the table contained in paragraph (2).

(2) PRODUCER PREMIUMS.—Except as provided in subsection (g), the following annual premiums apply:

| Coverage Level | Premium per Cwt. |
|---|---|
| $4.00 | None |
| $4.50 | $0.0025 |
| $5.00 | $0.005 |
| $5.50 | $0.100 |
| $6.00 | $0.310 |
| $6.50 | $0.650 |
| $7.00 | $1.107 |
| $7.50 | $1.413 |
| $8.00 | $1.813 |

(d) TIME FOR PAYMENT OF PREMIUM.—The Secretary shall provide more than 1 method by which a participating dairy operation may pay the premium required under this section in any manner that maximizes participating dairy operation payment flexibility and dairy margin coverage integrity.

(e) PREMIUM OBLIGATIONS.—

(1) PRO-RATION OF PREMIUM FOR NEW PARTICIPANTS.—In the case of a participating dairy operation that first registers to participate in dairy margin coverage for a calendar year after the start of the calendar year, the participating dairy operation shall pay a pro-rated premium for that calendar year based on the portion of the calendar year for which the participating dairy operation purchases the coverage.

(2) LEGAL OBLIGATION.—A participating dairy operation in dairy margin coverage for a calendar year shall be legally obligated to pay the applicable premium for that calendar year, except that the Secretary may waive that obligation, under terms and conditions determined by the Secretary, for any participating dairy operation in the case of death, retirement, permanent dissolution of a participating dairy operation, or other circumstances as the Secretary considers appropriate to ensure the integrity of dairy margin coverage.

(f) REPAYMENT OF PREMIUMS.—

(1) IN GENERAL.—Each dairy operation described in paragraph (2) shall be eligible to receive a repayment from the Secretary in an amount equal to the difference between—

(A) the total amount of premiums paid by the participating dairy operation under this section for each applicable calendar year; and

(B) the total amount of payments made to the participating dairy operation under section 1406 for that calendar year.

(2) ELIGIBILITY.—A dairy operation that is eligible to receive a repayment under paragraph (1) is a dairy operation that—

(A) participated in the margin protection program, as in effect for any of calendar years 2014 through 2017; and

(B) submits to the Secretary an application for the repayment at such time, in such manner, and containing such information as the Secretary may require.

(3) METHOD OF REPAYMENT.—A dairy operation that is eligible to receive a repayment under paragraph (1) shall elect to receive the repayment—

(A) in an amount equal to 75 percent of the repayment calculated under that paragraph as credit that may be used by the dairy operation for dairy margin coverage premiums; or

(B) in an amount equal to 50 percent of the repayment calculated under that paragraph as a direct cash repayment.

(4) APPLICABILITY.—Paragraph (1) shall only apply to a calendar year during the period of calendar years 2014 through 2017 for which the amount described in subparagraph (A) of that paragraph is greater than the amount described in subparagraph (B) of that paragraph.

(g) PREMIUM DISCOUNT.—The premium per hundredweight specified in the tables contained in subsections (b) and (c) for each coverage level shall be reduced by 25 percent in accordance with the following:

(1) IN GENERAL.—For each of calendar years 2019 through 2023, for a participating dairy operation that makes a 1-time election of coverage level in a tier and of a percentage of coverage under section 1406(a) for the 5-year period beginning in January 2019.

(2) NEW DAIRY OPERATIONS.—For each applicable calendar year through 2023, for a participating dairy operation that—

(A) establishes a production history pursuant to section 1405(b); and

(B) makes a 1-time election of coverage level in a tier and of a percentage of coverage under section 1406(a) for the period beginning with the first available calendar year and ending in December 2023.

(3) FULL PARTICIPATION REQUIRED.—Notwithstanding the annual elections under section 1406(a)—

(A) a 1-time enrollment under this subsection shall remain in effect for the full duration applicable to a participating dairy operation in accordance with paragraph (1) or (2)(B), as applicable; and

(B) a participating dairy operation that makes a 1-time enrollment under this subsection and is noncompliant under section 1408 shall be subject to that section.

**SEC. 1408. [7 U.S.C. 9058] EFFECT OF FAILURE TO PAY ADMINISTRATIVE FEES OR PREMIUMS.**

(a) LOSS OF BENEFITS.—A participating dairy operation that fails to pay the required annual administrative fee under section 1404 or is in arrears on premium payments under section 1407—

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

(2) may not receive dairy margin coverage payments until the fees or premiums are fully paid.

(b) ENFORCEMENT.—The Secretary may take such action as necessary to collect administrative fees and premium payments for participation in dairy margin coverage.

**SEC. 1409. [7 U.S.C. 9059] DURATION.**

Dairy margin coverage shall end on December 31, 2023.

**SEC. 1410. [7 U.S.C. 9060] ADMINISTRATION AND ENFORCEMENT.**

(a) IN GENERAL.—The Secretary shall promulgate regulations to address administrative and enforcement issues involved in carrying out dairy margin coverage.

(b) RECONSTITUTION.—The Secretary shall promulgate regulations to prohibit a dairy producer from reconstituting a dairy operation for the purpose of the dairy producer receiving dairy margin coverage payments.

(c) ADMINISTRATIVE APPEALS.—Using authorities under section 1001(h) of the Food Security Act of 1985 (7 U.S.C. 1308(h)) and subtitle H of the Department of Agriculture Reorganization Act (7 U.S.C. 6991 et seq.), the Secretary shall promulgate regulations to provide for administrative appeals of decisions of the Secretary that are adverse to participants of dairy margin coverage.

(d) INCLUSION OF ADDITIONAL ORDER.—Section 143(a)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7253(a)(2)) is amended by adding at the end the following new sentence: "Subsection (b) does not apply to the authority of the Secretary under this subsection.".

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

**SEC. 1421. REPEAL OF DAIRY PRODUCT PRICE SUPPORT PROGRAM.**

Section 1501 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8771) is repealed.

**SEC. 1422. TEMPORARY CONTINUATION AND EVENTUAL REPEAL OF MILK INCOME LOSS CONTRACT PROGRAM.**

(a) [7 U.S.C. 8773 note] TEMPORARY CONTINUATION OF PAYMENTS UNDER MILK INCOME LOSS CONTRACT PROGRAM.—Section 1506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8773) is amended—

(1) in subsection (a), by adding at the end the following new paragraph:

"(6) TERMINATION DATE. The term 'termination date' means the earlier of the following:

"(A) The date on which the Secretary certifies to Congress that the margin protection program required by section 1403 of the Agricultural Act of 2014 is operational.

"(B) September 1, 2014.";

(2) in subsection (c)(3)—

(A) in subparagraph (B), by inserting after "August 31, 2013," the following: "and for the period beginning February 1, 2014, and ending on the termination date,"; and

(B) in subparagraph (C), by striking "and thereafter," and inserting "and ending January 31, 2014,";

(3) in subsection (d)—

(A) in paragraph (2), by striking "For any month beginning on or after September 1, 2013," and inserting "During the period beginning on September 1, 2013, and ending on January 31, 2014,";

(B) by redesignating paragraph (3) as paragraph (4); and

(C) by inserting after paragraph (2) the following new paragraph (3):

"(3) FINAL ADJUSTMENT AUTHORITY. During the period beginning on February 1, 2014, and ending on the termination date, if the National Average Dairy Feed Ration Cost for a month during that period is greater than $7.35 per hundredweight, the amount specified in subsection (c)(2)(A) used to determine the payment rate for that month shall be increased by 45 percent of the percentage by which the National Average Dairy Feed Ration Cost exceeds $7.35 per hundredweight.";

(4) in subsection (e)(2)(A)—

(A) in clause (ii), by inserting after "August 31, 2013," the following: "and for the period beginning February 1, 2014, and ending on the termination date,"; and

(B) in clause (iii), by striking "effective beginning September 1, 2013," and inserting "for the period beginning September 1, 2013, and ending January 31, 2014,";

(5) in subsection (g), by striking "during the period beginning on the date that is 90 days after the date of enactment of this Act and ending on September 30, 2013" and inserting "until the termination date"; and

(6) in subsection (h)(1), by striking "September 30, 2013" and inserting "the termination date".

(b) REPEAL OF MILK INCOME LOSS CONTRACT PROGRAM.—

(1) REPEAL.—Effective on the termination date, section 1506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8773) is repealed.

(2) TERMINATION DATE DEFINED.—In paragraph (1), the term "termination date" means the earlier of the following:

(A) The date on which the Secretary certifies to Congress that the margin protection program required by section 1403 is operational.

(B) September 1, 2014.

**SEC. 1423. REPEAL OF DAIRY EXPORT INCENTIVE PROGRAM.**

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

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

(1) by striking subparagraph (D); and

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

**SEC. 1424. EXTENSION OF DAIRY FORWARD PRICING PROGRAM.**

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

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

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

**SEC. 1425. EXTENSION OF DAIRY INDEMNITY PROGRAM.**

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

**SEC. 1426. EXTENSION OF DAIRY PROMOTION AND RESEARCH PROGRAM.**

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

**SEC. 1427. REPEAL OF FEDERAL MILK MARKETING ORDER REVIEW COMMISSION.**

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

## PART III—MILK DONATION PROGRAM

**SEC. 1431. [7 U.S.C. 9071] MILK DONATION PROGRAM.**

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE DAIRY ORGANIZATION.—The term "eligible dairy organization" means a dairy farmer (either individually or as part of a cooperative), or a dairy processor, who—

(A) accounts to a Federal milk marketing order marketwide pool; and

(B) incurs qualified expenses under subsection (e).

(2) ELIGIBLE DISTRIBUTOR.—The term "eligible distributor" means a public or private nonprofit organization that distributes donated eligible milk.

(3) ELIGIBLE MILK.—The term "eligible milk" means Class I fluid milk products produced and processed in the United States.

(4) ELIGIBLE PARTNERSHIP.—The term "eligible partnership" means a partnership between an eligible dairy organization and an eligible distributor.

(5) PARTICIPATING PARTNERSHIP.—The term "participating partnership" means an eligible partnership for which the Secretary has approved a donation and distribution plan for eligible milk under subsection (c)(2).

(b) PROGRAM REQUIRED; PURPOSES.—Not later than 180 days after the date of enactment of the Agriculture Improvement Act of 2018, the Secretary shall establish and administer a milk donation program for the purposes of—

(1) encouraging the donation of eligible milk;

(2) providing nutrition assistance to individuals in low-income groups; and

(3) reducing food waste.

(c) DONATION AND DISTRIBUTION PLANS.—

(1) IN GENERAL.—To be eligible to receive reimbursement under subsection (d), an eligible partnership shall submit to the Secretary a donation and distribution plan that—

(A) describes the process that the eligible partnership will use for the donation, processing, transportation, temporary storage, and distribution of eligible milk;

(B) includes an estimate of the quantity of eligible milk that the eligible partnership will donate each year, based on—

(i) preplanned donations; and

(ii) contingency plans to address unanticipated donations; and

(C) describes the rate at which the eligible partnership will be reimbursed, which shall be based on a percentage of the limitation described in subsection (e)(2), not to exceed 100 percent.

(2) REVIEW AND APPROVAL.—Not less frequently than annually, the Secretary shall—

(A) review donation and distribution plans submitted under paragraph (1); and

(B) determine whether to approve or disapprove each of those donation and distribution plans.

(d) REIMBURSEMENT.—

(1) IN GENERAL.—On receipt of appropriate documentation under paragraph (2), the Secretary shall reimburse an eligible dairy organization that is a member of a participating partnership on a regular basis for qualified expenses described in subsection (e).

(2) DOCUMENTATION.—

(A) IN GENERAL.—An eligible dairy organization shall submit to the Secretary such documentation as the Secretary may require to demonstrate the qualified expenses described in subsection (e) of the eligible dairy organization.

(B) VERIFICATION.—The Secretary may verify the accuracy of documentation submitted under subparagraph (A) by spot checks and audits.

(3) RETROACTIVE REIMBURSEMENT.—In providing reimbursements under paragraph (1), the Secretary may provide reimbursements for qualified expenses incurred before the date on which the donation and distribution plan for the applicable participating partnership was approved by the Secretary.

(e) QUALIFIED EXPENSES.—

(1) IN GENERAL.—The amount of a reimbursement under subsection (d) shall be an amount equal to the product of—

(A) the quantity of eligible milk donated by the eligible dairy organization under a donation and distribution plan approved by the Secretary under subsection (c); and

(B) subject to the limitation under paragraph (2), the rate described in that donation and distribution plan under subsection (c)(1)(C).

(2) LIMITATION.—Expenses eligible for reimbursement under subsection (d) shall not exceed the value that an eligible dairy organization incurred by accounting to the Federal milk marketing order pool at the difference in the Class I milk value and the lowest classified price for the applicable month (either Class III milk or Class IV milk).

(f) PREAPPROVAL.—

(1) IN GENERAL.—The Secretary shall—

(A) establish a process for an eligible partnership to apply for preapproval of donation and distribution plans under subsection (c); and

(B) not less frequently than annually, preapprove an amount for qualified expenses described in subsection (e) that the Secretary will allocate for reimbursement under each donation and distribution plan preapproved under subparagraph (A), based on an assessment of—

(i) the feasibility of the plan; and

(ii) the extent to which the plan advances the purposes described in subsection (b).

(2) PREFERENCE.—In preapproving amounts for reimbursement under paragraph (1)(B), the Secretary shall give preference to eligible partnerships that will provide funding and in-kind contributions in addition to the reimbursements.

(3) ADJUSTMENTS.—

(A) IN GENERAL.—The Secretary shall adjust or increase amounts preapproved for reimbursement under paragraph (1)(B) based on performance and demand.

(B) REQUESTS FOR INCREASE.—

(i) IN GENERAL.—The Secretary shall establish a procedure for a participating partnership to request an increase in the amount preapproved for reimbursement under paragraph (1)(B) based on changes in conditions.

(ii) INTERIM APPROVAL; INCREMENTAL INCREASE.—The Secretary may provide an interim approval of an increase requested under clause (i) and an incremental increase in the amount of reimbursement to the applicable participating partnership to allow time for the Secretary to review the request without interfering with the donation and distribution of eligible milk by the participating partnership.

(g) PROHIBITION ON RESALE OF PRODUCTS.—

(1) IN GENERAL.—An eligible distributor that receives eligible milk donated under this section may not sell the products back into commercial markets.

(2) PROHIBITION ON FUTURE PARTICIPATION.—An eligible distributor that the Secretary determines has violated para-

graph (1) shall not be eligible for any future participation in the program established under this section.

(h) ADMINISTRATION.—The Secretary shall publicize opportunities to participate in the program established under this section.

(i) REVIEWS.—The Secretary shall conduct appropriate reviews or audits to ensure the integrity of the program established under this section.

(j) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $9,000,000 for fiscal year 2019, and $5,000,000 for each fiscal year thereafter, to remain available until expended.

# Subtitle E—Supplemental Agricultural Disaster Assistance Programs

**SEC. 1501. [7 U.S.C. 9081] SUPPLEMENTAL AGRICULTURAL DISASTER ASSISTANCE.**

(a) DEFINITIONS.—In this section:

(1) COVERED PRODUCER.—The term "covered producer" means an eligible producer on a farm that is—

(A) as determined by the Secretary—

(i) a beginning farmer or rancher;

(ii) a socially disadvantaged farmer or rancher; or

(iii) a limited resource farmer or rancher; or

(B) a veteran farmer or rancher, as defined in section 2501(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a)).

(2) ELIGIBLE PRODUCER ON A FARM.—

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

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

(i) a citizen of the United States;

(ii) a resident alien;

(iii) an Indian tribe or tribal organization (as those terms are defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304));

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

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

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

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

(A) cattle (including dairy cattle);

(B) bison;

(C) poultry;

(D) sheep;
(E) swine;
(F) horses; and
(G) other livestock, as determined by the Secretary.

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

(b) LIVESTOCK INDEMNITY PAYMENTS.—

(1) PAYMENTS.—For fiscal year 2012 and each succeeding fiscal year, the Secretary shall use such sums as are necessary of the funds of the Commodity Credit Corporation to make livestock indemnity payments to eligible producers on farms that have incurred livestock death losses in excess of the normal mortality, sold livestock for a reduced sale price, or both as determined by the Secretary, due to—

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

(B) adverse weather, as determined by the Secretary, during the calendar year, including losses due to hurricanes, floods, blizzards, disease, wildfires, extreme heat, and extreme cold, on the condition that in the case of the death loss of unweaned livestock due to that adverse weather, the Secretary may disregard any management practice, vaccination protocol, or lack of vaccination by the eligible producer on a farm; or

(C) disease that, as determined by the Secretary—

(i) is caused or transmitted by a vector; and

(ii) is not susceptible to control by vaccination or acceptable management practices.

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

(A) the day before the date of death of the livestock; or

(B) the day before the date of the event that caused the harm to the livestock that resulted in a reduced sale price.

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

(4) PAYMENT REDUCTIONS.—A payment made under paragraph (1) to an eligible producer on a farm that sold livestock for a reduced sale price shall—

(A) be made if the sale occurs within a reasonable period following the event, as determined by the Secretary; and

(B) be reduced by the amount that the producer received for the sale.

(c) LIVESTOCK FORAGE DISASTER PROGRAM.—

(1) DEFINITIONS.—In this subsection:

(A) COVERED LIVESTOCK.—

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

(I) owned;

(II) leased;

(III) purchased;

(IV) entered into a contract to purchase;

(V) is a contract grower; or

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

(aa) the current production year; or

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

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

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

(C) ELIGIBLE LIVESTOCK PRODUCER.—

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

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

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

(III) certifies grazing loss; and

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

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

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

riod, in the absence of a drought or fire that diminishes the production of the grazing land or pastureland.

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

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

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

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

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

(A) ELIGIBLE LOSSES.—

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

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

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

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

(B) MONTHLY PAYMENT RATE.—

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

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

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

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

(C) MONTHLY FEED COST.—

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

(I) 30 days;

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

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

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

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

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

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

(I) the higher of—

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

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

(II) 56.

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

(i) FSA COUNTY COMMITTEE DETERMINATIONS.—

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

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

(ii) DROUGHT INTENSITY.—

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

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

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

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

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

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

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

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

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

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

(C) PAYMENT DURATION.—

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

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

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

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

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

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

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

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

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

(4) PAYMENT RATE FOR COVERED PRODUCERS.—In the case of a covered producer that is eligible to receive assistance under this subsection, the Secretary shall provide reimbursement of 90 percent of the cost of losses described in paragraph (1) or (2).

(e) TREE ASSISTANCE PROGRAM.—

(1) DEFINITIONS.—In this subsection:

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

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

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

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

(2) ELIGIBILITY.—

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

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

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

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

(3) ASSISTANCE.—Subject to paragraphs (4) and (5), the assistance provided by the Secretary to eligible orchardists and nursery tree growers for losses described in paragraph (2) shall consist of—

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

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

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

(4) LIMITATIONS ON ASSISTANCE.—

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

(B) ACRES.—The total quantity of acres planted to trees or tree seedlings for which a person or legal entity shall be entitled to receive payments under this subsection may not exceed 1,000 acres.

(5) PAYMENT RATE FOR BEGINNING AND VETERAN PRODUCERS.—Subject to paragraph (4), in the case of a beginning farmer or rancher or a veteran farmer or rancher (as those terms are defined in subsection (a) of section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279)) that is eligible to receive assistance under this subsection, the Secretary shall provide reimbursement of 75 percent of the costs under subparagraphs (A)(i) and (B) of paragraph (3).

(f) PAYMENT LIMITATIONS.—

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

(2) AMOUNT.—The total amount of disaster assistance payments received, directly or indirectly, by a person or legal enti-

ty (excluding a joint venture or general partnership) under subsection (c) may not exceed $125,000 for any crop year.

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

## Subtitle F—Administration

**SEC. 1601. [7 U.S.C. 9091] ADMINISTRATION GENERALLY.**

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

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

(c) REGULATIONS.—

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

(2) PROCEDURE.—The promulgation of the regulations and administration of this title and the amendments made by this title, sections 11003 and 11017, title I of the Agriculture Improvement Act of 2018 and the amendments made by that title, and section 10109 of that Act shall be made without regard to—

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

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

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

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

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

(2) CONGRESSIONAL NOTIFICATION.—Before making any adjustment under paragraph (1), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of

the Senate a report describing the determination made under that paragraph and the extent of the adjustment to be made.

**SEC. 1602. [7 U.S.C. 9092] SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.**

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 2014 through 2023 crops of covered commodities (as defined in section 1111), cotton, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act through December 31, 2023:

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

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

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

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

(b) AGRICULTURAL ACT OF 1949.—The following provisions of the Agricultural Act of 1949 shall not be applicable to the 2014 through 2023 crops of covered commodities (as defined in section 1111), cotton, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act and through December 31, 2023:

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

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

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

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

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

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

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

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

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

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

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

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

(c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 2014 through 2023.

**SEC. 1603. PAYMENT LIMITATIONS.**

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

"(b) LIMITATION ON PAYMENTS FOR COVERED COMMODITIES (OTHER THAN PEANUTS). The total amount of payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year under sections 1116 and 1117 and as marketing loan gains or loan deficiency payments under subtitle B of title I of the Agricultural Act of 2014 (other than for peanuts) may not exceed $125,000.

"(c) LIMITATION ON PAYMENTS FOR PEANUTS. The total amount of payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year under sections 1116 and 1117 and as marketing loan gains or loan deficiency payments under subtitle B of title I of the Agricultural Act of 2014 for peanuts may not exceed $125,000.".

(b) CONFORMING AMENDMENTS.—

(1) LIMITATION ON APPLICABILITY.—Section 1001(d) of the Food Security Act of 1985 (7 U.S.C. 1308(d)) is amended by striking "the marketing assistance loan program or the loan deficiency payment program under title I of the Food, Conservation, and Energy Act of 2008" and inserting "the forfeiture of a commodity pledged as collateral for a loan made available under subtitle B of title I of the Agricultural Act of 2014".

(2) TREATMENT OF FEDERAL AGENCIES AND STATE AND LOCAL GOVERNMENTS.—Section 1001(f) of the Food Security Act of 1985 (7 U.S.C. 1308(f)) is amended—

(A) in paragraph (5)(A), by striking "or title XII" and inserting ", title I of the Agricultural Act of 2014, or title XII"; and

(B) in paragraph (6)(A), by striking "or title XII" and inserting ", title I of the Agricultural Act of 2014, or title XII".

(3) FOREIGN PERSONS INELIGIBLE.—Section 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308-3(a)) is amended by inserting "title I of the Agricultural Act of 2014," after "2008,".

(c) [7 U.S.C. 1308 note] APPLICATION.—The amendments made by this section shall apply beginning with the 2014 crop year.

**SEC. 1604. [7 U.S.C. 1308-1 note] RULEMAKING RELATED TO SIGNIFICANT CONTRIBUTION FOR ACTIVE PERSONAL MANAGEMENT.**

(a) REGULATIONS REQUIRED.—Within 180 days after the date of the enactment of this Act, the Secretary shall promulgate, with an opportunity for notice and comment, regulations—

(1) to define the term "significant contribution of active personal management" for purposes of section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308-1); and

(2) if the Secretary determines it is appropriate, to establish limits for varying types of farming operations on the number of individuals who may be considered to be actively engaged in farming with respect to the farming operation when a significant contribution of active personal management is the basis used to meet the requirement of being actively engaged in farming under section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308-1) by an individual or entity.

(b) CONSIDERATIONS.—In promulgating the regulations required under subsection (a), the Secretary shall consider—

(1) the size, nature, and management requirements of each type of farming operation;

(2) the changing nature of active personal management due to advancements of farming operations; and

(3) the degree to which the regulations promulgated pursuant to subsection (a) will adversely impact the long-term viability of the farming operation.

(c) FAMILY FARMS.—The Secretary shall not apply the regulations promulgated pursuant to subsection (a) to individuals or entities comprised solely of family members (as that term is defined in section 1001(a)(2) of the Food Security Act of 1985 (7 U.S.C. 1308(a)(2))).

(d) MONITORING.—The regulations promulgated pursuant to subsection (a) shall include a plan for monitoring the status of compliance reviews for whether a person or entity is in compliance with the regulations.

(e) PAPERWORK REDUCTION.—In order to conserve Federal resources and prevent unnecessary paperwork burdens, the Secretary shall ensure that any additional paperwork required as a result of the regulations promulgated pursuant to subsection (a) be limited to those persons who are subject to such regulations.

(f) RELATION TO OTHER REQUIREMENTS.—Nothing in this section may be construed to authorize the Secretary to alter, directly or indirectly, existing regulations for other requirements in section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308-1).

(g) EFFECTIVE DATE.—The requirements of any regulation promulgated pursuant to this section shall apply beginning with the 2015 crop year.

**SEC. 1605. ADJUSTED GROSS INCOME LIMITATION.**

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

(1) in the subsection heading, by striking "Limitations" and inserting "Limitations on Commodity and Conservation Programs";

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

"(1) LIMITATION. Notwithstanding any other provision of law, a person or legal entity shall not be eligible to receive any benefit described in paragraph (2) during a crop, fiscal, or program year, as appropriate, if the average adjusted gross income of the person or legal entity exceeds $900,000.

"(2) COVERED BENEFITS. Paragraph (1) applies with respect to the following:

"(A) A payment or benefit under subtitle A or E of title I of the Agricultural Act of 2014.

"(B) A marketing loan gain or loan deficiency payment under subtitle B of title I of the Agricultural Act of 2014.

"(C) Starting with fiscal year 2015, a payment or benefit under title II of the Agricultural Act of 2014, title II of the Farm Security and Rural Investment Act of 2002, title II of the Food, Conservation, and Energy Act of 2008, or title XII of the Food Security Act of 1985.

"(D) A payment or benefit under section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)).

"(E) A payment or benefit under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).".

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

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

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

(1) by striking subsection (c); and

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

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

(1) in subsection (a)(2)—

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

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

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

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

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

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

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

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

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

(e) EFFECTIVE PERIOD.—Subsection (e) of section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308-3a), as redesignated by subsection (c)(2) of this section, is repealed.

(f) LIMITATION ON APPLICABILITY.—Section 1001(d) of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by inserting before the period at the end the following: "or title I of the Agricultural Act of 2014".

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

**SEC. 1606. GEOGRAPHICALLY DISADVANTAGED FARMERS AND RANCHERS.**

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

2009 through 2012" and inserting "fiscal year 2009 and each succeeding fiscal year".

**SEC. 1607. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.**

Section 164 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7284) is amended by striking "and title I of the Food, Conservation, and Energy Act of 2008" each place it appears and inserting "title I of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702 et seq.), and title I of the Agricultural Act of 2014".

**SEC. 1608. [7 U.S.C. 9093] PREVENTION OF DECEASED INDIVIDUALS RECEIVING PAYMENTS UNDER FARM COMMODITY PROGRAMS.**

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

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

**SEC. 1609. TECHNICAL CORRECTIONS.**

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

(b) ERRONEOUS CROSS REFERENCE.—

(1) [7 U.S.C. 1471g] AMENDMENT.—Section 1603(g) of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246; 122 Stat. 1739) is amended in paragraphs (2) through (6) and the amendments made by those paragraphs by striking "1703(a)" each place it appears and inserting "1603(a)".

(2) [7 U.S.C. 1471g note] EFFECTIVE DATE.—This subsection and the amendments made by this subsection take effect as if included in the Food, Conservation, and Energy Act of 2008 (Public Law 110-246; 122 Stat. 1651).

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

(1) by striking "(a)";

(2) by striking "sections 1101 and 1102 of Public Law 107-171" and inserting "subtitle A of title I of the Agricultural Act of 2014"; and

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

(4) by striking subsection (b).

**SEC. 1610. APPEALS.**

(a) DIRECTION, CONTROL, AND SUPPORT.—Section 272 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6992) is amended by striking subsection (c) and inserting the following:

"(c) DIRECTION, CONTROL, AND SUPPORT.

"(1) DIRECTION AND CONTROL.

"(A) IN GENERAL. Except as provided in paragraph (2), the Director shall be free from the direction and control of

any person other than the Secretary or the Deputy Secretary of Agriculture.

"(B) ADMINISTRATIVE SUPPORT. The Division shall not receive administrative support (except on a reimbursable basis) from any agency other than the Office of the Secretary.

"(C) PROHIBITION ON DELEGATION. The Secretary may not delegate to any other officer or employee of the Department, other than the Deputy Secretary of Agriculture or the Director, the authority of the Secretary with respect to the Division.

"(2) EXCEPTION. The Assistant Secretary for Administration is authorized to investigate, enforce, and implement the provisions in law, Executive order, or regulations that relate in general to competitive and excepted service positions and employment within the Division, including the position of Director, and such authority may be further delegated to subordinate officials.".

(b) CONFORMING AMENDMENT.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended—

(1) in the matter preceding paragraph (1) by striking "affect—" and inserting "affect:";

(2) by striking "the authority" each place it appears in paragraphs (1) through (7) and inserting "The authority";

(3) by striking the semicolon at the end of each of paragraphs (1) through (5) and inserting a period;

(4) in paragraph (6)(C), by striking "; or" at the end and inserting a period; and

(5) by adding at the end the following:

"(8) The authority of the Secretary to carry out amendments made to this title by the Agricultural Act of 2014.".

**SEC. 1611. [7 U.S.C. 9094] ASSIGNMENT OF PAYMENTS.**

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

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

**SEC. 1612. [7 U.S.C. 9095] TRACKING OF BENEFITS.**

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

**SEC. 1613. [7 U.S.C. 9096] SIGNATURE AUTHORITY.**

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

the documents relied upon were determined inadequate or invalid, unless the person signing the program document knowingly and willfully falsified the evidence of signature authority or a signature.

(b) AFFIRMATION.—

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

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

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

(B) substantively complied with all program requirements.

**SEC. 1614. [7 U.S.C. 9097] IMPLEMENTATION.**

(a) MAINTENANCE OF BASE ACRES AND PAYMENT YIELDS.—The Secretary shall maintain, for each covered commodity and upland cotton, base acres and payment yields on a farm established under sections 1001 and 1301 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702, 8751), as adjusted pursuant to sections 1101, 1102, 1108, and 1302 of such Act (7 U.S.C. 8711, 8712, 8718, 8752), as in effect on September 30, 2013, and as adjusted pursuant to sections 1112 and 1113.

(b) STREAMLINING.—In implementing this title and the amendments made by this title, the Secretary shall—

(1) continue to reduce administrative burdens and costs to producers by streamlining and reducing paperwork, forms, and other administrative requirements, to ensure that—

(A) a producer (or an agent of a producer) may report information, electronically (including geospatial data) or conventionally, to the Department of Agriculture, subject to the Secretary—

(i) establishing reasonable levels of tolerance that reflect the differences in accuracy between measures of common land units and geospatial data; and

(ii) ensuring that discrepancies that occur within the levels of tolerance established under clause (i) shall not be used to penalize a producer (or an agent of a producer) under any program administered by the Department of Agriculture;

(B) on the request of a producer (or an agent of a producer), the Department of Agriculture electronically shares with the producer (or agent) in real time and without cost to the producer (or agent) the common land unit data, related farm level data, conservation practices, and other information of the producer through a single Department of Agriculture-wide login;

(C) not later than September 30, 2020, the Administrator of the Risk Management Agency and the Administrator of the Farm Service Agency shall implement a con-

sistent method for determining crop acreage, acreage yields, farm acreage, property descriptions, and other common informational requirements, including measures of common land units;

(D) except in the case of misrepresentation, fraud, or scheme and device, no crop insurance agent, approved insurance provider, or employee or contractor of a crop insurance agency or approved insurance provider bears responsibility or liability under the Acreage Crop Reporting and Streamlining Initiative (or any successor or similar initiative) for the eligibility of a producer for a program administered by the Department of Agriculture, not including a policy or plan of insurance offered under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.); and

(E) on request of a crop insurance agent or approved insurance provider required to deliver policies and plans of insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) the crop insurance agent or approved insurance provider receives, in a timely manner, any information held by the Farm Service Agency that is necessary to ensure effective crop insurance coverage for farmer customers;

(2) continue to improve coordination, information sharing, and administrative work among the Farm Service Agency, Risk Management Agency, Natural Resources Conservation Service, and other agencies, as determined by the Secretary;

(3) continue to take advantage of new technologies to enhance the efficiency and effectiveness of the delivery of Department of Agriculture programs to producers, including by developing and making publicly available data standards and security procedures to allow third-party providers to develop applications that use or feed data (including geospatial and precision agriculture data) into the datasets and analyses of the Department of Agriculture; and

(4) reduce administrative burdens on producers participating in price loss coverage or agriculture risk coverage by offering—

(A) those producers an option to remotely and electronically sign annual contracts for that coverage; and

(B) to the maximum extent practicable, an option to sign a multiyear contract for that coverage.

(c) IMPLEMENTATION.—

(1) IN GENERAL.—The Secretary shall make available to the Farm Service Agency to carry out this title $100,000,000.

(2) ADDITIONAL FUNDS.—

(A) INITIAL DETERMINATION.—If, by September 30, 2014, the Secretary notifies the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that the Farm Service Agency has made substantial progress toward implementing the requirements of subsection (b)(1), the Secretary shall make available to the Farm Service Agency to carry out this title $10,000,000 on October 1, 2014. The amount made available under this subpara-

graph is in addition to the amount made available under paragraph (1).

(B) SUBSEQUENT DETERMINATION.—If, by September 30, 2015, the Secretary notifies the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that the requirements of subsection (b)(1) have been fully implemented and those Committees provide written concurrence to the Secretary, the Secretary shall make available to the Farm Service Agency to carry out this title $10,000,000 on the date the written concurrence is provided or October 1, 2015, whichever is later. The amount made available under this subparagraph is in addition to the amount made available under paragraph (1) and any amount made available under subparagraph (A).

(3) PRODUCER EDUCATION.—

(A) IN GENERAL.—Of the funds made available under paragraph (1), the Secretary shall provide $3,000,000 to State extension services for the purpose of educating farmers and ranchers on the options made available under subtitles A, D, and E of this title and under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

(B) WEB-BASED DECISION AIDS.—

(i) USE OF QUALIFIED UNIVERSITIES.—Of the funds made available under paragraph (1), the Secretary shall use $3,000,000 to support qualified universities (or university-based organizations) that represent a diversity of regions and commodities (including dairy), possess expertise regarding the programs authorized by this Act, have a history in the development of decision aids and producer outreach initiatives regarding farm risk management programs, and are able to meet the deadline established pursuant to clause (ii) to develop web-based decision aids to assist producers in understanding available options described in subparagraph (A) and to train producers to use these decision aids.

(ii) DEADLINES.—To the maximum extent practicable, the Secretary shall—

(I) obligate the funds made available under clause (i) within 30 days after the date of the enactment of this Act; and

(II) require the products described in clause (i) to be made available to producers on the internet within a reasonable period of time, as determined by the Secretary, after the implementation of the first rule implementing programs required under subtitle A of this title.

(4) AGRICULTURE IMPROVEMENT ACT OF 2018.—The Secretary shall make available to the Farm Service Agency to carry out title I of the Agriculture Improvement Act of 2018 and the amendments made by that title $15,500,000.

(d) LOAN IMPLEMENTATION.—

(1) IN GENERAL.—In any crop year in which an order is issued pursuant 2 U.S.C. 901(a), the Secretary shall use such sums as necessary of the funds of the Commodity Credit Corporation for such crop year to fully restore the support, loan, or assistance that is otherwise required under subtitle B or C, under the amendments made by subtitle B or C, or under the amendments made by subtitle B or C of the Agriculture Improvement Act of 2018, except with respect to the assistance provided under sections 1207(c) and 1208.

(2) REPAYMENT.—In carrying out this subsection, the Secretary shall ensure that when a producer repays a loan at a rate equal to the loan rate plus interest in accordance with the repayment provisions of subtitles B or C that the repayment amount shall include the portion of the loan amount provided under paragraph (1), except that this paragraph shall not affect or reduce marketing loan gains, loan deficiency payments, or forfeiture benefits provided for under subtitles B or C and as supplemented in accordance with paragraph (1).

(e) DEOBLIGATION OF UNLIQUIDATED OBLIGATIONS.—

(1) IN GENERAL.—Subject to paragraph (3), any payment obligated or otherwise made available by the Secretary under this title on or after the date of enactment of the Agriculture Improvement Act of 2018 that is not disbursed to the recipient by the date that is 5 years after the date on which the payment is obligated or otherwise made available shall—

(A) be deobligated; and

(B) revert to the Treasury.

(2) OUTSTANDING PAYMENTS.—

(A) IN GENERAL.—Subject to paragraph (3), any payment obligated or otherwise made available by the Farm Service Agency (or any predecessor agency of the Department of Agriculture) under the laws described in subparagraph (B) before the date of enactment of the Agriculture Improvement Act of 2018, that is not disbursed by the date that is 5 years after the date on which the payment is obligated or otherwise made available shall—

(i) be deobligated; and

(ii) revert to the Treasury.

(B) LAWS DESCRIBED.—The laws referred to in subparagraph (A) are any of the following:

(i) This title.

(ii) Title I of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702 et seq.).

(iii) Title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7901 et seq.).

(iv) The Agricultural Market Transition Act (7 U.S.C. 7201 et seq.).

(v) Titles I through XI of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 104 Stat. 3374) and the amendments made by those titles.

(vi) Titles I through X of the Food Security Act of 1985 (Public Law 99–198; 99 Stat. 1362) and the amendments made by those titles.

(vii) Titles I through XI of the Agriculture and Food Act of 1981 (Public Law 97–98; 95 Stat. 1218) and the amendments made by those titles.

(viii) Titles I through X of the Food and Agriculture Act of 1977 (Public Law 95–113; 91 Stat. 917) and the amendments made by those titles.

(3) WAIVER.—The Secretary may delay the date of the deobligation and reversion under paragraph (1) or (2) of any payment—

(A) that is the subject of—

(i) ongoing administrative review or appeal;

(ii) litigation; or

(iii) the settlement of an estate; or

(B) for which the Secretary otherwise determines that the circumstances are such that the delay is equitable.

(f) REPORT.—Not later than January 1, 2020, and each January 1 thereafter through January 1, 2023, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the tilled native sod acreage that was subject to a reduction in benefits under section 196(a)(4)(B) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(a)(4)(B) and section 508(o)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(o)(2))—

(1) as of the date of submission of the report; and

(2) by State and county, relative to the total acres of cropland in the State or county.

**SEC. 1615. RESEARCH OPTION.**

(a) IN GENERAL.—Notwithstanding section 4(m) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(m)), funds of the Commodity Credit Corporation disbursed pursuant to the memorandum of understanding between the Government of the United States of America and the Government of the Federative Republic of Brazil regarding a fund for technical assistance and capacity building with respect to dispute WT/DS 267 in the World Trade Organization may, upon resolution of the dispute, be used for research consistent with the conditions imposed by subsection (b).

(b) CONDITIONS.—Research authorized by subsection (a) must be conducted in collaboration with research agencies of the United States Department of Agriculture or with a college, university, or research foundation located in the United States. Such research and collaboration shall be subject to the agreement of the parties to the resolved dispute described in subsection (a).

# TITLE II—CONSERVATION

## Subtitle A—Conservation Reserve Program

**SEC. 2001. EXTENSION AND ENROLLMENT REQUIREMENTS OF CONSERVATION RESERVE PROGRAM.**

(a) EXTENSION.—Section 1231(a) of the Food Security Act of 1985 (16 U.S.C. 3831(a)) is amended by striking "2012" and inserting "2018".

(b) ELIGIBLE LAND.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(1) in paragraph (1)(B), by striking "the date of enactment of the Food, Conservation, and Energy Act of 2008" and inserting "the date of enactment of the Agricultural Act of 2014";

(2) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2);

(3) by inserting before paragraph (4) the following new paragraph:

"(3) grasslands that—

"(A) contain forbs or shrubland (including improved rangeland and pastureland) for which grazing is the predominant use;

"(B) are located in an area historically dominated by grasslands; and

"(C) could provide habitat for animal and plant populations of significant ecological value if the land is retained in its current use or restored to a natural condition;";

(4) in paragraph (4)(C), by striking "filterstrips devoted to trees or shrubs" and inserting "filterstrips or riparian buffers devoted to trees, shrubs, or grasses"; and

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

"(5) the portion of land in a field not enrolled in the conservation reserve in a case in which—

"(A) more than 50 percent of the land in the field is enrolled as a buffer or filterstrip, or more than 75 percent of the land in the field is enrolled as a conservation practice other than as a buffer or filterstrip; and

"(B) the remainder of the field is—

"(i) infeasible to farm; and

"(ii) enrolled at regular rental rates.".

(c) PLANTING STATUS OF CERTAIN LAND.—Section 1231(c) of the Food Security Act of 1985 (16 U.S.C. 3831(c)) is amended by striking "if" and all that follows through the period at the end and inserting "if, during the crop year, the land was devoted to a conserving use.".

(d) ENROLLMENT.—Subsection (d) of section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended to read as follows:

"(d) ENROLLMENT.

"(1) MAXIMUM ACREAGE ENROLLED. The Secretary may maintain in the conservation reserve at any one time during—

"(A) fiscal year 2014, no more than 27,500,000 acres;

"(B) fiscal year 2015, no more than 26,000,000 acres;

"(C) fiscal year 2016, no more than 25,000,000 acres;

"(D) fiscal year 2017, no more than 24,000,000 acres; and

"(E) fiscal year 2018, no more than 24,000,000 acres.

"(2) GRASSLANDS.

"(A) LIMITATION. For purposes of applying the limitations in paragraph (1), no more than 2,000,000 acres of the land described in subsection (b)(3) may be enrolled in the program at any one time during the 2014 through 2018 fiscal years.

"(B) PRIORITY. In enrolling acres under subparagraph (A), the Secretary may give priority to land with expiring conservation reserve program contracts.

"(C) METHOD OF ENROLLMENT. In enrolling acres under subparagraph (A), the Secretary shall make the program available to owners or operators of eligible land on a continuous enrollment basis with one or more ranking periods.".

(e) DURATION OF CONTRACT.—Section 1231(e) of the Food Security Act of 1985 (16 U.S.C. 3831(e)) is amended by striking paragraphs (2) and (3) and inserting the following new paragraph:

"(2) SPECIAL RULE FOR CERTAIN LAND. In the case of land devoted to hardwood trees, shelterbelts, windbreaks, or wildlife corridors under a contract entered into under this subchapter, the owner or operator of the land may, within the limitations prescribed under paragraph (1), specify the duration of the contract.".

(f) CONSERVATION PRIORITY AREAS.—Section 1231(f) of the Food Security Act of 1985 (16 U.S.C. 3831(f)) is amended—

(1) in paragraph (1), by striking "watershed areas of the Chesapeake Bay Region, the Great Lakes Region, the Long Island Sound Region, and other";

(2) in paragraph (2), by striking "Watersheds.—Watersheds" and inserting "Areas.—Areas"; and

(3) in paragraph (3), by striking "a watershed's designation—" and all that follows through the period at the end and inserting "an area's designation if the Secretary finds that the area no longer contains actual and significant adverse water quality or habitat impacts related to agricultural production activities.".

**SEC. 2002. FARMABLE WETLAND PROGRAM.**

(a) EXTENSION.—Section 1231B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3831b(a)(1)) is amended—

(1) by striking "2012" and inserting "2018"; and

(2) by striking "a program" and inserting "a farmable wetland program".

(b) ELIGIBLE ACREAGE.—Section 1231B(b)(1)(B) of the Food Security Act of 1985 (16 U.S.C. 3831b(b)(1)(B)) is amended by striking "flow from a row crop agriculture drainage system" and inserting "surface and subsurface flow from row crop agricultural production".

(c) ACREAGE LIMITATION.—Section 1231B(c)(1)(B) of the Food Security Act of 1985 (16 U.S.C. 3831b(c)(1)(B)) is amended by striking "1,000,000" and inserting "750,000".

(d) CLERICAL AMENDMENTS.—Section 1231B of the Food Security Act of 1985 (16 U.S.C. 3831b) is amended—

(1) by striking the heading and inserting the following: "FARMABLE WETLAND PROGRAM"; and

(2) in subsection (f)(2), by striking "section 1234(c)(2)(B)" and inserting "section 1234(d)(2)(A)(ii)".

**SEC. 2003. DUTIES OF OWNERS AND OPERATORS.**

(a) LIMITATION ON HARVESTING, GRAZING, OR COMMERCIAL USE OF FORAGE.—Section 1232(a)(8) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(8)) is amended by striking "except that" and all that follows through the semicolon at the end of the paragraph and inserting "except as provided in subsection (b) or (c) of section 1233;".

(b) CONSERVATION PLAN REQUIREMENTS.—Subsection (b) of section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended to read as follows:

"(b) CONSERVATION PLANS. The plan referred to in subsection (a)(1) shall set forth—

"(1) the conservation measures and practices to be carried out by the owner or operator during the term of the contract; and

"(2) the commercial use, if any, to be permitted on the land during the term.".

(c) RENTAL PAYMENT REDUCTION.—Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended by striking subsection (d).

**SEC. 2004. DUTIES OF THE SECRETARY.**

Section 1233 of the Food Security Act of 1985 (16 U.S.C. 3833) is amended to read as follows:

**"SEC. 1233. DUTIES OF THE SECRETARY**

"(a) COST-SHARE AND RENTAL PAYMENTS. In return for a contract entered into by an owner or operator under the conservation reserve program, the Secretary shall—

"(1) share the cost of carrying out the conservation measures and practices set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest; and

"(2) for a period of years not in excess of the term of the contract, pay an annual rental payment in an amount necessary to compensate for—

"(A) the conversion of highly erodible cropland or other eligible lands normally devoted to the production of an agricultural commodity on a farm or ranch to a less intensive use;

"(B) the retirement of any base history that the owner or operator agrees to retire permanently; and

"(C) the development and management of grasslands for multiple natural resource conservation benefits, including to soil, water, air, and wildlife.

"(b) SPECIFIED ACTIVITIES PERMITTED. The Secretary shall permit certain activities or commercial uses of land that is subject to a contract under the conservation reserve program if those activities or uses are consistent with a plan approved by the Secretary and include—

"(1) harvesting, grazing, or other commercial use of the forage in response to a drought, flooding, or other emergency, without any reduction in the rental rate;

"(2) consistent with the conservation of soil, water quality, and wildlife habitat (including habitat during primary nesting seasons for birds in the area), and in exchange for a reduction of not less than 25 percent in the annual rental rate for the acres covered by the authorized activity, managed harvesting and other commercial use (including the managed harvesting of biomass), except that in permitting those activities, the Secretary, in coordination with the State technical committee—

"(A) shall develop appropriate vegetation management requirements; and

"(B) shall identify periods during which the activities may be conducted, such that the frequency is at least every 5 but not more than once every 3 years;

"(3) subject to appropriate restrictions during the nesting season for birds in the local area that are economically significant, in significant decline, or conserved in accordance with Federal or State law, as determined by the Secretary in consultation with the State technical committee, and in exchange for a reduction of not less than 25 percent in the annual rental rate for the acres covered by the authorized activity—

"(A) prescribed grazing for the control of invasive species, which may be conducted annually;

"(B) routine grazing, except that in permitting such routine grazing, the Secretary, in coordination with the State technical committee—

"(i) shall develop appropriate vegetation management requirements and stocking rates for the land that are suitable for continued routine grazing; and

"(ii) shall identify the periods during which routine grazing may be conducted, such that the frequency is not more than once every 2 years, taking into consideration regional differences such as—

"(I) climate, soil type, and natural resources;

"(II) the number of years that should be required between routine grazing activities; and

"(III) how often during a year in which routine grazing is permitted that routine grazing should be allowed to occur; and

"(C) the installation of wind turbines and associated access, except that in permitting the installation of wind turbines, the Secretary shall determine the number and location of wind turbines that may be installed, taking into account—

"(i) the location, size, and other physical characteristics of the land;

"(ii) the extent to which the land contains threatened or endangered wildlife and wildlife habitat; and

"(iii) the purposes of the conservation reserve program under this subchapter;

"(4) the intermittent and seasonal use of vegetative buffer practices incidental to agricultural production on lands adjacent to the buffer such that the permitted use does not destroy the permanent vegetative cover; and

"(5) grazing by livestock of a beginning farmer or rancher without any reduction in the rental rate, if the grazing is—

"(A) consistent with the conservation of soil, water quality, and wildlife habitat;

"(B) subject to appropriate restrictions during the nesting season for birds in the local area that are economically significant, in significant decline, or conserved in accordance with Federal or State law, as determined by the Secretary in consultation with the State technical committee; and

"(C) described in subparagraph (A) or (B) of paragraph (3).

"(c) AUTHORIZED ACTIVITIES ON GRASSLANDS. For eligible land described in section 1231(b)(3), the Secretary shall permit the following activities:

"(1) Common grazing practices, including maintenance and necessary cultural practices, on the land in a manner that is consistent with maintaining the viability of grassland, forb, and shrub species appropriate to that locality.

"(2) Haying, mowing, or harvesting for seed production, subject to appropriate restrictions during the nesting season for birds in the local area that are economically significant, in significant decline, or conserved in accordance with Federal or State law, as determined by the Secretary in consultation with the State technical committee.

"(3) Fire presuppression, fire-related rehabilitation, and construction of fire breaks.

"(4) Grazing-related activities, such as fencing and livestock watering.

"(d) RESOURCE CONSERVING USE.

"(1) IN GENERAL. Beginning on the date that is 1 year before the date of termination of a contract under the program, the Secretary shall allow an owner or operator to make conservation and land improvements for economic use that facilitate maintaining protection of enrolled land after expiration of the contract.

"(2) CONSERVATION PLAN. The Secretary shall require an owner or operator carrying out the activities described in paragraph (1) to develop and implement a conservation plan.

"(3) RE-ENROLLMENT PROHIBITED. Land improved under paragraph (1) may not be re-enrolled in the conservation reserve program for 5 years after the date of termination of the contract.

"(4) PAYMENT REDUCTION. In the case of an activity carried out under paragraph (1), the Secretary shall reduce the pay-

ment otherwise payable under the contract by an amount commensurate with the economic value of the activity.".

**SEC. 2005. [16 U.S.C. 3834] PAYMENTS.**

(a) TREES, WINDBREAKS, SHELTERBELTS, AND WILDLIFE CORRIDORS.—Section 1234(b)(3)(A) of the Food Security Act of 1985 (16 U.S.C. 3834(b)(3)(A)) is amended to read as follows:

"(A) APPLICABILITY. This paragraph applies to land devoted to the production of hardwood trees, windbreaks, shelterbelts, or wildlife corridors under a contract entered into under this subchapter after November 28, 1990.".

(b) INCENTIVES FOR THINNING.—Section 1234 of the Food Security Act of 1985 (16 U.S.C. 3834) is amended—

(1) in subsection (b)—

(A) in the heading, by striking "Federal Percentage of"; and

(B) in paragraph (3)(B)—

(i) in clause (i), by striking "or thinning"; and

(ii) by amending clause (ii) to read as follows:

"(ii) DURATION. The Secretary shall make payments as described in clause (i) for a period of not less than 2 years, but not more than 4 years, beginning on the date of the planting of the trees or shrubs.";

(2) by redesignating subsections (c) through (g) as subsections (d) through (h), respectively; and

(3) by inserting after subsection (b) the following:

"(c) INCENTIVE PAYMENTS.

"(1) IN GENERAL. The Secretary may make incentive payments to an owner or operator of eligible land in an amount sufficient to encourage proper thinning and other practices to improve the condition of resources, promote forest management, or enhance wildlife habitat on the land.

"(2) LIMITATION. A payment described in paragraph (1) may not exceed 150 percent of the total cost of thinning and other practices conducted by the owner or operator.".

(c) ANNUAL RENTAL PAYMENTS.—Section 1234(d) of the Food Security Act of 1985 (as redesignated by subsection (b)(2)) is amended—

(1) in paragraph (1), by inserting "or other eligible lands" after "highly erodible cropland" both places it appears;

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

"(2) METHODS OF DETERMINATION.

"(A) IN GENERAL. The amounts payable to owners or operators in the form of rental payments under contracts entered into under this subchapter may be determined through—

"(i) the submission of bids for such contracts by owners and operators in such manner as the Secretary may prescribe; or

"(ii) such other means as the Secretary determines are appropriate.

"(B) GRASSLANDS. In the case of eligible land described in section 1231(b)(3), the Secretary shall make annual pay-

ments in an amount that is not more than 75 percent of the grazing value of the land covered by the contract."; and

(3) in paragraph (5)—

(A) in subparagraph (A), by striking "conduct an annual survey" and inserting ", not less frequently than once every other year, conduct a survey";

(B) in subparagraph (B), by striking "annual"; and

(C) by adding at the end the following:

"(C) USE. The Secretary may use the estimates derived from the survey conducted under subparagraph (A) relating to dryland cash rental rates as a factor in determining rental rates under this section in a manner determined appropriate by the Secretary.".

(d) PAYMENT SCHEDULE.—Subsection (e) of section 1234 of the Food Security Act of 1985 (as redesignated by subsection (b)(2)) is amended to read as follows:

"(e) PAYMENT SCHEDULE.

"(1) IN GENERAL. Except as otherwise provided in this section, payments under this subchapter shall be made in cash in such amount and on such time schedule as is agreed on and specified in the contract.

"(2) ADVANCE PAYMENT. Payments under this subchapter may be made in advance of determination of performance.".

(e) PAYMENT LIMITATION.—Section 1234(g) of the Food Security Act of 1985 (as redesignated by subsection (b)(2)) is amended—

(1) in paragraph (1), by striking ", including rental payments made in the form of in-kind commodities,";

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (2).

**SEC. 2006. CONTRACT REQUIREMENTS.**

(a) EARLY TERMINATION BY OWNER OR OPERATOR.—Section 1235(e) of the Food Security Act of 1985 (16 U.S.C. 3835(e)) is amended—

(1) in paragraph (1)(A)—

(A) by striking "The Secretary" and inserting "During fiscal year 2015, the Secretary"; and

(B) by striking "before January 1, 1995,";

(2) in paragraph (2), by striking subparagraph (C) and inserting the following:

"(C) Land devoted to hardwood trees.

"(D) Wildlife habitat, duck nesting habitat, pollinator habitat, upland bird habitat buffer, wildlife food plots, State acres for wildlife enhancement, shallow water areas for wildlife, and rare and declining habitat.

"(E) Farmable wetland and restored wetland.

"(F) Land that contains diversions, erosion control structures, flood control structures, contour grass strips, living snow fences, salinity reducing vegetation, cross wind trap strips, and sediment retention structures.

"(G) Land located within a federally designated wellhead protection area.

"(H) Land that is covered by an easement under the conservation reserve program.

"(I) Land located within an average width, according to the applicable Natural Resources Conservation Service field office technical guide, of a perennial stream or permanent water body.

"(J) Land enrolled under the conservation reserve enhancement program."; and

(3) in paragraph (3), by striking "60 days after the date on which the owner or operator submits the notice required under paragraph (1)(C)" and inserting "upon approval by the Secretary".

(b) TRANSITION OPTION FOR CERTAIN FARMERS OR RANCHERS.—Section 1235(f) of the Food Security Act of 1985 (16 U.S.C. 3835(f)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking "Duties" and all that follows through "a beginning farmer or rancher or" and inserting "Transition to covered farmer or rancher.—In the case of a contract modification approved in order to facilitate the transfer of land subject to a contract from a retired farmer or rancher to a beginning farmer or rancher, a veteran farmer or rancher (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))), or a";

(B) in subparagraph (A)(i), by inserting ", including preparing to plant an agricultural crop" after "improvements";

(C) in subparagraph (D), by striking "the farmer or rancher" and inserting "the covered farmer or rancher"; and

(D) in subparagraph (E), by striking "section 1001A(b)(3)(B)" and inserting "section 1001"; and

(2) in paragraph (2), by striking "requirement of section 1231(h)(4)(B)" and inserting "option pursuant to section 1234(d)(2)(A)(ii)".

(c) FINAL YEAR CONTRACT.—Section 1235 of the Food Security Act of 1985 (16 U.S.C. 3835) is amended by adding at the end the following new subsections:

"(g) FINAL YEAR OF CONTRACT. The Secretary shall not consider an owner or operator to be in violation of a term or condition of the conservation reserve contract if—

"(1) during the year prior to expiration of the contract, the land is enrolled in the conservation stewardship program; and

"(2) the activity required under the conservation stewardship program pursuant to such enrollment is consistent with this subchapter.

"(h) LAND ENROLLED IN AGRICULTURAL CONSERVATION EASEMENT PROGRAM. The Secretary may terminate or modify a contract entered into under this subchapter if eligible land that is subject to such contract is transferred into the agricultural conservation easement program under subtitle H.".

**SEC. 2007. CONVERSION OF LAND SUBJECT TO CONTRACT TO OTHER CONSERVING USES.**

Section 1235A of the Food Security Act of 1985 (16 U.S.C. 3835a) is repealed.

**SEC. 2008. [16 U.S.C. 3831 note] EFFECT ON EXISTING CONTRACTS.**

(a) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this subtitle shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) before the date of enactment of the Agricultural Act of 2014, or any payments required to be made in connection with the contract.

(b) UPDATING OF EXISTING CONTRACTS.—The Secretary shall permit an owner or operator of land subject to a contract entered into under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) before the date of enactment of the Agricultural Act of 2014, to update the contract to reflect the activities and uses of land under contract permitted under the terms and conditions of section 1233(b) of that Act (as amended by section 2004), as determined appropriate by the Secretary.

# Subtitle B—Conservation Stewardship Program

**SEC. 2101. CONSERVATION STEWARDSHIP PROGRAM.**

(a) REVISION OF CURRENT PROGRAM.—Subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838d et seq.) is amended to read as follows:

"SUBCHAPTER B—CONSERVATION STEWARDSHIP PROGRAM

**"SEC. 1238D. [16 U.S.C. 3838d] DEFINITIONS**

"In this subchapter:

"(1) AGRICULTURAL OPERATION. The term 'agricultural operation' means all eligible land, whether or not contiguous, that is—

"(A) under the effective control of a producer at the time the producer enters into a contract under the program; and

"(B) operated with equipment, labor, management, and production or cultivation practices that are substantially separate from other agricultural operations, as determined by the Secretary.

"(2) CONSERVATION ACTIVITIES.

"(A) IN GENERAL. The term 'conservation activities' means conservation systems, practices, or management measures.

"(B) INCLUSIONS. The term 'conservation activities' includes—

"(i) structural measures, vegetative measures, and land management measures, including agriculture drainage management systems, as determined by the Secretary; and

"(ii) planning needed to address a priority resource concern.

"(3) CONSERVATION STEWARDSHIP PLAN. The term 'conservation stewardship plan' means a plan that—

"(A) identifies and inventories priority resource concerns;

"(B) establishes benchmark data and conservation objectives;

"(C) describes conservation activities to be implemented, managed, or improved; and

"(D) includes a schedule and evaluation plan for the planning, installation, and management of the new and existing conservation activities.

"(4) ELIGIBLE LAND.

"(A) IN GENERAL. The term 'eligible land' means—

"(i) private or tribal land on which agricultural commodities, livestock, or forest-related products are produced; and

"(ii) lands associated with the land described in clause (i) on which priority resource concerns could be addressed through a contract under the program.

"(B) INCLUSIONS. The term 'eligible land' includes—

"(i) cropland;

"(ii) grassland;

"(iii) rangeland;

"(iv) pasture land;

"(v) nonindustrial private forest land; and

"(vi) other land in agricultural areas (including cropped woodland, marshes, and agricultural land used or capable of being used for the production of livestock), as determined by the Secretary.

"(5) PRIORITY RESOURCE CONCERN. The term 'priority resource concern' means a natural resource concern or problem, as determined by the Secretary, that—

"(A) is identified at the national, State, or local level as a priority for a particular area of a State;

"(B) represents a significant concern in a State or region; and

"(C) is likely to be addressed successfully through the implementation of conservation activities under this program.

"(6) PROGRAM. The term 'program' means the conservation stewardship program established by this subchapter.

"(7) STEWARDSHIP THRESHOLD. The term 'stewardship threshold' means the level of management required, as determined by the Secretary, to conserve and improve the quality and condition of a natural resource.

**"SEC. 1238E. [16 U.S.C. 3838e] CONSERVATION STEWARDSHIP PROGRAM**

"(a) ESTABLISHMENT AND PURPOSE. During each of fiscal years 2014 through 2018, the Secretary shall carry out a conservation stewardship program to encourage producers to address priority resource concerns and improve and conserve the quality and condition of natural resources in a comprehensive manner—

"(1) by undertaking additional conservation activities; and

"(2) by improving, maintaining, and managing existing conservation activities.

"(b) EXCLUSIONS.

"(1) LAND ENROLLED IN OTHER CONSERVATION PROGRAMS. Subject to paragraph (2), the following land (even if covered by the definition of eligible land) is not eligible for enrollment in the program:

"(A) Land enrolled in the conservation reserve program, unless—

"(i) the conservation reserve contract will expire at the end of the fiscal year in which the land is to be enrolled in the program; and

"(ii) conservation reserve program payments for land enrolled in the program cease before the first program payment is made to the applicant under this subchapter.

"(B) Land enrolled in a wetland reserve easement through the agricultural conservation easement program.

"(C) Land enrolled in the conservation security program.

"(2) CONVERSION TO CROPLAND. Eligible land used for crop production after the date of enactment of the Agricultural Act of 2014, that had not been planted, considered to be planted, or devoted to crop production for at least 4 of the 6 years preceding that date shall not be the basis for any payment under the program, unless the land does not meet such requirement because—

"(A) the land had previously been enrolled in the conservation reserve program;

"(B) the land has been maintained using long-term crop rotation practices, as determined by the Secretary; or

"(C) the land is incidental land needed for efficient operation of the farm or ranch, as determined by the Secretary.

**"SEC. 1238F. [16 U.S.C. 3838f] STEWARDSHIP CONTRACTS**

"(a) SUBMISSION OF CONTRACT OFFERS. To be eligible to participate in the conservation stewardship program, a producer shall submit to the Secretary a contract offer for the agricultural operation that—

"(1) demonstrates to the satisfaction of the Secretary that the producer, at the time of the contract offer, meets or exceeds the stewardship threshold for at least 2 priority resource concerns; and

"(2) would, at a minimum, meet or exceed the stewardship threshold for at least 1 additional priority resource concern by the end of the stewardship contract by—

"(A) installing and adopting additional conservation activities; and

"(B) improving, maintaining, and managing existing conservation activities across the entire agricultural operation in a manner that increases or extends the conservation benefits in place at the time the contract offer is accepted by the Secretary.

"(b) EVALUATION OF CONTRACT OFFERS.

"(1) RANKING OF APPLICATIONS. In evaluating contract offers submitted under subsection (a), the Secretary shall rank applications based on—

"(A) the level of conservation treatment on all applicable priority resource concerns at the time of application;

"(B) the degree to which the proposed conservation activities effectively increase conservation performance;

"(C) the number of applicable priority resource concerns proposed to be treated to meet or exceed the stewardship threshold by the end of the contract;

"(D) the extent to which other priority resource concerns will be addressed to meet or exceed the stewardship threshold by the end of the contract period;

"(E) the extent to which the actual and anticipated conservation benefits from the contract are provided at the least cost relative to other similarly beneficial contract offers; and

"(F) the extent to which priority resource concerns will be addressed when transitioning from the conservation reserve program to agricultural production.

"(2) PROHIBITION. The Secretary may not assign a higher priority to any application because the applicant is willing to accept a lower payment than the applicant would otherwise be eligible to receive.

"(3) ADDITIONAL CRITERIA. The Secretary may develop and use such additional criteria that the Secretary determines are necessary to ensure that national, State, and local priority resource concerns are effectively addressed.

"(c) ENTERING INTO CONTRACTS. After a determination that a producer is eligible for the program under subsection (a), and a determination that the contract offer ranks sufficiently high under the evaluation criteria under subsection (b), the Secretary shall enter into a conservation stewardship contract with the producer to enroll the eligible land to be covered by the contract.

"(d) CONTRACT PROVISIONS.

"(1) TERM. A conservation stewardship contract shall be for a term of 5 years.

"(2) REQUIRED PROVISIONS. The conservation stewardship contract of a producer shall—

"(A) state the amount of the payment the Secretary agrees to make to the producer for each year of the conservation stewardship contract under section 1238G(d);

"(B) require the producer—

"(i) to implement a conservation stewardship plan that describes the program purposes to be achieved through 1 or more conservation activities;

"(ii) to maintain and supply information as required by the Secretary to determine compliance with the conservation stewardship plan and any other requirements of the program; and

"(iii) not to conduct any activities on the agricultural operation that would tend to defeat the purposes of the program;

"(C) permit all economic uses of the eligible land that—

"(i) maintain the agricultural nature of the land; and

"(ii) are consistent with the conservation purposes of the conservation stewardship contract;

"(D) include a provision to ensure that a producer shall not be considered in violation of the contract for failure to comply with the contract due to circumstances beyond the control of the producer, including a disaster or related condition, as determined by the Secretary;

"(E) include provisions requiring that upon the violation of a term or condition of the contract at any time the producer has control of the land—

"(i) if the Secretary determines that the violation warrants termination of the contract—

"(I) the producer shall forfeit all rights to receive payments under the contract; and

"(II) the producer shall refund all or a portion of the payments received by the producer under the contract, including any interest on the payments, as determined by the Secretary; or

"(ii) if the Secretary determines that the violation does not warrant termination of the contract, the producer shall refund or accept adjustments to the payments provided to the producer, as the Secretary determines to be appropriate;

"(F) include provisions in accordance with paragraphs (3) and (4); and

"(G) include any additional provisions the Secretary determines are necessary to carry out the program.

"(3) CHANGE OF INTEREST IN LAND SUBJECT TO A CONTRACT.

"(A) IN GENERAL. At the time of application, a producer shall have control of the eligible land to be enrolled in the program. Except as provided in subparagraph (B), a change in the interest of a producer in eligible land covered by a contract under the program shall result in the termination of the contract with regard to that land.

"(B) TRANSFER OF DUTIES AND RIGHTS. Subparagraph (A) shall not apply if—

"(i) within a reasonable period of time (as determined by the Secretary) after the date of the change in the interest in eligible land covered by a contract under the program, the transferee of the land provides written notice to the Secretary that all duties and rights under the contract have been transferred to, and assumed by, the transferee for the portion of the land transferred;

"(ii) the transferee meets the eligibility requirements of the program; and

"(iii) the Secretary approves the transfer of all duties and rights under the contract.

"(4) MODIFICATION AND TERMINATION OF CONTRACTS.

"(A) VOLUNTARY MODIFICATION OR TERMINATION. The Secretary may modify or terminate a contract with a producer if—

"(i) the producer agrees to the modification or termination; and

"(ii) the Secretary determines that the modification or termination is in the public interest.

"(B) INVOLUNTARY TERMINATION. The Secretary may terminate a contract if the Secretary determines that the producer violated the contract.

"(5) REPAYMENT. If a contract is terminated, the Secretary may, consistent with the purposes of the program—

"(A) allow the producer to retain payments already received under the contract; or

"(B) require repayment, in whole or in part, of payments received and assess liquidated damages.

"(e) CONTRACT RENEWAL. At the end of the initial 5-year contract period, the Secretary may allow the producer to renew the contract for 1 additional 5-year period if the producer—

"(1) demonstrates compliance with the terms of the initial contract;

"(2) agrees to adopt and continue to integrate conservation activities across the entire agricultural operation, as determined by the Secretary; and

"(3) agrees, by the end of the contract period—

"(A) to meet the stewardship threshold of at least 2 additional priority resource concerns on the agricultural operation; or

"(B) to exceed the stewardship threshold of 2 existing priority resource concerns that are specified by the Secretary in the initial contract.

**"SEC. 1238G. [16 U.S.C. 3838g] DUTIES OF THE SECRETARY**

"(a) IN GENERAL. To achieve the conservation goals of a contract under the conservation stewardship program, the Secretary shall—

"(1) make the program available to eligible producers on a continuous enrollment basis with 1 or more ranking periods, 1 of which shall occur in the first quarter of each fiscal year;

"(2) identify not less than 5 priority resource concerns in a particular watershed or other appropriate region or area within a State; and

"(3) establish a science-based stewardship threshold for each priority resource concern identified under paragraph (2).

"(b) ALLOCATION TO STATES. The Secretary shall allocate acres to States for enrollment, based—

"(1) primarily on each State's proportion of eligible land to the total acreage of eligible land in all States; and

"(2) also on consideration of—

"(A) the extent and magnitude of the conservation needs associated with agricultural production in each State;

"(B) the degree to which implementation of the program in the State is, or will be, effective in helping producers address those needs; and

"(C) other considerations to achieve equitable geographic distribution of funds, as determined by the Secretary.

"(c) ACREAGE ENROLLMENT LIMITATION. During the period beginning on the date of enactment of the Agricultural Act of 2014, and ending on September 30, 2022, the Secretary shall, to the maximum extent practicable—

"(1) enroll in the program an additional 10,000,000 acres for each fiscal year; and

"(2) manage the program to achieve a national average rate of $18 per acre, which shall include the costs of all financial assistance, technical assistance, and any other expenses associated with enrollment or participation in the program.

"(d) CONSERVATION STEWARDSHIP PAYMENTS.

"(1) AVAILABILITY OF PAYMENTS. The Secretary shall provide annual payments under the program to compensate the producer for—

"(A) installing and adopting additional conservation activities; and

"(B) improving, maintaining, and managing conservation activities in place at the agricultural operation of the producer at the time the contract offer is accepted by the Secretary.

"(2) PAYMENT AMOUNT. The amount of the annual payment shall be determined by the Secretary and based, to the maximum extent practicable, on the following factors:

"(A) Costs incurred by the producer associated with planning, design, materials, installation, labor, management, maintenance, or training.

"(B) Income forgone by the producer.

"(C) Expected conservation benefits.

"(D) The extent to which priority resource concerns will be addressed through the installation and adoption of conservation activities on the agricultural operation.

"(E) The level of stewardship in place at the time of application and maintained over the term of the contract.

"(F) The degree to which the conservation activities will be integrated across the entire agricultural operation for all applicable priority resource concerns over the term of the contract.

"(G) Such other factors as are determined appropriate by the Secretary.

"(3) EXCLUSIONS. A payment to a producer under this subsection shall not be provided for—

"(A) the design, construction, or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations; or

"(B) conservation activities for which there is no cost incurred or income forgone to the producer.

"(4) DELIVERY OF PAYMENTS. In making payments under this subsection, the Secretary shall, to the extent practicable—

"(A) prorate conservation performance over the term of the contract so as to accommodate, to the extent practicable, producers earning equal annual payments in each fiscal year; and

"(B) make such payments as soon as practicable after October 1 of each fiscal year for activities carried out in the previous fiscal year.

"(e) SUPPLEMENTAL PAYMENTS FOR RESOURCE-CONSERVING CROP ROTATIONS.

"(1) AVAILABILITY OF PAYMENTS. The Secretary shall provide additional payments to producers that, in participating in the program, agree to adopt or improve resource-conserving crop rotations to achieve beneficial crop rotations as appropriate for the eligible land of the producers.

"(2) BENEFICIAL CROP ROTATIONS. The Secretary shall determine whether a resource-conserving crop rotation is a beneficial crop rotation eligible for additional payments under paragraph (1) based on whether the resource-conserving crop rotation is designed to provide natural resource conservation and production benefits.

"(3) ELIGIBILITY. To be eligible to receive a payment described in paragraph (1), a producer shall agree to adopt and maintain beneficial resource-conserving crop rotations for the term of the contract.

"(4) RESOURCE-CONSERVING CROP ROTATION. In this subsection, the term 'resource-conserving crop rotation' means a crop rotation that—

"(A) includes at least 1 resource-conserving crop (as defined by the Secretary);

"(B) reduces erosion;

"(C) improves soil fertility and tilth;

"(D) interrupts pest cycles; and

"(E) in applicable areas, reduces depletion of soil moisture or otherwise reduces the need for irrigation.

"(f) PAYMENT LIMITATIONS. A person or legal entity may not receive, directly or indirectly, payments under the program that, in the aggregate, exceed $200,000 under all contracts entered into during fiscal years 2014 through 2018, excluding funding arrangements with Indian tribes, regardless of the number of contracts entered into under the program by the person or legal entity.

"(g) SPECIALTY CROP AND ORGANIC PRODUCERS. The Secretary shall ensure that outreach and technical assistance are available, and program specifications are appropriate to enable specialty crop and organic producers to participate in the program.

"(h) COORDINATION WITH ORGANIC CERTIFICATION. The Secretary shall establish a transparent means by which producers may initiate organic certification under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.) while participating in a contract under the program.

"(i) REGULATIONS. The Secretary shall promulgate regulations that—

"(1) prescribe such other rules as the Secretary determines to be necessary to ensure a fair and reasonable application of the limitations established under subsection (f); and

"(2) otherwise enable the Secretary to carry out the program.".

(b) [16 U.S.C. 3838d note] EFFECT ON EXISTING CONTRACTS.—

(1) IN GENERAL.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838d et seq.) before the date of enactment of the Agricultural Act of 2014, or any payments required to be made in connection with the contract.

(2) CONSERVATION STEWARDSHIP PROGRAM.—Funds made available under section 1241(a)(4) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(4)) (as amended by section 2601(a) of this title) may be used to administer and make payments to program participants that enrolled into contracts during any of fiscal years 2009 through 2013.

# Subtitle C—Environmental Quality Incentives Program

**SEC. 2201. PURPOSES.**

Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa) is amended—

(1) in paragraph (3)—

(A) in subparagraph (A), by striking "and" at the end;

(B) by redesignating subparagraph (B) as subparagraph (C) and, in such subparagraph, by inserting "and" after the semicolon; and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) developing and improving wildlife habitat; and";

(2) in paragraph (4), by striking "; and" and inserting a period; and

(3) by striking paragraph (5).

**SEC. 2202. DEFINITIONS.**

Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa-1) is amended—

(1) by striking paragraph (2) and redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively; and

(2) in paragraph (2) (as so redesignated), by inserting "established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.)" after "national organic program".

**SEC. 2203. ESTABLISHMENT AND ADMINISTRATION.**

Section 1240B of the Food Security Act of 1985 (16 U.S.C. 3839aa-2) is amended—

(1) in subsection (a), by striking "2014" and inserting "2018";

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

"(2) TERM. A contract under the program shall have a term that does not exceed 10 years.";

(3) in subsection (d)—

(A) in paragraph (3), by striking subparagraphs (A) through (G) and inserting the following:

"(A) soil health;

"(B) water quality and quantity improvement;

"(C) nutrient management;

"(D) pest management;

"(E) air quality improvement;

"(F) wildlife habitat development, including pollinator habitat; or

"(G) invasive species management."; and

(B) in paragraph (4)—

(i) in subparagraph (A), in the matter preceding clause (i), by inserting ", a veteran farmer or rancher (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))),'' before "or a beginning farmer or rancher"; and

(ii) by striking subparagraph (B) and inserting the following new subparagraph:

"(B) ADVANCE PAYMENTS.

"(i) IN GENERAL. Not more than 50 percent of the amount determined under subparagraph (A) may be provided in advance for the purpose of purchasing materials or contracting.

"(ii) RETURN OF FUNDS. If funds provided in advance are not expended during the 90-day period beginning on the date of receipt of the funds, the funds shall be returned within a reasonable timeframe, as determined by the Secretary.";

(4) by striking subsection (f) and inserting the following new subsection:

"(f) ALLOCATION OF FUNDING.

"(1) LIVESTOCK. For each of fiscal years 2014 through 2018, at least 60 percent of the funds made available for payments under the program shall be targeted at practices relating to livestock production.

"(2) WILDLIFE HABITAT. For each of fiscal years 2014 through 2018, at least 5 percent of the funds made available for payments under the program shall be targeted at practices benefitting wildlife habitat under subsection (g).''; and

(5) by striking subsection (g) and inserting the following new subsection:

"(g) WILDLIFE HABITAT INCENTIVE PROGRAM.

"(1) IN GENERAL. The Secretary shall provide payments under the environmental quality incentives program for conservation practices that support the restoration, development, protection, and improvement of wildlife habitat on eligible land, including—

"(A) upland wildlife habitat;

"(B) wetland wildlife habitat;

"(C) habitat for threatened and endangered species;

"(D) fish habitat;

"(E) habitat on pivot corners and other irregular areas of a field; and

"(F) other types of wildlife habitat, as determined by the Secretary.

"(2) STATE TECHNICAL COMMITTEE. In determining the practices eligible for payment under paragraph (1) and targeted for funding under subsection (f), the Secretary shall consult with the relevant State technical committee not less often than once each year.".

**SEC. 2204. EVALUATION OF APPLICATIONS.**

Section 1240C(b) of the Food Security Act of 1985 (16 U.S.C. 3839aa-3(b)) is amended—

(1) in paragraph (1), by striking "environmental" and inserting "conservation"; and

(2) in paragraph (3), by striking "purpose of the environmental quality incentives program specified in section 1240(1)" and inserting "purposes of the program".

**SEC. 2205. DUTIES OF PRODUCERS.**

Section 1240D(2) of the Food Security Act of 1985 (16 U.S.C. 3839aa-4(2)) is amended by striking "farm, ranch, or forest" and inserting "enrolled".

**SEC. 2206. LIMITATION ON PAYMENTS.**

Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa-7) is amended to read as follows:

**"SEC. 1240G. LIMITATION ON PAYMENTS**

"A person or legal entity may not receive, directly or indirectly, cost-share or incentive payments under this chapter that, in aggregate, exceed $450,000 for all contracts entered into under this chapter by the person or legal entity during the period of fiscal years 2014 through 2018, regardless of the number of contracts entered into under this chapter by the person or legal entity.".

**SEC. 2207. CONSERVATION INNOVATION GRANTS AND PAYMENTS.**

Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa-8) is amended—

(1) in subsection (a)(2)—

(A) in subparagraph (C), by striking "; and" and inserting a semicolon;

(B) in subparagraph (D), by striking the period and inserting a semicolon; and

(C) by adding at the end the following new subparagraphs:

"(E) facilitate on-farm conservation research and demonstration activities; and

"(F) facilitate pilot testing of new technologies or innovative conservation practices.";

(2) in subsection (b)(2)—

(A) by striking "$37,500,000" and inserting "$25,000,000"; and

(B) by striking "2012" and inserting "2018"; and

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

"(c) REPORTING. Not later than December 31, 2014, and every two years thereafter, the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report on the status of projects funded under this section, including—

"(1) funding awarded;

"(2) project results; and

"(3) incorporation of project findings, such as new technology and innovative approaches, into the conservation efforts implemented by the Secretary.".

**SEC. 2208. [16 U.S.C. 3839aa note] EFFECT ON EXISTING CONTRACTS.**

The amendments made by this subtitle shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) before the date of enactment of the Agricultural Act of 2014, or any payments required to be made in connection with the contract.

# Subtitle D—Agricultural Conservation Easement Program

**SEC. 2301. AGRICULTURAL CONSERVATION EASEMENT PROGRAM.**

(a) ESTABLISHMENT.—Title XII of the Food Security Act of 1985 is amended by adding at the end the following new subtitle:

"SUBTITLE H—AGRICULTURAL CONSERVATION EASEMENT PROGRAM

**"SEC. 1265. [16 U.S.C. 3865] ESTABLISHMENT AND PURPOSES**

"(a) ESTABLISHMENT. The Secretary shall establish an agricultural conservation easement program for the conservation of eligible land and natural resources through easements or other interests in land.

"(b) PURPOSES. The purposes of the program are to—

"(1) combine the purposes and coordinate the functions of the wetlands reserve program established under section 1237, the grassland reserve program established under section 1238N, and the farmland protection program established under section 1238I, as such sections were in effect on the day before the date of enactment of the Agricultural Act of 2014;

"(2) restore, protect, and enhance wetlands on eligible land;

"(3) protect the agricultural use and future viability, and related conservation values, of eligible land by limiting nonagricultural uses of that land; and

"(4) protect grazing uses and related conservation values by restoring and conserving eligible land.

**"SEC. 1265A. [16 U.S.C. 3865a] DEFINITIONS**

"In this subtitle:

"(1) AGRICULTURAL LAND EASEMENT. The term 'agricultural land easement' means an easement or other interest in eligible land that—

"(A) is conveyed for the purpose of protecting natural resources and the agricultural nature of the land; and

"(B) permits the landowner the right to continue agricultural production and related uses subject to an agricultural land easement plan, as approved by the Secretary.

"(2) ELIGIBLE ENTITY. The term 'eligible entity' means—

"(A) an agency of State or local government or an Indian tribe (including a farmland protection board or land resource council established under State law); or

"(B) an organization that is—

"(i) organized for, and at all times since the formation of the organization has been operated principally for, 1 or more of the conservation purposes specified in clause (i), (ii), (iii), or (iv) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

"(ii) an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code; or

"(iii) described in—

"(I) paragraph (1) or (2) of section 509(a) of that Code; or

"(II) section 509(a)(3) of that Code and is controlled by an organization described in section 509(a)(2) of that Code.

"(3) ELIGIBLE LAND. The term 'eligible land' means private or tribal land that is—

"(A) in the case of an agricultural land easement, agricultural land, including land on a farm or ranch—

"(i) that is subject to a pending offer for purchase of an agricultural land easement from an eligible entity;

"(ii)(I) that has prime, unique, or other productive soil;

"(II) that contains historical or archaeological resources;

"(III) the enrollment of which would protect grazing uses and related conservation values by restoring and conserving land; or

"(IV) the protection of which will further a State or local policy consistent with the purposes of the program; and

"(iii) that is—

"(I) cropland;

"(II) rangeland;

"(III) grassland or land that contains forbs, or shrubland for which grazing is the predominant use;

"(IV) located in an area that has been historically dominated by grassland, forbs, or shrubs and could provide habitat for animal or plant populations of significant ecological value;

"(V) pastureland; or

"(VI) nonindustrial private forest land that contributes to the economic viability of an offered

parcel or serves as a buffer to protect such land from development;

"(B) in the case of a wetland reserve easement, a wetland or related area, including—

"(i) farmed or converted wetlands, together with adjacent land that is functionally dependent on that land, if the Secretary determines it—

"(I) is likely to be successfully restored in a cost-effective manner; and

"(II) will maximize the wildlife benefits and wetland functions and values, as determined by the Secretary in consultation with the Secretary of the Interior at the local level;

"(ii) cropland or grassland that was used for agricultural production prior to flooding from the natural overflow of—

"(I) a closed basin lake and adjacent land that is functionally dependent upon it, if the State or other entity is willing to provide 50 percent share of the cost of an easement; or

"(II) a pothole and adjacent land that is functionally dependent on it;

"(iii) farmed wetlands and adjoining lands that—

"(I) are enrolled in the conservation reserve program;

"(II) have the highest wetland functions and values, as determined by the Secretary; and

"(III) are likely to return to production after they leave the conservation reserve program;

"(iv) riparian areas that link wetlands that are protected by easements or some other device that achieves the same purpose as an easement; or

"(v) other wetlands of an owner that would not otherwise be eligible, if the Secretary determines that the inclusion of such wetlands in a wetland reserve easement would significantly add to the functional value of the easement; or

"(C) in the case of either an agricultural land easement or a wetland reserve easement, other land that is incidental to land described in subparagraph (A) or (B), if the Secretary determines that it is necessary for the efficient administration of an easement under the program.

"(4) PROGRAM. The term 'program' means the agricultural conservation easement program established by this subtitle.

"(5) WETLAND RESERVE EASEMENT. The term 'wetland reserve easement' means a reserved interest in eligible land that—

"(A) is defined and delineated in a deed; and

"(B) stipulates—

"(i) the rights, title, and interests in land conveyed to the Secretary; and

"(ii) the rights, title, and interests in land that are reserved to the landowner.

**"SEC. 1265B. [16 U.S.C. 3865b] AGRICULTURAL LAND EASEMENTS**

"(a) AVAILABILITY OF ASSISTANCE. The Secretary shall facilitate and provide funding for—

"(1) the purchase by eligible entities of agricultural land easements in eligible land; and

"(2) technical assistance to provide for the conservation of natural resources pursuant to an agricultural land easement plan.

"(b) COST-SHARE ASSISTANCE.

"(1) IN GENERAL. The Secretary shall protect the agricultural use, including grazing, and related conservation values of eligible land through cost-share assistance to eligible entities for purchasing agricultural land easements.

"(2) SCOPE OF ASSISTANCE AVAILABLE.

"(A) FEDERAL SHARE. An agreement described in paragraph (4) shall provide for a Federal share determined by the Secretary of an amount not to exceed 50 percent of the fair market value of the agricultural land easement, as determined by the Secretary using—

"(i) the Uniform Standards of Professional Appraisal Practice;

"(ii) an areawide market analysis or survey; or

"(iii) another industry-approved method.

"(B) NON-FEDERAL SHARE.

"(i) IN GENERAL. Under the agreement, the eligible entity shall provide a share that is at least equivalent to that provided by the Secretary.

"(ii) SOURCE OF CONTRIBUTION. An eligible entity may include as part of its share under clause (i) a charitable donation or qualified conservation contribution (as defined by section 170(h) of the Internal Revenue Code of 1986) from the private landowner if the eligible entity contributes its own cash resources in an amount that is at least 50 percent of the amount contributed by the Secretary.

"(C) EXCEPTION.

"(i) GRASSLANDS. In the case of grassland of special environmental significance, as determined by the Secretary, the Secretary may provide an amount not to exceed 75 percent of the fair market value of the agricultural land easement.

"(ii) CASH CONTRIBUTION. For purposes of subparagraph (B)(ii), the Secretary may waive any portion of the eligible entity cash contribution requirement for projects of special significance, subject to an increase in the private landowner donation that is equal to the amount of the waiver, if the donation is voluntary and the property is in active agricultural production.

"(3) EVALUATION AND RANKING OF APPLICATIONS.

"(A) CRITERIA. The Secretary shall establish evaluation and ranking criteria to maximize the benefit of Federal investment under the program.

"(B) CONSIDERATIONS. In establishing the criteria, the Secretary shall emphasize support for—

"(i) protecting agricultural uses and related conservation values of the land; and

"(ii) maximizing the protection of areas devoted to agricultural use.

"(C) BIDDING DOWN. If the Secretary determines that 2 or more applications for cost-share assistance are comparable in achieving the purpose of the program, the Secretary shall not assign a higher priority to any of those applications solely on the basis of lesser cost to the program.

"(4) AGREEMENTS WITH ELIGIBLE ENTITIES.

"(A) IN GENERAL. The Secretary shall enter into agreements with eligible entities to stipulate the terms and conditions under which the eligible entity is permitted to use cost-share assistance provided under this section.

"(B) LENGTH OF AGREEMENTS. An agreement shall be for a term that is—

"(i) in the case of an eligible entity certified under the process described in paragraph (5), a minimum of five years; and

"(ii) for all other eligible entities, at least three, but not more than five years.

"(C) MINIMUM TERMS AND CONDITIONS. An eligible entity shall be authorized to use its own terms and conditions for agricultural land easements so long as the Secretary determines such terms and conditions—

"(i) are consistent with the purposes of the program;

"(ii) permit effective enforcement of the conservation purposes of such easements;

"(iii) include a right of enforcement for the Secretary, that may be used only if the terms of the easement are not enforced by the holder of the easement;

"(iv) subject the land in which an interest is purchased to an agricultural land easement plan that—

"(I) describes the activities which promote the long-term viability of the land to meet the purposes for which the easement was acquired;

"(II) requires the management of grasslands according to a grasslands management plan; and

"(III) includes a conservation plan, where appropriate, and requires, at the option of the Secretary, the conversion of highly erodible cropland to less intensive uses; and

"(v) include a limit on the impervious surfaces to be allowed that is consistent with the agricultural activities to be conducted.

"(D) SUBSTITUTION OF QUALIFIED PROJECTS. An agreement shall allow, upon mutual agreement of the parties, substitution of qualified projects that are identified at the time of the proposed substitution.

"(E) EFFECT OF VIOLATION. If a violation occurs of a term or condition of an agreement under this subsection—

"(i) the Secretary may terminate the agreement; and

"(ii) the Secretary may require the eligible entity to refund all or part of any payments received by the entity under the program, with interest on the payments as determined appropriate by the Secretary.

"(5) CERTIFICATION OF ELIGIBLE ENTITIES.

"(A) CERTIFICATION PROCESS. The Secretary shall establish a process under which the Secretary may—

"(i) directly certify eligible entities that meet established criteria;

"(ii) enter into long-term agreements with certified eligible entities; and

"(iii) accept proposals for cost-share assistance for the purchase of agricultural land easements throughout the duration of such agreements.

"(B) CERTIFICATION CRITERIA. In order to be certified, an eligible entity shall demonstrate to the Secretary that the entity will maintain, at a minimum, for the duration of the agreement—

"(i) a plan for administering easements that is consistent with the purpose of the program;

"(ii) the capacity and resources to monitor and enforce agricultural land easements; and

"(iii) policies and procedures to ensure—

"(I) the long-term integrity of agricultural land easements on eligible land;

"(II) timely completion of acquisitions of such easements; and

"(III) timely and complete evaluation and reporting to the Secretary on the use of funds provided under the program.

"(C) REVIEW AND REVISION.

"(i) REVIEW. The Secretary shall conduct a review of eligible entities certified under subparagraph (A) every three years to ensure that such entities are meeting the criteria established under subparagraph (B).

"(ii) REVOCATION. If the Secretary finds that a certified eligible entity no longer meets the criteria established under subparagraph (B), the Secretary may—

"(I) allow the certified eligible entity a specified period of time, at a minimum 180 days, in which to take such actions as may be necessary to meet the criteria; and

"(II) revoke the certification of the eligible entity, if, after the specified period of time, the certified eligible entity does not meet such criteria.

"(c) METHOD OF ENROLLMENT. The Secretary shall enroll eligible land under this section through the use of—

"(1) permanent easements; or

"(2) easements for the maximum duration allowed under applicable State laws.

"(d) TECHNICAL ASSISTANCE. The Secretary may provide technical assistance, if requested, to assist in—

"(1) compliance with the terms and conditions of easements; and

"(2) implementation of an agricultural land easement plan.

**"SEC. 1265C. [16 U.S.C. 3865c] WETLAND RESERVE EASEMENTS**

"(a) AVAILABILITY OF ASSISTANCE. The Secretary shall provide assistance to owners of eligible land to restore, protect, and enhance wetlands through—

"(1) wetland reserve easements and related wetland reserve easement plans; and

"(2) technical assistance.

"(b) EASEMENTS.

"(1) METHOD OF ENROLLMENT. The Secretary shall enroll eligible land under this section through the use of—

"(A) 30-year easements;

"(B) permanent easements;

"(C) easements for the maximum duration allowed under applicable State laws; or

"(D) as an option for Indian tribes only, 30-year contracts.

"(2) LIMITATIONS.

"(A) INELIGIBLE LAND. The Secretary may not acquire easements on—

"(i) land established to trees under the conservation reserve program, except in cases where the Secretary determines it would further the purposes of this section; and

"(ii) farmed wetlands or converted wetlands where the conversion was not commenced prior to December 23, 1985.

"(B) CHANGES IN OWNERSHIP. No wetland reserve easement shall be created on land that has changed ownership during the preceding 24-month period unless—

"(i) the new ownership was acquired by will or succession as a result of the death of the previous owner;

"(ii)(I) the ownership change occurred because of foreclosure on the land; and

"(II) immediately before the foreclosure, the owner of the land exercises a right of redemption from the mortgage holder in accordance with State law; or

"(iii) the Secretary determines that the land was acquired under circumstances that give adequate assurances that such land was not acquired for the purposes of placing it in the program.

"(3) EVALUATION AND RANKING OF OFFERS.

"(A) CRITERIA. The Secretary shall establish evaluation and ranking criteria for offers from landowners under this section to maximize the benefit of Federal investment under the program.

"(B) CONSIDERATIONS. When evaluating offers from landowners, the Secretary may consider—

"(i) the conservation benefits of obtaining a wetland reserve easement, including the potential envi-

ronmental benefits if the land was removed from agricultural production;

"(ii) the cost effectiveness of each wetland reserve easement, so as to maximize the environmental benefits per dollar expended;

"(iii) whether the landowner or another person is offering to contribute financially to the cost of the wetland reserve easement to leverage Federal funds; and

"(iv) such other factors as the Secretary determines are necessary to carry out the purposes of the program.

"(C) PRIORITY. The Secretary shall give priority to acquiring wetland reserve easements based on the value of the wetland reserve easement for protecting and enhancing habitat for migratory birds and other wildlife.

"(4) AGREEMENT. To be eligible to place eligible land into the program through a wetland reserve easement, the owner of such land shall enter into an agreement with the Secretary to—

"(A) grant an easement on such land to the Secretary;

"(B) authorize the implementation of a wetland reserve easement plan developed for the eligible land under subsection (f);

"(C) create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement agreed to;

"(D) provide a written statement of consent to such easement signed by those holding a security interest in the land;

"(E) comply with the terms and conditions of the easement and any related agreements; and

"(F) permanently retire any existing base history for the land on which the easement has been obtained.

"(5) TERMS AND CONDITIONS OF EASEMENT.

"(A) IN GENERAL. A wetland reserve easement shall include terms and conditions that—

"(i) permit—

"(I) repairs, improvements, and inspections on the land that are necessary to maintain existing public drainage systems; and

"(II) owners to control public access on the easement areas while identifying access routes to be used for restoration activities and management and easement monitoring;

"(ii) prohibit—

"(I) the alteration of wildlife habitat and other natural features of such land, unless specifically authorized by the Secretary;

"(II) the spraying of such land with chemicals or the mowing of such land, except where such spraying or mowing is authorized by the Secretary or is necessary—

"(aa) to comply with Federal or State noxious weed control laws;

"(bb) to comply with a Federal or State emergency pest treatment program; or

"(cc) to meet habitat needs of specific wildlife species;

"(III) any activities to be carried out on the owner's or successor's land that is immediately adjacent to, and functionally related to, the land that is subject to the easement if such activities will alter, degrade, or otherwise diminish the functional value of the eligible land; and

"(IV) the adoption of any other practice that would tend to defeat the purposes of the program, as determined by the Secretary;

"(iii) provide for the efficient and effective establishment of wetland functions and values; and

"(iv) include such additional provisions as the Secretary determines are desirable to carry out the program or facilitate the practical administration thereof.

"(B) VIOLATION. On the violation of a term or condition of a wetland reserve easement, the wetland reserve easement shall remain in force and the Secretary may require the owner to refund all or part of any payments received by the owner under the program, with interest on the payments as determined appropriate by the Secretary.

"(C) COMPATIBLE USES. Land subject to a wetland reserve easement may be used for compatible economic uses, including such activities as hunting and fishing, managed timber harvest, or periodic haying or grazing, if such use is specifically permitted by the wetland reserve easement plan developed for the land under subsection (f) and is consistent with the long-term protection and enhancement of the wetland resources for which the easement was established.

"(D) RESERVATION OF GRAZING RIGHTS. The Secretary may include in the terms and conditions of a wetland reserve easement a provision under which the owner reserves grazing rights if—

"(i) the Secretary determines that the reservation and use of the grazing rights—

"(I) is compatible with the land subject to the easement;

"(II) is consistent with the historical natural uses of the land and the long-term protection and enhancement goals for which the easement was established; and

"(III) complies with the wetland reserve easement plan developed for the land under subsection (f); and

"(ii) the agreement provides for a commensurate reduction in the easement payment to account for the grazing value, as determined by the Secretary.

"(6) COMPENSATION.

"(A) DETERMINATION.

"(i) PERMANENT EASEMENTS. The Secretary shall pay as compensation for a permanent wetland reserve easement acquired under the program an amount necessary to encourage enrollment in the program, based on the lowest of—

"(I) the fair market value of the land, as determined by the Secretary, using the Uniform Standards of Professional Appraisal Practice or an areawide market analysis or survey;

"(II) the amount corresponding to a geographical cap, as determined by the Secretary in regulations; or

"(III) the offer made by the landowner.

"(ii) OTHER. Compensation for a 30-year contract or 30-year wetland reserve easement shall be not less than 50 percent, but not more than 75 percent, of the compensation that would be paid for a permanent wetland reserve easement.

"(B) FORM OF PAYMENT. Compensation for a wetland reserve easement shall be provided by the Secretary in the form of a cash payment, in an amount determined under subparagraph (A).

"(C) PAYMENT SCHEDULE.

"(i) EASEMENTS VALUED AT $500,000 OR LESS. For wetland reserve easements valued at $500,000 or less, the Secretary may provide payments in not more than 10 annual payments.

"(ii) EASEMENTS VALUED AT MORE THAN $500,000. For wetland reserve easements valued at more than $500,000, the Secretary may provide payments in at least 5, but not more than 10 annual payments, except that, if the Secretary determines it would further the purposes of the program, the Secretary may make a lump-sum payment for such an easement.

"(c) EASEMENT RESTORATION.

"(1) IN GENERAL. The Secretary shall provide financial assistance to owners of eligible land to carry out the establishment of conservation measures and practices and protect wetland functions and values, including necessary maintenance activities, as set forth in a wetland reserve easement plan developed for the eligible land under subsection (f).

"(2) PAYMENTS. The Secretary shall—

"(A) in the case of a permanent wetland reserve easement, pay an amount that is not less than 75 percent, but not more than 100 percent, of the eligible costs, as determined by the Secretary; and

"(B) in the case of a 30-year contract or 30-year wetland reserve easement, pay an amount that is not less than 50 percent, but not more than 75 percent, of the eligible costs, as determined by the Secretary.

"(d) TECHNICAL ASSISTANCE.

"(1) IN GENERAL. The Secretary shall assist owners in complying with the terms and conditions of a wetland reserve easement.

"(2) CONTRACTS OR AGREEMENTS. The Secretary may enter into 1 or more contracts with private entities or agreements with a State, nongovernmental organization, or Indian tribe to carry out necessary restoration, enhancement, or maintenance of a wetland reserve easement if the Secretary determines that the contract or agreement will advance the purposes of the program.

"(e) WETLAND RESERVE ENHANCEMENT OPTION. The Secretary may enter into 1 or more agreements with a State (including a political subdivision or agency of a State), nongovernmental organization, or Indian tribe to carry out a special wetland reserve enhancement option that the Secretary determines would advance the purposes of program.

"(f) ADMINISTRATION.

"(1) WETLAND RESERVE EASEMENT PLAN. The Secretary shall develop a wetland reserve easement plan for any eligible land subject to a wetland reserve easement, which shall include practices and activities necessary to restore, protect, enhance, and maintain the enrolled land.

"(2) DELEGATION OF EASEMENT ADMINISTRATION.

"(A) IN GENERAL. The Secretary may delegate any of the management, monitoring, and enforcement responsibilities of the Secretary under this section to other Federal or State agencies that have the appropriate authority, expertise, and resources necessary to carry out such delegated responsibilities, or to conservation organizations if the Secretary determines the organization has similar expertise and resources.

"(B) LIMITATION. The Secretary shall not delegate any of the monitoring or enforcement responsibilities under this section to conservation organizations.

"(3) PAYMENTS.

"(A) TIMING OF PAYMENTS. The Secretary shall provide payment for obligations incurred by the Secretary under this section—

"(i) with respect to any easement restoration obligation under subsection (c), as soon as possible after the obligation is incurred; and

"(ii) with respect to any annual easement payment obligation incurred by the Secretary, as soon as possible after October 1 of each calendar year.

"(B) PAYMENTS TO OTHERS. If an owner who is entitled to a payment under this section dies, becomes incompetent, is otherwise unable to receive such payment, or is succeeded by another person or entity who renders or completes the required performance, the Secretary shall make such payment, in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all of the circumstances.

"(g) APPLICATION. The relevant provisions of this section shall also apply to a 30-year contract.

**"SEC. 1265D. [16 U.S.C. 3865d] ADMINISTRATION**

"(a) INELIGIBLE LAND. The Secretary may not use program funds for the purposes of acquiring an easement on—

"(1) lands owned by an agency of the United States, other than land held in trust for Indian tribes;

"(2) lands owned in fee title by a State, including an agency or a subdivision of a State, or a unit of local government;

"(3) land subject to an easement or deed restriction which, as determined by the Secretary, provides similar protection as would be provided by enrollment in the program; or

"(4) lands where the purposes of the program would be undermined due to on-site or off-site conditions, such as risk of hazardous substances, proposed or existing rights of way, infrastructure development, or adjacent land uses.

"(b) PRIORITY. In evaluating applications under the program, the Secretary may give priority to land that is currently enrolled in the conservation reserve program in a contract that is set to expire within 1 year and—

"(1) in the case of an agricultural land easement, is grassland that would benefit from protection under a long-term easement; and

"(2) in the case of a wetland reserve easement, is a wetland or related area with the highest wetland functions and value and is likely to return to production after the land leaves the conservation reserve program.

"(c) SUBORDINATION, EXCHANGE, MODIFICATION, AND TERMINATION.

"(1) IN GENERAL. The Secretary may subordinate, exchange, modify, or terminate any interest in land, or portion of such interest, administered by the Secretary, either directly or on behalf of the Commodity Credit Corporation under the program if the Secretary determines that—

"(A) it is in the Federal Government's interest to subordinate, exchange, modify, or terminate the interest in land;

"(B) the subordination, exchange, modification, or termination action—

"(i) will address a compelling public need for which there is no practicable alternative; or

"(ii) such action will further the practical administration of the program; and

"(C) the subordination, exchange, modification, or termination action will result in comparable conservation value and equivalent or greater economic value to the United States.

"(2) CONSULTATION. The Secretary shall work with the owner, and eligible entity if applicable, to address any subordination, exchange, modification, or termination of the interest, or portion of such interest, in land.

"(3) NOTICE. At least 90 days before taking any termination action described in paragraph (1), the Secretary shall provide written notice of such action to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(d) LAND ENROLLED IN OTHER PROGRAMS.

"(1) CONSERVATION RESERVE PROGRAM. The Secretary may terminate or modify a contract entered into under section 1231(a) if eligible land that is subject to such contract is transferred into the program.

"(2) OTHER. In accordance with the provisions of subtitle H of title II of the Agricultural Act of 2014, land enrolled in the wetlands reserve program, grassland reserve program, or farmland protection program on the day before the date of enactment of the Agricultural Act of 2014 shall be considered enrolled in the program.

"(e) COMPLIANCE WITH CERTAIN REQUIREMENTS. The Secretary may not provide assistance under this subtitle to an eligible entity or owner of eligible land unless the eligible entity or owner agrees, during the crop year for which the assistance is provided—

"(1) to comply with applicable conservation requirements under subtitle B; and

"(2) to comply with applicable wetland protection requirements under subtitle C.".

(b) CROSS REFERENCE; CALCULATION.—Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) is amended—

(1) in subsection (c)—

(A) in paragraph (1)—

(i) by inserting "and" at the end of subparagraph (A);

(ii) by striking "and" at the end of subparagraph (B); and

(iii) by striking subparagraph (C);

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following new paragraph:

"(2) the agricultural conservation easement program established under subtitle H; and"; and

(2) in subsection (f)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "programs administered under subchapters B and C of chapter 1 of subtitle D" and inserting "conservation reserve program established under subchapter B of chapter 1 of subtitle D and wetland reserve easements under section 1265C"; and

(ii) in subparagraph (B), by striking "an easement acquired under subchapter C of chapter 1 of subtitle D" and inserting "a wetland reserve easement under section 1265C";

(B) by striking paragraph (4) and inserting the following:

"(4) EXCLUSIONS.

"(A) SHELTERBELTS AND WINDBREAKS. The limitations established under paragraph (1) shall not apply to cropland that is subject to an easement under subchapter B of chapter 1 of subtitle D that is used for the establishment of shelterbelts and windbreaks.

"(B) WET AND SATURATED SOILS. For the purposes of enrolling land in a wetland reserve easement under section 1265C, the limitations established under paragraph (1) shall not apply to cropland designated by the Secretary with subclass w in the land capability classes IV through VIII because of severe use limitations due to soil saturation or inundation."; and

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

"(5) CALCULATION. In calculating the percentages described in paragraph (1), the Secretary shall include any acreage that was included in calculations of percentages made under such paragraph, as in effect on the day before the date of enactment of the Agricultural Act of 2014, and that remains enrolled when the calculation is made after that date under paragraph (1).".

# Subtitle E—Regional Conservation Partnership Program

**SEC. 2401. REGIONAL CONSERVATION PARTNERSHIP PROGRAM.**

Title XII of the Food Security Act of 1985 is amended by inserting after subtitle H, as added by section 2301, the following new subtitle:

"SUBTITLE I—REGIONAL CONSERVATION PARTNERSHIP PROGRAM

**"SEC. 1271. [16 U.S.C. 3871] ESTABLISHMENT AND PURPOSES**

"(a) ESTABLISHMENT. The Secretary shall establish a regional conservation partnership program to implement eligible activities on eligible land through—

"(1) partnership agreements with eligible partners; and

"(2) contracts with producers.

"(b) PURPOSES. The purposes of the program are as follows:

"(1) To use covered programs to accomplish purposes and functions similar to those of the following programs, as in effect on the day before the date of enactment of the Agricultural Act of 2014:

"(A) The agricultural water enhancement program established under section 1240I.

"(B) The Chesapeake Bay watershed program established under section 1240Q.

"(C) The cooperative conservation partnership initiative established under section 1243.

"(D) The Great Lakes basin program for soil erosion and sediment control established under section 1240P.

"(2) To further the conservation, restoration, and sustainable use of soil, water, wildlife, and related natural resources on eligible land on a regional or watershed scale.

"(3) To encourage eligible partners to cooperate with producers in—

"(A) meeting or avoiding the need for national, State, and local natural resource regulatory requirements related to production on eligible land; and

"(B) implementing projects that will result in the installation and maintenance of eligible activities that affect multiple agricultural or nonindustrial private forest operations on a local, regional, State, or multistate basis.

**"SEC. 1271A. [16 U.S.C. 3871a] DEFINITIONS**

"In this subtitle:

"(1) COVERED PROGRAM. The term 'covered program' means the following:

"(A) The agricultural conservation easement program.

"(B) The environmental quality incentives program.

"(C) The conservation stewardship program.

"(D) The healthy forests reserve program established under section 501 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6571).

"(2) ELIGIBLE ACTIVITY. The term 'eligible activity' means a conservation activity for any of the following:

"(A) Water quality restoration or enhancement projects, including nutrient management and sediment reduction.

"(B) Water quantity conservation, restoration, or enhancement projects relating to surface water and groundwater resources, including—

"(i) the conversion of irrigated cropland to the production of less water-intensive agricultural commodities or dryland farming; or

"(ii) irrigation system improvement and irrigation efficiency enhancement.

"(C) Drought mitigation.

"(D) Flood prevention.

"(E) Water retention.

"(F) Air quality improvement.

"(G) Habitat conservation, restoration, and enhancement.

"(H) Erosion control and sediment reduction.

"(I) Forest restoration.

"(J) Other related activities that the Secretary determines will help achieve conservation benefits.

"(3) ELIGIBLE LAND.

"(A) IN GENERAL. The term 'eligible land' means—

"(i) land on which agricultural commodities, livestock, or forest-related products are produced; and

"(ii) lands associated with the lands described in clause (i).

"(B) INCLUSIONS. The term 'eligible land' includes—

"(i) cropland;

"(ii) grassland;

"(iii) rangeland;

"(iv) pastureland;

"(v) nonindustrial private forest land; and

"(vi) other land incidental to agricultural production (including wetlands and riparian buffers) on which significant natural resource issues could be addressed under the program.

"(4) ELIGIBLE PARTNER. The term 'eligible partner' means any of the following:

"(A) An agricultural or silvicultural producer association or other group of producers.

"(B) A State or unit of local government.

"(C) An Indian tribe.

"(D) A farmer cooperative.

"(E) A water district, irrigation district, rural water district or association, or other organization with specific water delivery authority to producers on agricultural land.

"(F) A municipal water or wastewater treatment entity.

"(G) An institution of higher education.

"(H) An organization or entity with an established history of working cooperatively with producers on agricultural land, as determined by the Secretary, to address—

"(i) local conservation priorities related to agricultural production, wildlife habitat development, or nonindustrial private forest land management; or

"(ii) critical watershed-scale soil erosion, water quality, sediment reduction, or other natural resource issues.

"(5) PARTNERSHIP AGREEMENT. The term 'partnership agreement' means an agreement entered into under section 1271B between the Secretary and an eligible partner.

"(6) PROGRAM. The term 'program' means the regional conservation partnership program established by this subtitle.

**"SEC. 1271B. [16 U.S.C. 3871b] REGIONAL CONSERVATION PARTNERSHIPS**

"(a) PARTNERSHIP AGREEMENTS AUTHORIZED. The Secretary may enter into a partnership agreement with an eligible partner to implement a project that will assist producers with installing and maintaining an eligible activity on eligible land.

"(b) LENGTH. A partnership agreement shall be for a period not to exceed 5 years, except that the Secretary may extend the agreement one time for up to 12 months when an extension is necessary to meet the objectives of the program.

"(c) DUTIES OF PARTNERS.

"(1) IN GENERAL. Under a partnership agreement, the eligible partner shall—

"(A) define the scope of a project, including—

"(i) the eligible activities to be implemented;

"(ii) the potential agricultural or nonindustrial private forest land operations affected;

"(iii) the local, State, multistate, or other geographic area covered; and

"(iv) the planning, outreach, implementation, and assessment to be conducted;

"(B) conduct outreach and education to producers for potential participation in the project;

"(C) at the request of a producer, act on behalf of a producer participating in the project in applying for assistance under section 1271C;

"(D) leverage financial or technical assistance provided by the Secretary with additional funds to help achieve the project objectives;

"(E) conduct an assessment of the project's effects; and

"(F) at the conclusion of the project, report to the Secretary on its results and funds leveraged.

"(2) CONTRIBUTION. An eligible partner shall provide a significant portion of the overall costs of the scope of the project that is the subject of the agreement entered into under subsection (a), as determined by the Secretary.

"(d) APPLICATIONS.

"(1) COMPETITIVE PROCESS. The Secretary shall conduct a competitive process to select applications for partnership agreements and may assess and rank applications with similar conservation purposes as a group.

"(2) CRITERIA USED. In carrying out the process described in paragraph (1), the Secretary shall make public the criteria used in evaluating applications.

"(3) CONTENT. An application to the Secretary shall include a description of—

"(A) the scope of the project, as described in subsection (c)(1)(A);

"(B) the plan for monitoring, evaluating, and reporting on progress made toward achieving the project's objectives;

"(C) the program resources requested for the project, including the covered programs to be used and estimated funding needed from the Secretary;

"(D) each eligible partner collaborating to achieve project objectives, including their roles, responsibilities, capabilities, and financial contribution; and

"(E) any other elements the Secretary considers necessary to adequately evaluate and competitively select applications for funding under the program.

"(4) PRIORITY TO CERTAIN APPLICATIONS. The Secretary may give a higher priority to applications that—

"(A) assist producers in meeting or avoiding the need for a natural resource regulatory requirement;

"(B) have a high percentage of producers in the area to be covered by the agreement;

"(C) significantly leverage non-Federal financial and technical resources and coordinate with other local, State, or national efforts;

"(D) deliver high percentages of applied conservation to address conservation priorities or regional, State, or national conservation initiatives;

"(E) provide innovation in conservation methods and delivery, including outcome-based performance measures and methods; or

"(F) meet other factors that are important for achieving the purposes of the program, as determined by the Secretary.

**"SEC. 1271C. [16 U.S.C. 3871c] ASSISTANCE TO PRODUCERS**

"(a) IN GENERAL. The Secretary shall enter into contracts with producers to provide financial and technical assistance to—

"(1) producers participating in a project with an eligible partner; or

"(2) producers that fit within the scope of a project described in section 1271B or a critical conservation area designated under section 1271F, but who are seeking to implement an eligible activity on eligible land independent of an eligible partner.

"(b) TERMS AND CONDITIONS.

"(1) CONSISTENCY WITH PROGRAM RULES.

"(A) IN GENERAL. Except as provided in subparagraph (B) and paragraph (2), the Secretary shall ensure that the terms and conditions of a contract under this section are consistent with the applicable rules of the covered programs to be used as part of the partnership agreement, as described in the application under section 1271B(d)(3)(C).

"(B) ADJUSTMENTS.

"(i) IN GENERAL. The Secretary may adjust the rules of a covered program, including—

"(I) operational guidance and requirements for a covered program at the discretion of the Secretary so as to provide a simplified application and evaluation process; and

"(II) nonstatutory, regulatory rules or provisions to better reflect unique local circumstances and purposes if the Secretary determines such adjustments are necessary to achieve the purposes of the covered program.

"(ii) LIMITATION. The Secretary shall not adjust the application of statutory requirements for a covered program, including requirements governing appeals, payment limits, and conservation compliance.

"(iii) IRRIGATION. In States where irrigation has not been used significantly for agricultural purposes, as determined by the Secretary, the Secretary shall not limit eligibility under section 1271B or this section on the basis of prior irrigation history.

"(2) ALTERNATIVE FUNDING ARRANGEMENTS.

"(A) IN GENERAL. For the purposes of providing assistance for land described in subsection (a) and section 1271F, the Secretary may enter into alternative funding arrangements with a multistate water resource agency or authority if—

"(i) the Secretary determines that the goals and objectives of the program will be met by the alternative funding arrangements;

"(ii) the agency or authority certifies that the limitations established under this section on agreements with individual producers will not be exceeded; and

"(iii) all participating producers meet applicable payment eligibility provisions.

"(B) CONDITIONS. As a condition of receiving funding under subparagraph (A), the multistate water resource agency or authority shall agree—

"(i) to submit an annual independent audit to the Secretary that describes the use of funds under this paragraph;

"(ii) to provide any data necessary for the Secretary to issue a report on the use of funds under this paragraph; and

"(iii) not to use any of the funds provided pursuant to subparagraph (A) for administration or to provide for administrative costs through contracts with another entity.

"(C) LIMITATION. The Secretary may enter into not more than 20 alternative funding arrangements under this paragraph.

"(c) PAYMENTS.

"(1) IN GENERAL. In accordance with statutory requirements of the covered programs involved, the Secretary may make payments to a producer in an amount determined by the Secretary to be necessary to achieve the purposes of the program.

"(2) PAYMENTS TO CERTAIN PRODUCERS. The Secretary may provide payments for a period of 5 years—

"(A) to producers participating in a project that addresses water quantity concerns and in an amount sufficient to encourage conversion from irrigated to dryland farming; and

"(B) to producers participating in a project that addresses water quality concerns and in an amount sufficient to encourage adoption of conservation practices and systems that improve nutrient management.

"(3) WAIVER AUTHORITY. To assist in the implementation of the program, the Secretary may waive the applicability of the limitation in section 1001D(b)(2) of this Act for participating producers if the Secretary determines that the waiver is necessary to fulfill the objectives of the program.

**"SEC. 1271D. [16 U.S.C. 3871d] FUNDING**

"(a) AVAILABILITY OF FUNDS. The Secretary shall use $100,000,000 of the funds of the Commodity Credit Corporation for each of fiscal years 2014 through 2018 to carry out the program.

"(b) DURATION OF AVAILABILITY. Funds made available under subsection (a) shall remain available until expended.

"(c) ADDITIONAL FUNDING AND ACRES.

"(1) IN GENERAL. In addition to the funds made available under subsection (a), the Secretary shall reserve 7 percent of the funds and acres made available for a covered program for each of fiscal years 2014 through 2018 in order to ensure additional resources are available to carry out this program.

"(2) UNUSED FUNDS AND ACRES. Any funds or acres reserved under paragraph (1) for a fiscal year from a covered program that are not committed under this program by April

1 of that fiscal year shall be returned for use under the covered program.

"(d) ALLOCATION OF FUNDING. Of the funds and acres made available for the program under subsection (a) and reserved for the program under subsection (c), the Secretary shall allocate—

"(1) 25 percent of the funds and acres to projects based on a State competitive process administered by the State Conservationist, with the advice of the State technical committee established under subtitle G;

"(2) 40 percent of the funds and acres to projects based on a national competitive process to be established by the Secretary; and

"(3) 35 percent of the funds and acres to projects for critical conservation areas designated under section 1271F.

"(e) LIMITATION ON ADMINISTRATIVE EXPENSES. None of the funds made available or reserved for the program may be used to pay for the administrative expenses of eligible partners.

**"SEC. 1271E. [16 U.S.C. 3871e] ADMINISTRATION**

"(a) DISCLOSURE. In addition to the criteria used in evaluating applications as described in section 1271B(d)(2), the Secretary shall make publicly available information on projects selected through the competitive process described in section 1271B(d)(1).

"(b) REPORTING. Not later than December 31, 2014, and every two years thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the status of projects funded under the program, including—

"(1) the number and types of eligible partners and producers participating in the partnership agreements selected;

"(2) the number of producers receiving assistance;

"(3) total funding committed to projects, including from Federal and non-Federal resources; and

"(4) a description of how the funds under section 1271C(b)(2) are being administered, including—

"(A) any oversight mechanisms that the Secretary has implemented;

"(B) the process through which the Secretary is resolving appeals by program participants; and

"(C) the means by which the Secretary is tracking adherence to any applicable provisions for payment eligibility.

**"SEC. 1271F. [16 U.S.C. 3871f] CRITICAL CONSERVATION AREAS**

"(a) IN GENERAL. In administering funds under section 1271D(d)(3), the Secretary shall select applications for partnership agreements and producer contracts within critical conservation areas designated under this section.

"(b) CRITICAL CONSERVATION AREA DESIGNATIONS.

"(1) PRIORITY. In designating critical conservation areas under this section, the Secretary shall give priority to geographical areas based on the degree to which the geographical area—

"(A) includes multiple States with significant agricultural production;

"(B) is covered by an existing regional, State, binational, or multistate agreement or plan that has established objectives, goals, and work plans and is adopted by a Federal, State, or regional authority;

"(C) would benefit from water quality improvement, including through reducing erosion, promoting sediment control, and addressing nutrient management activities affecting large bodies of water of regional, national, or international significance;

"(D) would benefit from water quantity improvement, including improvement relating to—

"(i) groundwater, surface water, aquifer, or other water sources; or

"(ii) a need to promote water retention and flood prevention; or

"(E) contains producers that need assistance in meeting or avoiding the need for a natural resource regulatory requirement that could have a negative impact on the economic scope of the agricultural operations within the area.

"(2) EXPIRATION. Critical conservation area designations under this section shall expire after 5 years, subject to redesignation, except that the Secretary may withdraw designation from an area if the Secretary finds the area no longer meets the conditions described in paragraph (1).

"(3) LIMITATION. The Secretary may not designate more than 8 geographical areas as critical conservation areas under this section.

"(c) ADMINISTRATION.

"(1) IN GENERAL. Except as provided in paragraph (2), the Secretary shall administer any partnership agreement or producer contract under this section in a manner that is consistent with the terms of the program.

"(2) RELATIONSHIP TO EXISTING ACTIVITY. The Secretary shall, to the maximum extent practicable, ensure that eligible activities carried out in critical conservation areas designated under this section complement and are consistent with other Federal and State programs and water quality and quantity strategies.

"(3) ADDITIONAL AUTHORITY. For a critical conservation area described in subsection (b)(1)(D), the Secretary may use authorities under the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.), other than section 14 of such Act (16 U.S.C. 1012), to carry out projects for the purposes of this section.".

# Subtitle F—Other Conservation Programs

**SEC. 2501. CONSERVATION OF PRIVATE GRAZING LAND.**

Section 1240M(e) of the Food Security Act of 1985 (16 U.S.C. 3839bb(e)) is amended by striking "2012" and inserting "2018".

**SEC. 2502. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.**

Section 1240O(b) of the Food Security Act of 1985 (16 U.S.C. 3839bb-2(b)) is amended to read as follows:

"(b) FUNDING.

"(1) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2008 through 2018.

"(2) AVAILABILITY OF FUNDS. In addition to funds made available under paragraph (1), of the funds of the Commodity Credit Corporation, the Secretary shall use $5,000,000, to remain available until expended.".

**SEC. 2503. VOLUNTARY PUBLIC ACCESS AND HABITAT INCENTIVE PROGRAM.**

(a) FUNDING.—Section 1240R(f)(1) of the Food Security Act of 1985 (16 U.S.C. 3839bb-5(f)(1)) is amended—

(1) in the heading, by striking "Fiscal years 2009 through 2012" and inserting "Mandatory funding"; and

(2) by inserting "and $40,000,000 for the period of fiscal years 2014 through 2018" before the period at the end.

(b) REPORT ON PROGRAM EFFECTIVENESS.—Not later than 2 years after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report evaluating the effectiveness of the voluntary public access and habitat incentive program established by section 1240R of the Food Security Act of 1985 (16 U.S.C. 3839bb-5), including—

(1) identifying cooperating agencies;

(2) identifying the number of land holdings and total acres enrolled by State;

(3) evaluating the extent of improved access on eligible land, improved wildlife habitat, and related economic benefits; and

(4) any other relevant information and data relating to the program that would be helpful to such Committees.

**SEC. 2504. AGRICULTURE CONSERVATION EXPERIENCED SERVICES PROGRAM.**

Subsection (c)(2) of section 1252 of the Food Security Act of 1985 (16 U.S.C. 3851) is amended to read as follows:

"(2) EXCLUSION. Funds made available to carry out the conservation reserve program may not be used to carry out the ACES program.".

**SEC. 2505. SMALL WATERSHED REHABILITATION PROGRAM.**

(a) AVAILABILITY OF FUNDS.—Section 14(h)(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(1)) is amended—

(1) in subparagraph (E), by striking "; and" and inserting a semicolon;

(2) in subparagraph (F), by striking the period and inserting a semicolon;

(3) in subparagraph (G), by striking the period and inserting "; and"; and

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

"(H) $250,000,000 for fiscal year 2014, to remain available until expended.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 14(h)(2)(E) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(2)(E)) is amended by striking "2012" and inserting "2018".

**SEC. 2506. EMERGENCY WATERSHED PROTECTION PROGRAM.**

Section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203) is amended—

(1) by striking " SEC. 403. The Secretary" and inserting the following:

**"SEC. 403. EMERGENCY MEASURES**

"(a) IN GENERAL. The Secretary"; and

(2) by adding at the end the following:

"(b) FLOODPLAIN EASEMENTS.

"(1) MODIFICATION AND TERMINATION. The Secretary may modify or terminate a floodplain easement administered by the Secretary under this section if—

"(A) the current owner agrees to the modification or termination; and

"(B) the Secretary determines that the modification or termination—

"(i) will address a compelling public need for which there is no practicable alternative; and

"(ii) is in the public interest.

"(2) CONSIDERATION.

"(A) TERMINATION. As consideration for termination of an easement and associated agreements under paragraph (1), the Secretary shall enter into compensatory arrangements as determined to be appropriate by the Secretary.

"(B) MODIFICATION. In the case of a modification under paragraph (1)—

"(i) as a condition of the modification, the current owner shall enter into a compensatory arrangement (as determined to be appropriate by the Secretary) to incur the costs of modification; and

"(ii) the Secretary shall ensure that—

"(I) the modification will not adversely affect the floodplain functions and values for which the easement was acquired;

"(II) any adverse impacts will be mitigated by enrollment and restoration of other land that provides greater floodplain functions and values at no additional cost to the Federal Government; and

"(III) the modification will result in equal or greater environmental and economic values to the United States.".

**SEC. 2507. TERMINAL LAKES.**

Section 2507 of the Farm Security and Rural Investment Act of 2002 (43 U.S.C. 2211 note; Public Law 107-171) is amended to read as follows:

**"SEC. 2507. TERMINAL LAKES ASSISTANCE**

"(a) DEFINITIONS. In this section:

"(1) ELIGIBLE LAND. The term 'eligible land' means privately owned agricultural land (including land in which a State has a property interest as a result of State water law)—

"(A) that a landowner voluntarily agrees to sell to a State; and

"(B) which—

"(i)(I) is ineligible for enrollment as a wetland reserve easement established under the agricultural conservation easement program under subtitle H of the Food Security Act of 1985;

"(II) is flooded to—

"(aa) an average depth of at least 6.5 feet; or

"(bb) a level below which the State determines the management of the water level is beyond the control of the State or landowner; or

"(III) is inaccessible for agricultural use due to the flooding of adjoining property (such as islands of agricultural land created by flooding);

"(ii) is located within a watershed with water rights available for lease or purchase; and

"(iii) has been used during at least 5 of the immediately preceding 30 years—

"(I) to produce crops or hay; or

"(II) as livestock pasture or grazing.

"(2) PROGRAM. The term 'program' means the voluntary land purchase program established under this section.

"(3) TERMINAL LAKE. The term 'terminal lake' means a lake and its associated riparian and watershed resources that is—

"(A) considered flooded because there is no natural outlet for water accumulating in the lake or the associated riparian area such that the watershed and surrounding land is consistently flooded; or

"(B) considered terminal because it has no natural outlet and is at risk due to a history of consistent Federal assistance to address critical resource conditions, including insufficient water available to meet the needs of the lake, general uses, and water rights.

"(b) ASSISTANCE. The Secretary shall—

"(1) provide grants under subsection (c) for the purchase of eligible land impacted by a terminal lake described in subsection (a)(3)(A); and

"(2) provide funds to the Secretary of the Interior pursuant to subsection (e)(2) with assistance in accordance with subsection (d) for terminal lakes described in subsection (a)(3)(B).

"(c) LAND PURCHASE GRANTS.

"(1) IN GENERAL. Using funds provided under subsection (e)(1), the Secretary shall make available land purchase grants to States for the purchase of eligible land in accordance with this subsection.

"(2) IMPLEMENTATION.

"(A) AMOUNT. A land purchase grant shall be in an amount not to exceed the lesser of—

"(i) 50 percent of the total purchase price per acre of the eligible land; or

"(ii)(I) in the case of eligible land that was used to produce crops or hay, $400 per acre; and

"(II) in the case of eligible land that was pasture or grazing land, $200 per acre.

"(B) DETERMINATION OF PURCHASE PRICE. A State purchasing eligible land with a land purchase grant shall ensure, to the maximum extent practicable, that the purchase price of such land reflects the value, if any, of other encumbrances on the eligible land to be purchased, including easements and mineral rights.

"(C) COST-SHARE REQUIRED. To be eligible to receive a land purchase grant, a State shall provide matching non-Federal funds in an amount equal to 50 percent of the amount described in subparagraph (A), including additional non-Federal funds.

"(D) CONDITIONS. To receive a land purchase grant, a State shall agree—

"(i) to ensure that any eligible land purchased is—

"(I) conveyed in fee simple to the State; and

"(II) free from mortgages or other liens at the time title is transferred;

"(ii) to maintain ownership of the eligible land in perpetuity;

"(iii) to pay (from funds other than grant dollars awarded) any costs associated with the purchase of eligible land under this section, including surveys and legal fees; and

"(iv) to keep eligible land in a conserving use, as defined by the Secretary.

"(E) LOSS OF FEDERAL BENEFITS. Eligible land purchased with a grant under this section shall lose eligibility for any benefits under other Federal programs, including—

"(i) benefits under title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.);

"(ii) benefits under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.); and

"(iii) covered benefits described in section 1001D(b) of the Food Security Act of 1985 (7 U.S.C. 1308-3a).

"(F) PROHIBITION. Any Federal rights or benefits associated with eligible land prior to purchase by a State may not be transferred to any other land or person in anticipation of or as a result of such purchase.

"(d) WATER ASSISTANCE.

"(1) IN GENERAL. The Secretary of the Interior, acting through the Commissioner of Reclamation, may use the funds described in subsection (e)(2) to administer and provide financial assistance to carry out this subsection to provide water and assistance to a terminal lake described in subsection (a)(3)(B) through willing sellers or willing participants only—

"(A) to lease water;

"(B) to purchase land, water appurtenant to the land, and related interests; and

"(C) to carry out research, support, and conservation activities for associated fish, wildlife, plant, and habitat resources.

"(2) EXCLUSIONS. The Secretary of the Interior may not use this subsection to deliver assistance to the Great Salt Lake in Utah, lakes that are considered dry lakes, or other lakes that do not meet the purposes of this section, as determined by the Secretary of the Interior.

"(3) TRANSITIONAL PROVISION.

"(A) IN GENERAL. Notwithstanding any other provision of this section, any funds made available before the date of enactment of the Agricultural Act of 2014 under a provision of law described in subparagraph (B) shall remain available using the provisions of law (including regulations) in effect on the day before the date of enactment of that Act.

"(B) DESCRIBED LAWS. The provisions of law described in this section are—

"(i) section 2507 of the Farm Security and Rural Investment Act of 2002 (43 U.S.C. 2211 note; Public Law 107-171) (as in effect on the day before the date of enactment of the Agricultural Act of 2014);

"(ii) section 207 of the Energy and Water Development Appropriations Act, 2003 (Public Law 108-7; 117 Stat. 146);

"(iii) section 208 of the Energy and Water Development Appropriations Act, 2006 (Public Law 109-103; 119 Stat. 2268, 123 Stat. 2856); and

"(iv) section 208 of the Energy and Water Development and Related Agencies Appropriations Act, 2010 (Public Law 111-85; 123 Stat. 2858, 123 Stat. 2967, 125 Stat. 867).

"(e) FUNDING.

"(1) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated to the Secretary to carry out subsection (c) $25,000,000, to remain available until expended.

"(2) COMMODITY CREDIT CORPORATION. As soon as practicable after the date of enactment of the Agricultural Act of 2014, the Secretary shall transfer to the 'Bureau of Reclamation—Water and Related Resources' account $150,000,000 from the funds of the Commodity Credit Corporation to carry out subsection (d), to remain available until expended.".

**SEC. 2508. SOIL AND WATER RESOURCES CONSERVATION.**

(a) CONGRESSIONAL POLICY AND DECLARATION OF PURPOSE.—Section 4 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2003) is amended—

(1) in subsection (b), by inserting "and tribal" after "State" each place it appears; and

(2) in subsection (c)(2), by inserting ", tribal," after "State".

(b) CONTINUING APPRAISAL OF SOIL, WATER, AND RELATED RESOURCES.—Section 5 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2004) is amended—

(1) in subsection (a)(4), by striking "and State" and inserting ", State, and tribal";

(2) in subsection (b), by inserting ", tribal" after "State" each place it appears; and

(3) in subsection (c)—

(A) by striking "State soil" and inserting "State and tribal soil"; and

(B) by striking "local" and inserting "local, tribal,".

(c) SOIL AND WATER CONSERVATION PROGRAM.—Section 6(a) of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2005(a)) is amended—

(1) by inserting ", tribal," after "State" the first place it appears;

(2) by inserting ", tribal" after "State" each other place it appears; and

(3) by inserting ", tribal," after "private".

(d) UTILIZATION OF AVAILABLE INFORMATION AND DATA.—Section 9 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2008) is amended by inserting ", tribal" after "State".

## Subtitle G—Funding and Administration

**SEC. 2601. FUNDING.**

(a) IN GENERAL.—Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended by striking subsection (a) and inserting the following:

"(a) ANNUAL FUNDING. For each of fiscal years 2014 through 2018, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out the following programs under this title (including the provision of technical assistance):

"(1) The conservation reserve program under subchapter B of chapter 1 of subtitle D, including, to the maximum extent practicable—

"(A) $10,000,000 for the period of fiscal years 2014 through 2018 to provide payments under section 1234(c); and

"(B) $33,000,000 for the period of fiscal years 2014 through 2018 to carry out section 1235(f) to facilitate the transfer of land subject to contracts from retired or retiring owners and operators to beginning farmers or ranchers and socially disadvantaged farmers or ranchers.

"(2) The agricultural conservation easement program under subtitle H using to the maximum extent practicable—

"(A) $400,000,000 for fiscal year 2014;

"(B) $425,000,000 for fiscal year 2015;

"(C) $450,000,000 for fiscal year 2016;

"(D) $500,000,000 for fiscal year 2017; and

"(E) $250,000,000 for fiscal year 2018.

"(3) The conservation security program under subchapter A of chapter 2 of subtitle D, using such sums as are necessary to administer contracts entered into before September 30, 2008.

"(4) The conservation stewardship program under subchapter B of chapter 2 of subtitle D.

"(5) The environmental quality incentives program under chapter 4 of subtitle D, using, to the maximum extent practicable—

"(A) $1,350,000,000 for fiscal year 2014;

"(B) $1,600,000,000 for fiscal year 2015;

"(C) $1,650,000,000 for fiscal year 2016;

"(D) $1,650,000,000 for fiscal year 2017; and

"(E) $1,750,000,000 for fiscal year 2018.".

(b) GUARANTEED AVAILABILITY OF FUNDS.—Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended—

(1) by redesignating subsections (b) through (h) as subsections (c) through (i), respectively;

(2) by inserting after subsection (a) the following:

"(b) AVAILABILITY OF FUNDS. Amounts made available by subsection (a) for fiscal years 2014 through 2018 shall be used by the Secretary to carry out the programs specified in such subsection and shall remain available until expended."; and

(3) in subsection (d) (as redesignated by paragraph (1)), by striking "subsection (b)" and inserting "subsection (c)".

**SEC. 2602. TECHNICAL ASSISTANCE.**

Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended by striking subsection (c) (as redesignated by section 2601(b)(1)) and inserting the following:

"(c) TECHNICAL ASSISTANCE.

"(1) AVAILABILITY. Commodity Credit Corporation funds made available for a fiscal year for each of the programs specified in subsection (a)—

"(A) shall be available for the provision of technical assistance for the programs for which funds are made available as necessary to implement the programs effectively;

"(B) except for technical assistance for the conservation reserve program under subchapter B of chapter 1 of subtitle D, shall be apportioned for the provision of technical assistance in the amount determined by the Secretary, at the sole discretion of the Secretary; and

"(C) shall not be available for the provision of technical assistance for conservation programs specified in subsection (a) other than the program for which the funds were made available.

"(2) PRIORITY.

"(A) IN GENERAL. In the delivery of technical assistance under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a et seq.), the Secretary shall give priority to producers who request technical assistance from the Secretary in order to comply for the first time with the requirements of subtitle B and subtitle C of this title as a

result of the amendments made by section 2611 of the Agricultural Act of 2014.

"(B) REPORT. Not later than 270 days after the date of enactment of the Agricultural Act of 2014, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report regarding the extent to which the conservation compliance requirements contained in the amendments made by section 2611 of the Agricultural Act of 2014 apply to and impact specialty crop growers, including national analysis and surveys to determine the extent of specialty crop acreage that includes highly erodible land and wetlands.

"(3) REPORT. Not later than December 31, 2014, the Secretary shall submit (and update as necessary in subsequent years) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

"(A) detailing the amount of technical assistance funds requested and apportioned in each program specified in subsection (a) during the preceding fiscal year; and

"(B) any other data relating to this provision that would be helpful to such Committees.

"(4) COMPLIANCE REPORT. Not later than November 1 of each year, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that includes—

"(A) a description of the extent to which the requests for highly erodible land conservation and wetland compliance determinations are being addressed in a timely manner;

"(B) the total number of requests completed in the previous fiscal year;

"(C) the incomplete determinations on record; and

"(D) the number of requests that are still outstanding more than 1 year since the date on which the requests were received from the producer.".

**SEC. 2603. REGIONAL EQUITY.**

Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended by striking subsection (e) (as redesignated by section 2601(b)(1)) and inserting the following:

"(e) REGIONAL EQUITY.

"(1) EQUITABLE DISTRIBUTION. When determining funding allocations each fiscal year, the Secretary shall, after considering available funding and program demand in each State, provide a distribution of funds for conservation programs under subtitle D (excluding the conservation reserve program under subchapter B of chapter 1), subtitle H, and subtitle I to ensure equitable program participation proportional to historical funding allocations and usage by all States.

"(2) MINIMUM PERCENTAGE. In determining the specific funding allocations under paragraph (1), the Secretary shall—

"(A) ensure that during the first quarter of each fiscal year each State has the opportunity to establish that the State can use an aggregate allocation amount of at least 0.6 percent of the funds made available for those conservation programs; and

"(B) for each State that can so establish, provide an aggregate amount of at least 0.6 percent of the funds made available for those conservation programs.".

**SEC. 2604. RESERVATION OF FUNDS TO PROVIDE ASSISTANCE TO CERTAIN FARMERS OR RANCHERS FOR CONSERVATION ACCESS.**

Subsection (h) of section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) (as redesignated by section 2601(b)(1)) is amended—

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

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

"(4) PREFERENCE. In providing assistance under paragraph (1), the Secretary shall give preference to a veteran farmer or rancher (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))) that qualifies under subparagraph (A) or (B) of paragraph (1).".

**SEC. 2605. ANNUAL REPORT ON PROGRAM ENROLLMENTS AND ASSISTANCE.**

Subsection (i) of section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) (as redesignated by section 2601(b)(1)) is amended—

(1) in paragraph (1), by striking "wetlands reserve program" and inserting "agricultural conservation easement program";

(2) by striking paragraphs (2) and (3) and redesignating paragraphs (4), (5), and (6) as paragraphs (2), (3), and (4), respectively;

(3) in paragraph (3) (as so redesignated)—

(A) by striking "agricultural water enhancement program" and inserting "regional conservation partnership program"; and

(B) by striking "1240I(g)" and inserting "1271C(c)(3)"; and

(4) by adding at the end the following:

"(5) Payments made under the conservation stewardship program.

"(6) Exceptions provided by the Secretary under section 1265B(b)(2)(C).".

**SEC. 2606. ADMINISTRATIVE REQUIREMENTS APPLICABLE TO ALL CONSERVATION PROGRAMS.**

Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) is amended—

(1) in subsection (a)(2), by adding at the end the following new subparagraph:

"(E) Veteran farmers or ranchers (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))).";

(2) in subsection (d), by inserting ", H, and I" before the period at the end;

(3) in subsection (f)—

(A) in paragraph (1)(B), by striking "country" and inserting "county"; and

(B) in paragraph (3), by striking "subsection (c)(2)(B) or (f)(4)" and inserting "subsection (d)(2)(A)(ii) or (g)(2)";

(4) in subsection (h)(2), by inserting ", including, to the extent practicable, practices that maximize benefits for honey bees" after "pollinators"; and

(5) by adding at the end the following new subsections:

"(j) IMPROVED ADMINISTRATIVE EFFICIENCY AND EFFECTIVENESS. In administrating a conservation program under this title, the Secretary shall, to the maximum extent practicable—

"(1) seek to reduce administrative burdens and costs to producers by streamlining conservation planning and program resources; and

"(2) take advantage of new technologies to enhance efficiency and effectiveness.

"(k) RELATION TO OTHER PAYMENTS. Any payment received by an owner or operator under this title, including an easement payment or rental payment, shall be in addition to, and not affect, the total amount of payments that the owner or operator is otherwise eligible to receive under any of the following:

"(1) This Act.

"(2) The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).

"(3) The Agricultural Act of 2014.

"(4) Any law that succeeds a law specified in paragraph (1), (2), or (3).

"(l) FUNDING FOR INDIAN TRIBES. In carrying out the conservation stewardship program under subchapter B of chapter 2 of subtitle D and the environmental quality incentives program under chapter 4 of subtitle D, the Secretary may enter into alternative funding arrangements with Indian tribes if the Secretary determines that the goals and objectives of the programs will be met by such arrangements, and that statutory limitations regarding contracts with individual producers will not be exceeded by any tribal member.".

**SEC. 2607. STANDARDS FOR STATE TECHNICAL COMMITTEES.**

Section 1261(b) of the Food Security Act of 1985 (16 U.S.C. 3861(b)) is amended by striking "Not later than 180 days after the date of enactment of the Food, Conservation, and Energy Act of 2008, the Secretary shall develop" and inserting "The Secretary shall review and update as necessary".

**SEC. 2608. RULEMAKING AUTHORITY.**

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended by adding at the end the following new section:

**"SEC. 1246. [16 U.S.C. 3846] REGULATIONS**

"(a) IN GENERAL. The Secretary shall promulgate such regulations as are necessary to implement programs under this title, including such regulations as the Secretary determines to be nec-

essary to ensure a fair and reasonable application of the limitations established under section 1244(f).

"(b) RULEMAKING PROCEDURE. The promulgation of regulations and administration of programs under this title—

"(1) shall be carried out without regard to chapter 35 of title 44, United States Code (commonly known as the Paperwork Reduction Act); and

"(2) shall be made as an interim rule effective on publication with an opportunity for notice and comment.

"(c) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING. In promulgating regulations under this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.".

**SEC. 2609. WETLANDS MITIGATION.**

Section 1222(k) of the Food Security Act of 1985 (16 U.S.C. 3822(k)) is amended to read as follows:

"(k) MITIGATION BANKING.

"(1) MITIGATION BANKING PROGRAM.

"(A) IN GENERAL. Using authorities available to the Secretary, the Secretary shall operate a program or work with third parties to establish mitigation banks to assist persons in complying with the provisions of this section while mitigating any loss of wetland values and functions.

"(B) FUNDING. Of the funds of the Commodity Credit Corporation, the Secretary shall use $10,000,000, to remain available until expended, to carry out this paragraph.

"(2) APPLICABILITY. Subsection (f)(2)(C) shall not apply to this subsection.

"(3) POLICY AND CRITERIA. The Secretary shall develop the appropriate policy and criteria that will allow willing persons to access existing mitigation banks, under this section or any other authority, that will serve the purposes of this section without requiring the Secretary to hold an easement, in whole or in part, in a mitigation bank.".

**SEC. 2610. LESSER PRAIRIE-CHICKEN CONSERVATION REPORT.**

(a) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of a review and analysis of each of the activities (including those administered by the Secretary) that pertain to the conservation of the lesser prairie-chicken, including the conservation reserve program, the environmental quality incentives program, the Lesser Prairie-Chicken Initiative, the Western Association of Fish and Wildlife Agencies Candidate Conservation Agreement with Assurances for Oil and Gas, and the Western Association of Fish and Wildlife Agencies Lesser Prairie-Chicken Range-Wide Conservation Plan.

(b) CONTENTS.—The Secretary shall include in the report required by this section, at a minimum—

(1) with respect to each activity described in subsection (a) as it relates to the conservation of the lesser prairie-chicken, findings regarding—

(A) the cost of the activity to the Federal Government, impacted State governments, and the private sector;

(B) the conservation effectiveness of the activity; and

(C) the cost effectiveness of the activity; and

(2) a ranking of the activities described in subsection (a) based on their relative cost effectiveness.

**SEC. 2611. HIGHLY ERODIBLE LAND AND WETLAND CONSERVATION FOR CROP INSURANCE.**

(a) HIGHLY ERODIBLE LAND PROGRAM INELIGIBILITY.—

(1) IN GENERAL.—Section 1211(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3811(a)(1)) is amended—

(A) in subparagraph (C), by striking "or" at the end;

(B) in subparagraph (D), by adding "or" at the end; and

(C) by adding at the end the following:

"(E) any portion of the premium paid by the Federal Crop Insurance Corporation for a policy or plan of insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), on the condition that if a person is determined to have committed a violation under this subsection during a crop year, ineligibility under this subparagraph shall—

"(i) only apply to reinsurance years subsequent to the date of final determination of a violation, including all administrative appeals; and

"(ii) not apply to the existing reinsurance year or any reinsurance year prior to the date of final determination;".

(2) EXEMPTIONS.—Section 1212(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3812(a)(2)) is amended—

(A) in the first sentence, by striking "(2) If," and inserting the following:

"(2) ELIGIBILITY BASED ON COMPLIANCE WITH CONSERVATION PLAN.

"(A) IN GENERAL. If,";

(B) in the second sentence, by striking "In carrying" and inserting the following:

"(B) MINIMIZATION OF DOCUMENTATION. In carrying"; and

(C) by adding at the end the following:

"(C) CROP INSURANCE.

"(i) OPERATIONS NEW TO COMPLIANCE. Notwithstanding section 1211(a), in the case of a person that is subject to section 1211 for the first time solely due to the amendment made by section 2611(a) of the Agricultural Act of 2014, any person who produces an agricultural commodity on the land that is the basis of the payments described in section 1211(a)(1)(E) shall have 5 reinsurance years after the date on which such payments become subject to section 1211 to develop and comply with an approved conservation plan so as to maintain eligibility for such payments.

"(ii) EXISTING OPERATIONS WITH PRIOR VIOLATIONS. Notwithstanding section 1211(a), in the case of a person that the Secretary determines would have been in violation of section 1211(a) if the person had continued participation in the programs requiring compliance at any time after the date of enactment of the Agricultural Act of 2014 and is currently in violation of section 1211(a), the person shall have 2 reinsurance years after the date on which the payments described in section 1211(a)(1)(E) become subject to section 1211 to develop and comply with an approved conservation plan, as determined by the Secretary, so as to maintain eligibility for such payments.

"(iii) APPLICABLE REINSURANCE YEAR. Ineligibility for the payment described in section 1211(a)(1)(E) for a violation under this subparagraph during a crop year shall—

"(I) only apply to reinsurance years subsequent to the date of a final determination of a violation, including all administrative appeals; and

"(II) not apply to the existing reinsurance year or any reinsurance year prior to the date of the final determination.".

(3) CROP INSURANCE PREMIUM ASSISTANCE.—Section 1213(d) of the Food Security Act of 1985 (16 U.S.C. 3812a(d)) is amended by adding at the end the following:

"(4) CROP INSURANCE PREMIUM ASSISTANCE. For the purpose of determining the eligibility of a person for the payment described in section 1211(a)(1)(E), the Secretary shall apply the procedures described in section 1221(c)(3)(E) and coordinate the certification process so as to avoid duplication or unnecessary paperwork.".

(b) WETLAND CONSERVATION PROGRAM INELIGIBILITY.—Section 1221 of the Food Security Act of 1985 (16 U.S.C. 3821) is amended—

(1) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively; and

(2) by inserting after subsection (b) the following:

"(c) INELIGIBILITY FOR CROP INSURANCE PREMIUM ASSISTANCE.

"(1) REQUIREMENTS.

"(A) IN GENERAL. If a person is determined to have committed a violation under subsection (a) or (d) during a crop year, the person shall be ineligible to receive any payment of any portion of premium paid by the Federal Crop Insurance Corporation for a plan or policy of insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) pursuant to this subsection.

"(B) APPLICABILITY. Ineligibility under this subsection shall—

"(i) only apply to reinsurance years subsequent to the date of a final determination of a violation, including all administrative appeals; and

"(ii) not apply to the existing reinsurance year or any reinsurance year prior to the date of the final determination.

"(2) CONVERSIONS.

"(A) IN GENERAL. Notwithstanding paragraph (1), ineligibility for crop insurance premium assistance shall apply in accordance with this paragraph.

"(B) NEW CONVERSIONS. In the case of a wetland that the Secretary determines was converted after the date of enactment of the Agricultural Act of 2014—

"(i) the person shall be ineligible to receive crop insurance premium subsidies in subsequent reinsurance years unless the Secretary determines that an exemption pursuant to section 1222 applies; or

"(ii) for any violation that the Secretary determines impacts less than 5 acres of an entire farm, the person may pay a contribution in an amount equal to 150 percent of the cost of mitigation, as determined by the Secretary, to the fund described in section 1241(f) for wetland restoration in lieu of ineligibility to receive crop insurance premium assistance.

"(C) PRIOR CONVERSIONS. In the case of a wetland that the Secretary determines was converted prior to the date of enactment of the Agricultural Act of 2014, ineligibility under this subsection shall not apply.

"(D) CONVERSIONS AND NEW POLICIES OR PLANS OF INSURANCE. In the case of an agricultural commodity for which an individual policy or plan of insurance is available for the first time to the person after the date of enactment of the Agricultural Act of 2014—

"(i) ineligibility shall apply only to conversions that take place after the date on which the policy or plan of insurance first becomes available to the person; and

"(ii) the person shall take such steps as the Secretary determines appropriate to mitigate any prior conversion in a timely manner but not to exceed 2 reinsurance years.

"(3) LIMITATIONS.

"(A) MITIGATION REQUIRED. Except as otherwise provided in this paragraph, a person subject to a final determination, including all administrative appeals, of a violation described in subsection (d) shall have 1 reinsurance year to initiate a mitigation plan to remedy the violation, as determined by the Secretary, before becoming ineligible under this subsection in the following reinsurance year to receive any payment of any portion of the premium paid by the Federal Crop Insurance Corporation for a policy or plan of insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

"(B) PERSONS COVERED FOR THE FIRST TIME. Notwithstanding the requirements of paragraph (1), in the case of a person that is subject to this subsection for the first time solely due to the amendment made by section 2611(b) of

the Agricultural Act of 2014, the person shall have 2 reinsurance years after the reinsurance year in which a final determination is made, including all administrative appeals, of a violation described in this subsection to take such steps as the Secretary determines appropriate to remedy or mitigate the violation in accordance with this subsection.

"(C) GOOD FAITH. If the Secretary determines that a person subject to a final determination, including all administrative appeals, of a violation described in this subsection acted in good faith and without intent to commit a violation described in this subsection as described in section 1222(h), the person shall have 2 reinsurance years to take such steps as the Secretary determines appropriate to remedy or mitigate the violation in accordance with this subsection.

"(D) TENANT RELIEF.

"(i) IN GENERAL. If a tenant is determined to be ineligible for payments and other benefits under this subsection, the Secretary may limit the ineligibility only to the farm that is the basis for the ineligibility determination if the tenant has established, to the satisfaction of the Secretary that—

"(I) the tenant has made a good faith effort to meet the requirements of this section, including enlisting the assistance of the Secretary to obtain a reasonable plan for restoration or mitigation for the farm;

"(II) the landlord on the farm refuses to comply with the plan on the farm; and

"(III) the Secretary determines that the lack of compliance is not a part of a scheme or device to avoid the compliance.

"(ii) REPORT. The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report concerning the ineligibility determinations limited during the previous 12-month period under this subparagraph.

"(E) CERTIFICATE OF COMPLIANCE.

"(i) IN GENERAL. Beginning with the first full reinsurance year immediately following the date of enactment of this paragraph, all persons seeking eligibility for the payment of a portion of the premium paid by the Federal Crop Insurance Corporation for a policy or plan of insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) shall provide certification of compliance with this section as determined by the Secretary.

"(ii) TIMELY EVALUATION. The Secretary shall evaluate the certification in a timely manner and—

"(I) a person who has properly complied with certification shall be held harmless with regard to eligibility during the period of evaluation; and

"(II) if the Secretary fails to evaluate the certification in a timely manner and the person is subsequently found to be in violation of this subsection, ineligibility shall not apply to the person for that violation.

"(iii) EQUITABLE CONTRIBUTION.

"(I) IN GENERAL. If a person fails to notify the Secretary as required and is subsequently found to be in violation of this subsection, the Secretary shall—

"(aa) determine the amount of an equitable contribution to conservation by the person for the violation; and

"(bb) deposit the contribution in the fund described in section 1241(f).

"(II) LIMITATION. The contribution shall not exceed the total of the portion of the premium paid by the Federal Crop Insurance Corporation for a policy or plan of insurance for all years the person is determined to have been in violation subsequent to the date on which certification was first required under this subparagraph.

"(4) DUTIES OF THE SECRETARY.

"(A) IN GENERAL. In carrying out this subsection, the Secretary shall use existing processes and procedures for certifying compliance.

"(B) RESPONSIBILITY. The Secretary, acting through the agencies of the Department of Agriculture, shall be solely responsible for determining whether a producer is eligible to receive crop insurance premium subsidies in accordance with this subsection.

"(C) LIMITATION. The Secretary shall ensure that no agent, approved insurance provider, or employee or contractor of an agency or approved insurance provider, bears responsibility or liability for the eligibility of an insured producer under this subsection, other than in cases of misrepresentation, fraud, or scheme and device.".

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

**SEC. 2701. COMPREHENSIVE CONSERVATION ENHANCEMENT PROGRAM.**

Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is repealed.

**SEC. 2702. EMERGENCY FORESTRY CONSERVATION RESERVE PROGRAM.**

(a) [16 U.S.C. 3831 note] REPEAL.—Except as provided in subsection (b), section 1231A of the Food Security Act of 1985 (16 U.S.C. 3831a) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS AND AGREEMENTS.—The amendment made by this section shall not affect the validity or terms of any contract or agreement entered into by the Secretary of Agriculture under section 1231A of the Food Security Act of 1985 (16 U.S.C. 3831a) before the date of enactment of the Agricultural Act of 2014, or any payments required to be made in connection with the contract or agreement.

(2) FUNDING.—The Secretary may use funds made available to carry out the conservation reserve program under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) to continue to carry out contracts or agreements referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts or agreements as in existence on the day before the date of enactment of the Agricultural Act of 2014.

**SEC. 2703. WETLANDS RESERVE PROGRAM.**

(a) [16 U.S.C. 3837and note] REPEAL.—Except as provided in subsection (b), subchapter C of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837 et seq.) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS, AGREEMENTS, AND EASEMENTS.—The amendment made by this section shall not affect the validity or terms of any contract, agreement, or easement entered into by the Secretary of Agriculture under subchapter C of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837 et seq.) before the date of enactment of the Agricultural Act of 2014, or any payments required to be made in connection with the contract, agreement, or easement.

(2) FUNDING.—

(A) USE OF PRIOR YEAR FUNDS.—Notwithstanding the repeal of subchapter C of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837 et seq.), any funds made available from the Commodity Credit Corporation to carry out the wetlands reserve program under that subchapter for fiscal years 2009 through 2013 shall be made available to carry out contracts, agreements, or easements referred to in paragraph (1) that were entered into prior to the date of enactment of the Agricultural Act of 2014 (including the provision of technical assistance), provided that no such contract, agreement, or easement is modified so as to increase the amount of the payment received.

(B) OTHER.—The Secretary may use funds made available to carry out the agricultural conservation easement program under subtitle H of title XII of the Food Security Act of 1985, as added by section 2301, to continue to carry

out contracts, agreements, and easements referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts, agreements, and easements as in existence on the day before the date of enactment of the Agricultural Act of 2014.

**SEC. 2704. FARMLAND PROTECTION PROGRAM AND FARM VIABILITY PROGRAM.**

(a) [16 U.S.C. 3838h] REPEAL.—Except as provided in subsection (b), subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING AGREEMENTS AND EASEMENTS.—The amendment made by this section shall not affect the validity or terms of any agreement or easement entered into by the Secretary of Agriculture under subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.) before the date of enactment of the Agricultural Act of 2014, or any payments required to be made in connection with the agreement or easement.

(2) FUNDING.—

(A) USE OF PRIOR YEAR FUNDS.—Notwithstanding the repeal of subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.), any funds made available from the Commodity Credit Corporation to carry out the farmland protection program under that subchapter for fiscal years 2009 through 2013 shall be made available to carry out agreements and easements referred to in paragraph (1) that were entered into prior to the date of enactment of the Agricultural Act of 2014 (including the provision of technical assistance).

(B) OTHER.—On exhaustion of funds made available under subparagraph (A), the Secretary may use funds made available to carry out the agricultural conservation easement program under subtitle H of title XII of the Food Security Act of 1985, as added by section 2301, to continue to carry out agreements and easements referred to in paragraph (1) using the provisions of law and regulation applicable to such agreements and easements as in existence on the day before the date of enactment of the Agricultural Act of 2014.

**SEC. 2705. GRASSLAND RESERVE PROGRAM.**

(a) [16 U.S.C. 3838nand note] REPEAL.—Except as provided in subsection (b), subchapter D of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS, AGREEMENTS, AND EASEMENTS.—The amendment made by this section shall not affect the validity or terms of any contract, agreement, or easement entered into by the Secretary of Agriculture under subchapter D of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.) before the date of enactment of the Agricultural Act of 2014, or any payments re-

quired to be made in connection with the contract, agreement, or easement.

(2) FUNDING.—

(A) USE OF PRIOR YEAR FUNDS.—Notwithstanding the repeal of subchapter D of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.), any funds made available from the Commodity Credit Corporation to carry out the grassland reserve program under that subchapter for fiscal years 2009 through 2013 shall be made available to carry out contracts, agreements, or easements referred to in paragraph (1) that were entered into prior to the date of enactment of the Agricultural Act of 2014 (including the provision of technical assistance), provided that no such contract, agreement, or easement is modified so as to increase the amount of the payment received.

(B) OTHER.—The Secretary may use funds made available to carry out the agricultural conservation easement program under subtitle H of title XII of the Food Security Act of 1985, as added by section 2301, to continue to carry out contracts, agreements, and easements referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts, agreements, and easements as in existence on the day before the date of enactment of the Agricultural Act of 2014.

**SEC. 2706. AGRICULTURAL WATER ENHANCEMENT PROGRAM.**

(a) REPEAL.—Except as provided in subsection (b), section 1240I of the Food Security Act of 1985 (16 U.S.C. 3839aa-9) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS AND AGREEMENTS.—The amendment made by this section shall not affect the validity or terms of any contract or agreement entered into by the Secretary of Agriculture under section 1240I of the Food Security Act of 1985 (16 U.S.C. 3839aa-9) before the date of enactment of the Agricultural Act of 2014, or any payments required to be made in connection with the contract or agreement.

(2) FUNDING.—

(A) USE OF PRIOR YEAR FUNDS.—Notwithstanding the repeal of section 1240I of the Food Security Act of 1985 (16 U.S.C. 3839aa-9), any funds made available from the Commodity Credit Corporation to carry out the agricultural water enhancement program under that section for fiscal years 2009 through 2013 shall be made available to carry out contracts and agreements referred to in paragraph (1) that were entered into prior to the date of enactment of the Agricultural Act of 2014 (including the provision of technical assistance).

(B) OTHER.—On exhaustion of funds made available under subparagraph (A), the Secretary may use funds made available to carry out the regional conservation partnership program under subtitle I of title XII of the Food Security Act of 1985, as added by section 2401, to continue

to carry out contracts and agreements referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts and agreements as in existence on the day before the date of enactment of the Agricultural Act of 2014.

**SEC. 2707. WILDLIFE HABITAT INCENTIVE PROGRAM.**

(a) REPEAL.—Except as provided in subsection (b), section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb-1) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS AND AGREEMENTS.—The amendment made by this section shall not affect the validity or terms of any contract or agreement entered into by the Secretary of Agriculture under section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb-1) before the date of enactment of the Agricultural Act of 2014, or any payments required to be made in connection with the contract or agreement.

(2) FUNDING.—

(A) USE OF PRIOR YEAR FUNDS.—Notwithstanding the repeal of section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb-1), any funds made available from the Commodity Credit Corporation to carry out the wildlife habitat incentive program under that section for fiscal years 2009 through 2013 shall be made available to carry out contracts or agreements referred to in paragraph (1) which were entered into prior to the date of enactment of the Agricultural Act of 2014 (including the provision of technical assistance).

(B) OTHER.—On exhaustion of funds made available under subparagraph (A), the Secretary may use funds made available to carry out the environmental quality incentives program under chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) to continue to carry out contracts or agreements referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts or agreements as in existence on the day before the date of enactment of the Agricultural Act of 2014.

**SEC. 2708. GREAT LAKES BASIN PROGRAM.**

Section 1240P of the Food Security Act of 1985 (16 U.S.C. 3839bb-3) is repealed.

**SEC. 2709. CHESAPEAKE BAY WATERSHED PROGRAM.**

(a) REPEAL.—Except as provided in subsection (b), section 1240Q of the Food Security Act of 1985 (16 U.S.C. 3839bb-4) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS, AGREEMENTS, AND EASEMENTS.—The amendment made by this section shall not affect the validity or terms of any contract, agreement, or easement entered into by the Secretary of Agriculture under section 1240Q of the Food Security Act of 1985 (16 U.S.C. 3839bb-4) before the date of enactment of the Agricultural Act of 2014,

or any payments required to be made in connection with the contract, agreement, or easement.

(2) FUNDING.—

(A) USE OF PRIOR YEAR FUNDS.—Notwithstanding the repeal of section 1240Q of the Food Security Act of 1985 (16 U.S.C. 3839bb-4), any funds made available from the Commodity Credit Corporation to carry out the Chesapeake Bay watershed program under that section for fiscal years 2009 through 2013 shall be made available to carry out contracts, agreements, and easements referred to in paragraph (1) that were entered into prior to the date of enactment of the Agricultural Act of 2014 (including the provision of technical assistance).

(B) OTHER.—The Secretary may use funds made available to carry out the regional conservation partnership program under subtitle I of title XII of the Food Security Act of 1985, as added by section 2401, to continue to carry out contracts, agreements, and easements referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts, agreements, and easements as in existence on the day before the date of enactment of the Agricultural Act of 2014.

**SEC. 2710. [16 U.S.C. 3843 note] COOPERATIVE CONSERVATION PARTNERSHIP INITIATIVE.**

(a) REPEAL.—Except as provided in subsection (b), section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS AND AGREEMENTS.—The amendment made by this section shall not affect the validity or terms of any contract or agreement entered into by the Secretary of Agriculture under section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) before the date of enactment of the Agricultural Act of 2014, or any payments required to be made in connection with the contract or agreement.

(2) FUNDING.—

(A) USE OF PRIOR YEAR FUNDS.—Notwithstanding the repeal of section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843), any funds made available from the Commodity Credit Corporation to carry out the cooperative conservation partnership initiative under that section for fiscal years 2009 through 2013 shall be made available to carry out contracts and agreements referred to in paragraph (1) that were entered into prior to the date of enactment of the Agricultural Act of 2014 (including the provision of technical assistance).

(B) OTHER.—On exhaustion of funds made available under subparagraph (A), the Secretary may use funds made available to carry out the regional conservation partnership program under subtitle I of title XII of the Food Security Act of 1985, as added by section 2401, to continue to carry out contracts and agreements referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts and agreements as in existence on

the day before the date of enactment of the Agricultural Act of 2014.

**SEC. 2711. [16 U.S.C. 3801 note] ENVIRONMENTAL EASEMENT PROGRAM.**

Chapter 3 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839 et seq.) is repealed.

**SEC. 2712. TEMPORARY ADMINISTRATION OF CONSERVATION PROGRAMS.**

(a) APPLICABILITY.—This section is applicable to activities under—

(1) the wetlands reserve program, the farmland protection program, and the farm viability program being merged into the agricultural conservation easement program under the amendment made by section 2301;

(2) the wildlife habitat incentive program being merged into the environmental quality incentives program under the amendments made by subtitle C;

(3) the agricultural water enhancement program, the Chesapeake Bay watershed program, the cooperative conservation partnership initiative, and the Great Lakes basin program being merged into the regional conservation partnership program under the amendment made by section 2401; and

(4) the grassland reserve program being merged into the conservation reserve program under the amendments made by subtitle A and into the agricultural conservation easement program under the amendment made by section 2301.

(b) INTERIM ADMINISTRATION.—Subject to subsection (d), with respect to the implementation of the agricultural conservation easement program under subtitle H of title XII of the Food Security Act of 1985, as added by section 2301, the amendments to the environmental quality incentives program made by subtitle C, the regional conservation partnership program under subtitle I of title XII of the Food Security Act of 1985, as added by section 2401, and the amendments to the conservation reserve program made by subtitle A, the Secretary shall use the regulations in existence as of the day before the date of enactment of this Act that are applicable to the wetlands reserve program, the grassland reserve program, the farmland protection program, the farm viability program, the wildlife habitat incentive program, the agricultural water enhancement program, the Chesapeake Bay watershed program, the cooperative conservation partnership initiative, and the Great Lakes basin program repealed by this subtitle, to the extent that the terms and conditions of such regulations are consistent with—

(1) the provisions of the agricultural conservation easement program and the regional conservation partnership program; and

(2) the amendments to the environmental quality incentives program and the conservation reserve program made by this title.

(c) FUNDING.—The Secretary may only use funds authorized in this title or in the amendments made by this title for the specific programs listed in subsection (b), including any restrictions on the

use of those funds, for the purposes identified in paragraphs (1) and (2) of subsection (b).

(d) TERMINATION OF AUTHORITY.—The authority of the Secretary to carry out subsection (b) shall terminate on the date that is 270 days after the date of enactment of this Act.

(e) PERMANENT ADMINISTRATION.—Effective beginning on the termination date described in subsection (d), the Secretary shall provide technical assistance, financial assistance, and easement enrollment in accordance with any final regulations that the Secretary considers necessary to carry out this title and the amendments made by this title.

**SEC. 2713. TECHNICAL AMENDMENTS.**

(a) DEFINITIONS.—Section 1201(a) of the Food Security Act of 1985 (16 U.S.C. 3801(a)) is amended in the matter preceding paragraph (1) by striking "E" and inserting "I".

(b) PROGRAM INELIGIBILITY.—Section 1211(a) of the Food Security Act of 1985 (16 U.S.C. 3811(a)) is amended by striking "predominate" each place it appears and inserting "predominant".

(c) SPECIALTY CROP PRODUCERS.—Section 1242(i) of the Food Security Act of 1985 (16 U.S.C. 3842(i)) is amended in the header by striking "Speciality" and inserting "Specialty".

# TITLE III—TRADE

## Subtitle A—Food for Peace Act

**SEC. 3001. GENERAL AUTHORITY.**

Section 201 of the Food for Peace Act (7 U.S.C. 1721) is amended—

(1) in the matter preceding paragraph (1), by inserting "(to be implemented by the Administrator)" after "under this title"; and

(2) by striking paragraph (7) and the second sentence and inserting the following new paragraph:

"(7) build resilience to mitigate and prevent food crises and reduce the future need for emergency aid.".

**SEC. 3002. SET-ASIDE FOR SUPPORT FOR ORGANIZATIONS THROUGH WHICH NONEMERGENCY ASSISTANCE IS PROVIDED.**

Section 202(e) of the Food for Peace Act (7 U.S.C. 1722(e)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking "13 percent" and inserting "20 percent";

(B) in subparagraph (A), by striking "new" and inserting "and enhancing";

(C) by striking subparagraph (B);

(D) by redesignating subparagraph (C) as subparagraph (D); and

(E) by inserting after subparagraph (A) the following new subparagraphs:

"(B) meeting specific administrative, management, personnel, transportation, storage, and distribution costs

for carrying out programs in foreign countries under this title;

"(C) implementing income-generating, community development, health, nutrition, cooperative development, agricultural, and other developmental activities within 1 or more recipient countries or within 1 or more countries in the same region; and"; and

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

"(4) INVESTMENT AUTHORITY. An eligible organization that receives funds made available under paragraph (1) may invest the funds pending the eligible organization's use of the funds. Any interest earned on such investment may be used for the purposes for which the assistance was provided to the eligible organization without further appropriation by Congress.".

**SEC. 3003. FOOD AID QUALITY.**

Section 202(h) of the Food for Peace Act (7 U.S.C. 1722(h)) is amended—

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

"(1) IN GENERAL. The Administrator shall use funds made available for fiscal year 2014 and subsequent fiscal years to carry out this title—

"(A) to assess the types and quality of agricultural commodities and products donated for food aid;

"(B) to adjust products and formulations, including potential introduction of new fortificants and products, as necessary to cost-effectively meet nutrient needs of target populations;

"(C) to test prototypes;

"(D) to adopt new specifications or improve existing specifications for micronutrient fortified food aid products, based on the latest developments in food and nutrition science, and in coordination with other international partners;

"(E) to develop new program guidance to facilitate improved matching of products to purposes having nutritional intent, in coordination with other international partners;

"(F) to develop improved guidance for implementing partners on how to address nutritional deficiencies that emerge among recipients for whom food assistance is the sole source of diet in emergency programs that extend beyond 1 year, in coordination with other international partners; and

"(G) to evaluate, in appropriate settings and as necessary, the performance and cost-effectiveness of new or modified specialized food products and program approaches designed to meet the nutritional needs of the most vulnerable groups, such as pregnant and lactating mothers, and children under the age of 5."; and

(2) in paragraph (3), by striking "fiscal years 2009 through 2011" and inserting "fiscal years 2014 through 2018".

**SEC. 3004. MINIMUM LEVELS OF ASSISTANCE.**

Section 204(a) of the Food for Peace Act (7 U.S.C. 1724(a)) is amended—

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

(2) in paragraph (2), by striking "2012" and inserting "2018".

**SEC. 3005. FOOD AID CONSULTATIVE GROUP.**

(a) MEMBERSHIP.—Section 205(b) of the Food for Peace Act (7 U.S.C. 1725(b)) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by redesignating paragraph (7) as paragraph (8); and

(3) by inserting after paragraph (6) the following new paragraph:

"(7) representatives from the United States agricultural processing sector involved in providing agricultural commodities for programs under this Act; and".

(b) CONSULTATION.—Section 205(d) of the Food for Peace Act (7 U.S.C. 1725(d)) is amended—

(1) by striking the first sentence and inserting the following:

"(1) CONSULTATION IN ADVANCE OF ISSUANCE OF IMPLEMENTATION REGULATIONS, HANDBOOKS, AND GUIDELINES. Not later than 45 days before a proposed regulation, handbook, or guideline implementing this title, or a proposed significant revision to a regulation, handbook, or guideline implementing this title, becomes final, the Administrator shall provide the proposal to the Group for review and comment."; and

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

"(2) CONSULTATION REGARDING FOOD AID QUALITY EFFORTS. The Administrator shall seek input from and consult with the Group on the implementation of section 202(h).".

(c) REAUTHORIZATION.—Section 205(f) of the Food for Peace Act (7 U.S.C. 1725(f)) is amended by striking "2012" and inserting "2018".

**SEC. 3006. OVERSIGHT, MONITORING, AND EVALUATION.**

(a) REGULATIONS AND GUIDANCE.—Section 207(c) of the Food for Peace Act (7 U.S.C. 1726a(c)) is amended—

(1) in the subsection heading, by inserting "and Guidance" after "Regulations";

(2) in paragraph (1), by adding at the end the following new sentence: "Not later than 270 days after the date of the enactment of the Agricultural Act of 2014, the Administrator shall issue all regulations and revisions to agency guidance necessary to implement the amendments made to this title by such Act."; and

(3) in paragraph (2), by inserting "and guidance" after "develop regulations".

(b) FUNDING.—Section 207(f) of the Food for Peace Act (7 U.S.C. 1726a(f)) is amended—

(1) in paragraph (2)(F), by striking "upgraded" and inserting "maintenance of";

(2) by striking paragraphs (3) and (4); and

(3) by redesignating paragraphs (5) and (6) as paragraphs (3) and (4), respectively; and

(4) in paragraph (4) (as so redesignated)—

(A) in subparagraph (A), by striking "$22,000,000" and all that follows through the period at the end and inserting "$17,000,000 of the funds made available under this title for each of fiscal years 2014 through 2018, except for paragraph (2)(F), for which not more than $500,000 shall be made available for each of the fiscal years 2014 through 2018."; and

(B) in subparagraph (B)(i), by striking "2012" and inserting "2018".

(c) IMPLEMENTATION REPORTS.—Not later than 270 days after the date of the enactment of this Act, the Administrator of the Agency for International Development shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committees on Agriculture and Foreign Affairs of the House of Representatives a report describing—

(1) the implementation of section 207(c) of the Food for Peace Act (7 U.S.C. 1726a(c));

(2) the surveys, studies, monitoring, reporting, and audit requirements for programs conducted under title II of such Act (7 U.S.C. 1721 et seq.) by an eligible organization that is a nongovernmental organization (as such term is defined in section 402 of such Act (7 U.S.C. 1732)); and

(3) the surveys, studies, monitoring, reporting, and audit requirements for such programs by an eligible organization that is an intergovernmental organization, such as the World Food Program or other multilateral organization.

**SEC. 3007. ASSISTANCE FOR STOCKPILING AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.**

Section 208(f) of the Food for Peace Act (7 U.S.C. 1726b(f)) is amended by striking "$8,000,000 for each of fiscal years 2001 through 2012" and inserting "$10,000,000 for each of fiscal years 2014 through 2018".

**SEC. 3008. IMPACT ON LOCAL FARMERS AND ECONOMY AND REPORT ON USE OF FUNDS.**

(a) IMPACT ON LOCAL FARMERS AND ECONOMY.—Section 403(b) of the Food for Peace Act (7 U.S.C. 1733(b)) is amended by adding at the end the following new sentence: "The Secretary or the Administrator, as appropriate, shall seek information, as part of the regular proposal and submission process, from implementing agencies on the potential costs and benefits to the local economy of sales of agricultural commodities within the recipient country.".

(b) REPORT ON USE OF FUNDS.—Section 403 of the Food for Peace Act (7 U.S.C. 1733) is amended by adding at the end the following new subsection:

"(m) REPORT ON USE OF FUNDS.

"(1) REPORT REQUIRED. Not later than 180 days after the date of the enactment of the Agricultural Act of 2014, and annually thereafter, the Administrator shall submit to Congress a report that—

"(A) specifies the amount of funds (including funds for administrative costs, indirect cost recovery, internal transportation, storage, and handling, and associated distribution costs) provided to each eligible organization that received assistance under this Act in the previous fiscal year;

"(B) describes how those funds were used by the eligible organization;

"(C) describes the actual rate of return for each commodity made available under this Act, including—

"(i) factors that influenced the rate of return; and

"(ii) for the commodity, the costs of bagging or further processing, ocean transportation, inland transportation in the recipient country, storage costs, and any other information that the Administrator determines to be necessary; and

"(D) for each instance in which a commodity was made available under this Act at a rate of return less than 70 percent, describes the reasons for the rate of return realized.

"(2) RATE OF RETURN DESCRIBED. For purposes of applying paragraph (1)(C), the rate of return for a commodity shall be equal to the proportion that—

"(A) the proceeds the implementing partners generate through monetization; bears to

"(B) the cost to the Federal Government to procure and ship the commodity to a recipient country for monetization.".

**SEC. 3009. PREPOSITIONING OF AGRICULTURAL COMMODITIES.**

Section 407(c)(4) of the Food for Peace Act (7 U.S.C. 1736a(c)(4)) is amended—

(1) in subparagraph (A)—

(A) by striking "2012" and inserting "2018"; and

(B) by striking "for each such fiscal year not more than $10,000,000 of such funds" and inserting "for each of fiscal years 2001 through 2013 not more than $10,000,000 of such funds and for each of fiscal years 2014 through 2018 not more than $15,000,000 of such funds"; and

(2) by striking subparagraph (B) and inserting the following new subparagraph:

"(B) ADDITIONAL PREPOSITIONING SITES. The Administrator may establish additional sites for prepositioning in foreign countries or change the location of current sites for prepositioning in foreign countries after conducting, and based on the results of, assessments of need, the availability of appropriate technology for long-term storage, feasibility, and cost.".

**SEC. 3010. ANNUAL REPORT REGARDING FOOD AID PROGRAMS AND ACTIVITIES.**

Section 407(f)(1) of the Food for Peace Act (7 U.S.C. 1736a(f)(1)) is amended—

(1) in the paragraph heading, by striking "agricultural trade" and inserting "food aid";

(2) in subparagraph (B)(ii), by inserting before the semicolon at the end the following: "and the total number of beneficiaries of the project and the activities carried out through such project"; and

(3) in subparagraph (B)(iii)—

(A) in the matter preceding subclause (I), by inserting ", and the total number of beneficiaries in," after "commodities made available to";

(B) by striking "and" at the end of subclause (I);

(C) by inserting "and" at the end of subclause (II); and

(D) by inserting after subclause (II) the following new subclause:

"(III) the McGovern-Dole International Food for Education and Child Nutrition Program established by section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o-1);".

**SEC. 3011. DEADLINE FOR AGREEMENTS TO FINANCE SALES OR TO PROVIDE OTHER ASSISTANCE.**

Section 408 of the Food for Peace Act (7 U.S.C. 1736b) is amended by striking "2012" and inserting "2018".

**SEC. 3012. MINIMUM LEVEL OF NONEMERGENCY FOOD ASSISTANCE.**

Subsection (e) of section 412 of the Food for Peace Act (7 U.S.C. 1736f) is amended to read as follows:

"(e) MINIMUM LEVEL OF NONEMERGENCY FOOD ASSISTANCE.

"(1) IN GENERAL. Subject to paragraph (2), of the amounts made available to carry out emergency and nonemergency food assistance programs under title II, not less than 20 nor more than 30 percent for each of fiscal years 2014 through 2018 shall be expended for nonemergency food assistance programs under title II.

"(2) MINIMUM LEVEL. The amount made available to carry out nonemergency food assistance programs under title II shall not be less than $350,000,000 for any fiscal year.".

**SEC. 3013. MICRONUTRIENT FORTIFICATION PROGRAMS.**

(a) ELIMINATION OF OBSOLETE REFERENCE TO STUDY.—Section 415(a)(2)(B) of the Food for Peace Act (7 U.S.C. 1736g-2(a)(2)(B)) is amended by striking ", using recommendations" and all that follows through "quality enhancements".

(b) EXTENSION.—Section 415(c) of the Food for Peace Act (7 U.S.C. 1736g-2(c)) is amended by striking "2012" and inserting "2018".

**SEC. 3014. JOHN OGONOWSKI AND DOUG BEREUTER FARMER-TO-FARMER PROGRAM.**

(a) FUNDING AND REAUTHORIZATION OF PROGRAM.—Section 501 of the Food for Peace Act (7 U.S.C. 1737) is amended—

(1) in subsection (d), in the matter preceding paragraph (1), by striking "2012" and inserting "2013, and not less than the greater of $15,000,000 or 0.6 percent of the amounts made available for each of fiscal years 2014 through 2018,"; and

(2) in subsection (e)(1), by striking "2012" and inserting "2018".

(b) COMPTROLLER GENERAL REPORT.—Not later than 270 days after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report that contains—

(1) a review of the John Ogonowski and Doug Bereuter Farmer-to-Farmer Program authorized by section 501 of the Food for Peace Act (7 U.S.C. 1737); and

(2) recommendations relating to actions that the Comptroller General determines to be necessary to improve the monitoring and evaluation of assistance provided under such program.

**SEC. 3015. COORDINATION OF FOREIGN ASSISTANCE PROGRAMS REPORT.**

Section 413 of the Food for Peace Act (7 U.S.C. 1736g) is amended—

(1) by striking "(a) In General.—To the maximum" and inserting "To the maximum"; and

(2) by striking subsection (b).

# Subtitle B—Agricultural Trade Act of 1978

**SEC. 3101. EXPORT CREDIT GUARANTEE PROGRAM.**

(a) SHORT-TERM CREDIT GUARANTEES.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended—

(1) in subsection (a), by striking "3-year" and inserting "24-month";

(2) in subsection (d), by striking "country" and inserting "obligor";

(3) by striking subsection (i);

(4) by redesignating subsections (j) and (k) as subsections (i) and (j), respectfully; and

(5) in subsection (j)(2) (as so redesignated)—

(A) by striking subparagraphs (A) and (B);

(B) by redesignating subparagraphs (C) through (E) as subparagraphs (A) through (C), respectfully;

(C) in subparagraph (B) (as so redesignated), by striking "and" at the end;

(D) in subparagraph (C) (as so redesignated)—

(i) by striking ", but do not exceed,"; and

(ii) by striking the period at the end and inserting "; and"; and

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

"(D) notwithstanding any other provision of this section, administer and carry out (only after consulting with the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate) the program pursuant to such terms as may be agreed between the parties to address the World Trade Organization dispute WTO/DS267 to the extent not superseded by any applicable international undertakings on officially supported export credits to which the United States is a party.".

(b) FUNDING.—Subsection (b) of section 211 of the Agricultural Trade Act of 1978 (7 U.S.C. 5641) is amended to read as follows:

"(b) EXPORT CREDIT GUARANTEE PROGRAM. The Commodity Credit Corporation shall make available for each fiscal year $5,500,000,000 of credit guarantees under section 202(a).".

**SEC. 3102. FUNDING FOR MARKET ACCESS PROGRAM.**

Section 211(c)(1)(A) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)(A)) is amended by striking "2012" and inserting "2018".

**SEC. 3103. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.**

Section 703(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5723(a)) is amended by striking "2012" and inserting "2018".

# Subtitle C—Other Agricultural Trade Laws

**SEC. 3201. FOOD FOR PROGRESS ACT OF 1985.**

(a) EXTENSION.—The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended—

(1) in subsection (f)(3), by striking "2012" and inserting "2018";

(2) in subsection (g), by striking "2012" and inserting "2018";

(3) in subsection (k), by striking "2012" and inserting "2018"; and

(4) in subsection (l)(1), by striking "2012" and inserting "2018".

(b) REPEAL OF COMPLETED PROJECT.—Subsection (f) of the Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended by striking paragraph (6).

**SEC. 3202. BILL EMERSON HUMANITARIAN TRUST ACT.**

Section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f-1) is amended—

(1) in subsection (b)(2)(B)(i), by striking "2012" both places it appears and inserting "2018"; and

(2) in subsection (h), by striking "2012" both places it appears and inserting "2018".

**SEC. 3203. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING MARKETS.**

(a) DIRECT CREDITS OR EXPORT CREDIT GUARANTEES.—Section 1542(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 5622 note) is amended by striking "2012" and inserting "2018".

(b) DEVELOPMENT OF AGRICULTURAL SYSTEMS.—Section 1542(d)(1)(A)(i) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 5622 note) is amended by striking "2012" and inserting "2018".

**SEC. 3204. MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.**

(a) REAUTHORIZATION.—Section 3107(l)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o-1(l)(2)) is amended by striking "2012" and inserting "2018".

(b) TECHNICAL CORRECTION.—Section 3107(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o-1(d)) is amended by striking "to" in the matter preceding paragraph (1).

**SEC. 3205. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

(a) PURPOSE.—Section 3205(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5680(b)) is amended by striking "related barriers to trade" and inserting "technical barriers to trade".

(b) FUNDING.—Section 3205(e)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5680(e)(2)) is amended—

(1) by inserting "and" at the end of subparagraph (C); and

(2) by striking subparagraphs (D) and (E) and inserting the following new subparagraph:

"(D) $9,000,000 for each of fiscal years 2011 through 2018.".

(c) U.S. ATLANTIC SPINY DOGFISH STUDY.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall conduct an economic study on the existing market in the United States for U.S. Atlantic Spiny Dogfish.

**SEC. 3206. GLOBAL CROP DIVERSITY TRUST.**

Section 3202(c) of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246; 22 U.S.C. 2220a note) is amended by striking "2008 through 2012" and inserting "2014 through 2018".

**SEC. 3207. LOCAL AND REGIONAL FOOD AID PROCUREMENT PROJECTS.**

Section 3206 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 1726c) is amended—

(1) in subsection (b)—

(A) by striking "(b) Study; Field-Based Projects.—" and all that follows through "(2) Field-based projects.—" and inserting the following:

"(b) FIELD-BASED PROJECTS.";

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively, and indenting appropriately;

(C) in paragraph (1) (as so redesignated), by striking "subparagraph (B)" and inserting "paragraph (2)"; and

(D) in paragraph (2) (as so redesignated), by striking "subparagraph (A)" and inserting "paragraph (1)";

(2) in subsection (c)(1), by striking "subsection (b)(2)" and inserting "subsection (b)";

(3) by striking subsections (d), (f), and (g);

(4) by redesignating subsection (e) as subsection (d);

(5) in subsection (d) (as so redesignated)—

(A) in paragraph (2)—

(i) by striking subparagraph (B); and

(ii) in subparagraph (A)—

(I) by striking "(A) Application.—" and all that follows through "To be eligible" in clause (i) and inserting the following:

"(A) IN GENERAL. To be eligible";

(II) by redesignating clause (ii) as subparagraph (B) and indenting appropriately; and

(III) in subparagraph (B) (as so redesignated), by striking "clause (i)" and inserting "subparagraph (A)"; and

(B) by striking paragraph (4); and

(6) by adding at the end the following new subsection:

"(e) FUNDING.

"(1) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated to carry out this section $80,000,000 for each of fiscal years 2014 through 2018.

"(2) PREFERENCE. In carrying out this section, the Secretary may give a preference to eligible organizations that have, or are working toward, projects under the McGovern-Dole International Food for Education and Child Nutrition Program established under section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o-1).

"(3) REPORTING. Each year, the Secretary shall submit to the appropriate committees of Congress a report that describes the use of funds under this section, including—

"(A) the impact of procurements and projects on—

"(i) local and regional agricultural producers; and

"(ii) markets and consumers, including low-income consumers; and

"(B) implementation time frames and costs.".

# TITLE IV—NUTRITION

## Subtitle A—Supplemental Nutrition Assistance Program

**SEC. 4001. PREVENTING PAYMENT OF CASH TO RECIPIENTS OF SUPPLEMENTAL NUTRITION ASSISTANCE BENEFITS FOR THE RETURN OF EMPTY BOTTLES AND CANS USED TO CONTAIN FOOD PURCHASED WITH BENEFITS PROVIDED UNDER THE PROGRAM.**

Section 3(k)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(k)(1)) is amended—

(1) by striking "and hot foods" and inserting "hot foods"; and

(2) by adding at the end the following: "and any deposit fee in excess of the amount of the State fee reimbursement (if any) required to purchase any food or food product contained in a returnable bottle or can, regardless of whether the fee is included in the shelf price posted for the food or food product,".

**SEC. 4002. RETAIL FOOD STORES.**

(a) DEFINITION OF RETAIL FOOD STORE.—Section 3(p)(1)(A) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(p)(1)(A)) is amended—

(1) by inserting "at least 7" after "a variety of"; and

(2) by striking "at least 2" and inserting "at least 3".

(b) ALTERNATIVE BENEFIT DELIVERY.—Section 7(f) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(f)) is amended—

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

"(2) IMPOSITION OF COSTS.

"(A) IN GENERAL. Except as provided in subparagraph (B), the Secretary shall require participating retail food stores (including restaurants participating in a State option restaurant program intended to serve the elderly, disabled, and homeless) to pay 100 percent of the costs of acquiring, and arrange for the implementation of, electronic benefit transfer point-of-sale equipment and supplies, including related services.

"(B) EXEMPTIONS. The Secretary may exempt from subparagraph (A)—

"(i) farmers' markets and other direct-to-consumer markets, military commissaries, nonprofit food buying cooperatives, and establishments, organizations, programs, or group living arrangements described in paragraphs (5), (7), and (8) of section 3(k); and

"(ii) establishments described in paragraphs (3), (4), and (9) of section 3(k), other than restaurants participating in a State option restaurant program.

"(C) INTERCHANGE FEES. Nothing in this paragraph permits the charging of fees relating to the redemption of supplemental nutrition assistance program benefits, in accordance with subsection (h)(13)."; and

(2) by adding at the end the following:

"(4) TERMINATION OF MANUAL VOUCHERS.

"(A) IN GENERAL. Effective beginning on the date of enactment of this paragraph, except as provided in subparagraph (B), no State shall issue manual vouchers to a household that receives supplemental nutrition assistance under this Act or allow retail food stores to accept manual vouchers as payment, unless the Secretary determines that the manual vouchers are necessary, such as in the event of an electronic benefit transfer system failure or a disaster situation.

"(B) EXEMPTIONS. The Secretary may exempt categories of retail food stores or individual retail food stores from subparagraph (A) based on criteria established by the Secretary.

"(5) UNIQUE IDENTIFICATION NUMBER REQUIRED.

"(A) IN GENERAL. To enhance the anti-fraud protections of the program, the Secretary shall require all parties providing electronic benefit transfer services to provide for and maintain unique terminal identification number information through the supplemental nutrition assistance program electronic benefit transfer transaction routing system.

"(B) REGULATIONS.

"(i) IN GENERAL. Not earlier than 2 years after the date of enactment of this paragraph, the Secretary shall issue proposed regulations to carry out this paragraph.

"(ii) COMMERCIAL PRACTICES. In issuing regulations to carry out this paragraph, the Secretary shall consider existing commercial practices for other point-of-sale debit transactions.".

(c) ELECTRONIC BENEFIT TRANSFER AUDITABILITY.—Section 7(h)(2)(C) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(2)(C)) is amended by striking clause (ii) and inserting the following:

"(ii) unless determined by the Secretary to be located in an area with significantly limited access to food, measures that require an electronic benefit transfer system—

"(I) to set and enforce sales restrictions based on benefit transfer payment eligibility by using scanning or product lookup entry; and

"(II) to deny benefit tenders for manually entered sales of ineligible items.".

(d) ELECTRONIC BENEFIT TRANSFERS.—Section 7(h)(3)(B) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(3)(B)) is amended by striking "is operational—" and all that follows through "(ii) in the case of other participating stores," and inserting "is operational".

(e) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. 2018) is amended—

(1) in subsection (a)(1), in the second sentence, by striking "; and (C)" and inserting "; (C) whether the applicant is located in an area with significantly limited access to food; and (D)";

(2) in subsection (c), in the first sentence, by inserting "purchase invoices, or program-related records," after "relevant income and sales tax filing documents,"; and

(3) by adding at the end the following:

"(g) EBT SERVICE REQUIREMENT. An approved retail food store shall provide adequate EBT service as described in section 7(h)(3)(B).".

**SEC. 4003. ENHANCING SERVICES TO ELDERLY AND DISABLED SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM PARTICIPANTS.**

(a) ENHANCING SERVICES TO ELDERLY AND DISABLED PROGRAM PARTICIPANTS.—Section 3(p) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(p)) is amended—

(1) in paragraph (3), by striking "and" at the end;

(2) in paragraph (4), by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (4) the following:

"(5) a governmental or private nonprofit food purchasing and delivery service that—

"(A) purchases food for, and delivers the food to, individuals who are—

"(i) unable to shop for food; and

"(ii)(I) not less than 60 years of age; or

"(II) physically or mentally handicapped or otherwise disabled;

"(B) clearly notifies the participating household at the time the household places a food order—

"(i) of any delivery fee associated with the food purchase and delivery provided to the household by the service; and

"(ii) that a delivery fee cannot be paid with benefits provided under supplemental nutrition assistance program; and

"(C) sells food purchased for the household at the price paid by the service for the food and without any additional cost markup.".

(b) [7 U.S.C. 2012 note] IMPLEMENTATION.—

(1) ISSUANCE OF RULES.—The Secretary shall issue regulations that—

(A) establish criteria to identify a food purchasing and delivery service referred to in section 3(p)(5) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(p)(5)); and

(B) establish procedures to ensure that the service—

(i) does not charge more for a food item than the price paid by the service for the food item;

(ii) offers food delivery service at no or low cost to households under that Act;

(iii) ensures that benefits provided under the supplemental nutrition assistance program are used only to purchase food (as defined in section 3 of that Act (7 U.S.C. 2012));

(iv) limits the purchase of food, and the delivery of the food, to households eligible to receive services described in section 3(p)(5) of that Act (7 U.S.C. 2012(p)(5));

(v) has established adequate safeguards against fraudulent activities, including unauthorized use of electronic benefit cards issued under that Act; and

(vi) meets such other requirements as the Secretary determines to be appropriate.

(2) LIMITATION.—Before the issuance of rules under paragraph (1), the Secretary may not approve more than 20 food purchasing and delivery services referred to in section 3(p)(5) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(p)(5)) to participate as retail food stores under the supplemental nutrition assistance program.

**SEC. 4004. FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS.**

(a) IN GENERAL.—Section 4(b)(6)(F) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b)(6)(F)) is amended by striking "2012" and inserting "2018".

(b) [7 U.S.C. 2013 note] FEASIBILITY STUDY, REPORT, AND DEMONSTRATION PROJECT FOR INDIAN TRIBES.—

(1) DEFINITIONS.—In this subsection:

(A) INDIAN; INDIAN TRIBE.—The terms "Indian" and "Indian tribe" have the meaning given the terms in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(B) TRIBAL ORGANIZATION.—The term "tribal organization" has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(2) STUDY.—The Secretary shall conduct a study to determine the feasibility of tribal administration of Federal food as-

sistance programs, services, functions, and activities (or portions thereof), in lieu of State agencies or other administrating entities.

(3) REPORT.—Not later than 18 months after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

(A) contains a list of programs, services, functions, and activities with respect to which it would be feasible to be administered by a tribal organization;

(B) a description of whether that administration would necessitate a statutory or regulatory change; and

(C) such other issues that may be determined by the Secretary and developed through consultation pursuant to paragraph (4).

(4) CONSULTATION WITH INDIAN TRIBES.—In developing the report required by paragraph (3), the Secretary shall consult with tribal organizations.

(5) FUNDING.—Out of any funds made available under section 18 for fiscal year 2014, the Secretary shall make available to carry out the study and report described in paragraphs (2) and (3) $1,000,000, to remain available until expended.

(6) TRADITIONAL AND LOCAL FOODS DEMONSTRATION PROJECT.—

(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary shall pilot a demonstration project by awarding a grant to 1 or more tribal organizations authorized to administer the food distribution program on Indian reservations under section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b)) for the purpose of purchasing nutritious and traditional foods, and when practicable, foods produced locally by Indian producers, for distribution to recipients of foods distributed under that program.

(B) ADMINISTRATION.—The Secretary may award a grant on a noncompetitive basis to 1 or more tribal organizations that have the administrative and financial capability to conduct a demonstration project, as determined by the Secretary.

(C) CONSULTATION, TECHNICAL ASSISTANCE, AND TRAINING.—During the implementation phase of the demonstration project, the Secretary shall consult with Indian tribes and provide outreach to Indian farmers, ranchers, and producers regarding the training and capacity to participate in the demonstration project.

(D) FUNDING.—

(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2014 through 2018.

(ii) RELATIONSHIP TO OTHER AUTHORITIES.—The funds and authorities provided under this subparagraph are in addition to any other funds or authorities

the Secretary may have to carry out activities described in this paragraph.

**SEC. 4005. EXCLUSION OF MEDICAL MARIJUANA FROM EXCESS MEDICAL EXPENSE DEDUCTION.**

Section 5(e)(5) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(5)) is amended by adding at the end the following:

"(C) EXCLUSION OF MEDICAL MARIJUANA. The Secretary shall promulgate rules to ensure that medical marijuana is not treated as a medical expense for purposes of this paragraph.".

**SEC. 4006. STANDARD UTILITY ALLOWANCES BASED ON THE RECEIPT OF ENERGY ASSISTANCE PAYMENTS.**

(a) STANDARD UTILITY ALLOWANCES IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.—Section 5(e)(6)(C) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(6)(C)) is amended—

(1) in clause (i), by inserting ", subject to clause (iv)" after "Secretary"; and

(2) in clause (iv), by striking subclause (I) and inserting the following:

"(I) IN GENERAL. Subject to subclause (II), if a State agency elects to use a standard utility allowance that reflects heating and cooling costs, the standard utility allowance shall be made available to households that received a payment, or on behalf of which a payment was made, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) or other similar energy assistance program, if in the current month or in the immediately preceding 12 months, the household either received such a payment, or such a payment was made on behalf of the household, that was greater than $20 annually, as determined by the Secretary.".

(b) CONFORMING AMENDMENT.—Section 2605(f)(2)(A) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)(2)(A)) is amended by inserting before the semicolon the following: ", except that, for purposes of the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), such payments or allowances were greater than $20 annually, consistent with section 5(e)(6)(C)(iv)(I) of that Act (7 U.S.C. 2014(e)(6)(C)(iv)(I)), as determined by the Secretary of Agriculture".

(c) [7 U.S.C. 2014 note] APPLICATION AND IMPLEMENTATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section and the amendments made by this section shall—

(A) take effect 30 days after the date of enactment of this Act; and

(B) apply with respect to certification periods that begin after that date.

(2) STATE OPTION TO DELAY IMPLEMENTATION FOR CURRENT RECIPIENTS.—A State may, at the option of the State, implement a policy that eliminates or reduces the effect of the amendments made by this section on households that received

a standard utility allowance as of the date of enactment of this Act, for not more than a 5-month period beginning on the date on which the amendments would otherwise apply to the respective household.

**SEC. 4007. ELIGIBILITY DISQUALIFICATIONS.**

Section 6(e)(3)(B) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(e)(3)(B)) is amended by striking "section;" and inserting the following: "section, subject to the condition that the course or program of study—

"(i) is part of a program of career and technical education (as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302)) that may be completed in not more than 4 years at an institution of higher education (as defined in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)); or

"(ii) is limited to remedial courses, basic adult education, literacy, or English as a second language;".

**SEC. 4008. ELIGIBILITY DISQUALIFICATIONS FOR CERTAIN CONVICTED FELONS.**

(a) IN GENERAL.—Section 6 of the Food and Nutrition Act of 2008 (7 U.S.C. 2015) is amended by adding at the end the following:

"(r) DISQUALIFICATION FOR CERTAIN CONVICTED FELONS.

"(1) IN GENERAL. An individual shall not be eligible for benefits under this Act if—

"(A) the individual is convicted of—

"(i) aggravated sexual abuse under section 2241 of title 18, United States Code;

"(ii) murder under section 1111 of title 18, United States Code;

"(iii) an offense under chapter 110 of title 18, United States Code;

"(iv) a Federal or State offense involving sexual assault, as defined in 40002(a) of the Violence Against Women Act of 1994 (42 U.S.C. 13925(a)); or

"(v) an offense under State law determined by the Attorney General to be substantially similar to an offense described in clause (i), (ii), or (iii); and

"(B) the individual is not in compliance with the terms of the sentence of the individual or the restrictions under subsection (k).

"(2) EFFECTS ON ASSISTANCE AND BENEFITS FOR OTHERS. The amount of benefits otherwise required to be provided to an eligible household under this Act shall be determined by considering the individual to whom paragraph (1) applies not to be a member of the household, except that the income and resources of the individual shall be considered to be income and resources of the household.

"(3) ENFORCEMENT. Each State shall require each individual applying for benefits under this Act to attest to whether the individual, or any member of the household of the indi-

vidual, has been convicted of a crime described in paragraph (1).".

(b) CONFORMING AMENDMENT.—Section 5(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(a)) is amended in the second sentence by striking "sections 6(b), 6(d)(2), and 6(g)" and inserting "subsections (b), (d)(2), (g), and (r) of section 6".

(c) [7 U.S.C. 2014 note] INAPPLICABILITY TO CONVICTIONS OCCURRING ON OR BEFORE ENACTMENT.—The amendments made by this section shall not apply to a conviction if the conviction is for conduct occurring on or before the date of enactment of this Act.

**SEC. 4009. ENDING SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS FOR LOTTERY OR GAMBLING WINNERS.**

(a) IN GENERAL.—Section 6 of the Food and Nutrition Act of 2008 (7 U.S.C. 2015) (as amended by section 4008) is amended by adding at the end the following:

"(s) INELIGIBILITY FOR BENEFITS DUE TO RECEIPT OF SUBSTANTIAL LOTTERY OR GAMBLING WINNINGS.

"(1) IN GENERAL. Any household in which a member receives substantial lottery or gambling winnings, as determined by the Secretary, shall lose eligibility for benefits immediately upon receipt of the winnings.

"(2) DURATION OF INELIGIBILITY. A household described in paragraph (1) shall remain ineligible for participation until the household meets the allowable financial resources and income eligibility requirements under subsections (c), (d), (e), (f), (g), (i), (k), (l), (m), and (n) of section 5.

"(3) AGREEMENTS. As determined by the Secretary, each State agency, to the maximum extent practicable, shall establish agreements with entities responsible for the regulation or sponsorship of gaming in the State to determine whether individuals participating in the supplemental nutrition assistance program have received substantial lottery or gambling winnings.".

**SEC. 4010. IMPROVING SECURITY OF FOOD ASSISTANCE.**

Section 7(h)(8) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(8)) is amended—

(1) in the paragraph heading, by striking "card fee" and inserting "of cards";

(2) by striking "A State" and inserting the following:

"(A) FEES. A State"; and

(3) by adding after subparagraph (A) (as so designated) the following:

"(B) PURPOSEFUL LOSS OF CARDS.

"(i) IN GENERAL. Subject to terms and conditions established by the Secretary in accordance with clause (ii), if a household makes excessive requests for replacement of the electronic benefit transfer card of the household, the Secretary may require a State agency to decline to issue a replacement card to the household unless the household, upon request of the State agency, provides an explanation for the loss of the card.

"(ii) REQUIREMENTS. The terms and conditions established by the Secretary shall provide that—

"(I) the household be given the opportunity to provide the requested explanation and meet the requirements under this paragraph promptly;

"(II) after an excessive number of lost cards, the head of the household shall be required to review program rights and responsibilities with State agency personnel authorized to make determinations under section 5(a); and

"(III) any action taken, including actions required under section 6(b)(2), other than the withholding of the electronic benefit transfer card until an explanation described in subclause (I) is provided, shall be consistent with the due process protections under section 6(b) or 11(e)(10), as appropriate.

"(C) PROTECTING VULNERABLE PERSONS. In implementing this paragraph, a State agency shall act to protect homeless persons, persons with disabilities, victims of crimes, and other vulnerable persons who lose electronic benefit transfer cards but are not intentionally committing fraud.

"(D) EFFECT ON ELIGIBILITY. While a State may decline to issue an electronic benefits transfer card until a household satisfies the requirements under this paragraph, nothing in this paragraph shall be considered a denial of, or limitation on, the eligibility for benefits under section 5.".

**SEC. 4011. TECHNOLOGY MODERNIZATION FOR RETAIL FOOD STORES.**

(a) MOBILE TECHNOLOGIES.—Section 7(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)) (as amended by section 4030(e)) is amended by adding at the end the following:

"(14) MOBILE TECHNOLOGIES.

"(A) IN GENERAL. Subject to subparagraph (B), the Secretary shall approve retail food stores to redeem benefits through electronic means other than wired point of sale devices for electronic benefit transfer transactions, if the retail food stores—

"(i) establish recipient protections regarding privacy, ease of use, access, and support similar to the protections provided for transactions made in retail food stores;

"(ii) bear the costs of obtaining, installing, and maintaining mobile technologies, including mechanisms needed to process EBT cards and transaction fees;

"(iii) demonstrate the foods purchased with benefits issued under this section through mobile technologies are purchased at a price not higher than the price of the same food purchased by other methods used by the retail food store, as determined by the Secretary;

"(iv) provide adequate documentation for each authorized transaction, as determined by the Secretary; and

"(v) meet other criteria as established by the Secretary.

"(B) DEMONSTRATION PROJECT ON ACCEPTANCE OF BENEFITS OF MOBILE TRANSACTIONS.

"(i) IN GENERAL. Before authorizing implementation of subparagraph (A) in all States, the Secretary shall pilot the use of mobile technologies determined by the Secretary to be appropriate to test the feasibility and implications for program integrity, by allowing retail food stores to accept benefits from recipients of supplemental nutrition assistance through mobile transactions.

"(ii) DEMONSTRATION PROJECTS. To be eligible to participate in a demonstration project under clause (i), a retail food store shall submit to the Secretary for approval a plan that includes—

"(I) a description of the technology;

"(II) the manner by which the retail food store will provide proof of the transaction to households;

"(III) the provision of data to the Secretary, consistent with requirements established by the Secretary, in a manner that allows the Secretary to evaluate the impact of the demonstration on participant access, ease of use, and program integrity; and

"(IV) such other criteria as the Secretary may require.

"(iii) DATE OF COMPLETION. The demonstration projects under this subparagraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2016.

"(C) REPORT TO CONGRESS. The Secretary shall—

"(i) by not later than January 1, 2017, authorize implementation of subparagraph (A) in all States, unless the Secretary makes a finding, based on the data provided under subparagraph (B), that implementation in all States is not in the best interest of the supplemental nutrition assistance program; and

"(ii) if the determination made in clause (i) is not to implement subparagraph (A) in all States, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes the basis of the finding.".

(b) ACCEPTANCE OF BENEFITS THROUGH ON-LINE TRANSACTIONS.—

(1) IN GENERAL.—Section 7 of the Food and Nutrition Act of 2008 (7 U.S.C. 2016) is amended by adding at the end the following:

"(k) OPTION TO ACCEPT PROGRAM BENEFITS THROUGH ON-LINE TRANSACTIONS.

"(1) IN GENERAL. Subject to paragraph (4), the Secretary shall approve retail food stores to accept benefits from recipients of supplemental nutrition assistance through on-line transactions.

"(2) REQUIREMENTS TO ACCEPT BENEFITS. A retail food store seeking to accept benefits from recipients of supplemental nutrition assistance through on-line transactions shall—

"(A) establish recipient protections regarding privacy, ease of use, access, and support similar to the protections provided for transactions made in retail food stores;

"(B) ensure benefits are not used to pay delivery, ordering, convenience, or other fees or charges;

"(C) clearly notify participating households at the time a food order is placed—

"(i) of any delivery, ordering, convenience, or other fee or charge associated with the food purchase; and

"(ii) that any such fee cannot be paid with benefits provided under this Act;

"(D) ensure the security of on-line transactions by using the most effective technology available that the Secretary considers appropriate and cost-effective and that is comparable to the security of transactions at retail food stores; and

"(E) meet other criteria as established by the Secretary.

"(3) STATE AGENCY ACTION. Each State agency shall ensure that recipients of supplemental nutrition assistance can use benefits on-line as described in this subsection as appropriate.

"(4) DEMONSTRATION PROJECT ON ACCEPTANCE OF BENEFITS THROUGH ON-LINE TRANSACTIONS.

"(A) IN GENERAL. Before the Secretary authorizes implementation of paragraph (1) in all States, the Secretary shall carry out a number of demonstration projects as determined by the Secretary to test the feasibility of allowing retail food stores to accept benefits through on-line transactions.

"(B) DEMONSTRATION PROJECTS. To be eligible to participate in a demonstration project under subparagraph (A), a retail food store shall submit to the Secretary for approval a plan that includes—

"(i) a method of ensuring that benefits may be used to purchase only eligible items under this Act;

"(ii) a description of the method of educating participant households about the availability and operation of on-line purchasing;

"(iii) adequate testing of the on-line purchasing option prior to implementation;

"(iv) the provision of data as requested by the Secretary for purposes of analyzing the impact of the project on participant access, ease of use, and program integrity;

"(v) reports on progress, challenges, and results, as determined by the Secretary; and

"(vi) such other criteria, including security criteria, as established by the Secretary.

"(C) DATE OF COMPLETION. The demonstration projects under this paragraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2016.

"(5) REPORT TO CONGRESS. The Secretary shall—

"(A) by not later than January 1, 2017, authorize implementation of paragraph (1) in all States, unless the Secretary makes a finding, based on the data provided under paragraph (4), that implementation in all States is not in the best interest of the supplemental nutrition assistance program; and

"(B) if the determination made in subparagraph (A) is not to implement in all States, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes the basis of the finding.".

(2) CONFORMING AMENDMENTS.—

(A) Section 7(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(b)) is amended by striking "purchase food in retail food stores" and inserting "purchase food from retail food stores".

(B) Section 10 of the Food and Nutrition Act of 2008 (7 U.S.C. 2019) is amended in the first sentence by inserting "retail food stores authorized to accept and redeem benefits through on-line transactions shall be authorized to accept benefits prior to the delivery of food if the delivery occurs within a reasonable time of the purchase, as determined by the Secretary," after "food so purchased,".

(c) [7 U.S.C. 2016 note] SAVINGS CLAUSE.—Nothing in this section or an amendment made by this section alters any requirements of the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) unless specifically authorized in this section or an amendment made by this section.

**SEC. 4012. USE OF BENEFITS FOR PURCHASE OF COMMUNITY-SUPPORTED AGRICULTURE SHARE.**

Subsection (o)(4) of section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012) (as redesignated by section 4030(a)(4)) is amended by inserting ", or agricultural producers who market agricultural products directly to consumers" after "such food".

**SEC. 4013. IMPROVED WAGE VERIFICATION USING THE NATIONAL DIRECTORY OF NEW HIRES.**

Section 11(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (3), by inserting "and after compliance with the requirement specified in paragraph (24)" after "section 16(e) of this Act";

(2) in paragraph (22), by striking "and" at the end;

(3) in paragraph (23)(C), by striking the period at the end and inserting "; and"; and

(4) by adding at the end the following:

"(24) that the State agency shall request wage data directly from the National Directory of New Hires established

under section 453(i) of the Social Security Act (42 U.S.C. 653(i)) relevant to determining eligibility to receive supplemental nutrition assistance program benefits and determining the correct amount of those benefits at the time of certification.".

**SEC. 4014. RESTAURANT MEALS PROGRAM.**

(a) IN GENERAL.—Section 11(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)) (as amended by section 4013) is amended—

(1) in paragraph (23)(C), by striking "and" at the end;

(2) in paragraph (24), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(25) if the State elects to carry out a program to contract with private establishments to offer meals at concessional prices, as described in paragraphs (3), (4), and (9) of section 3(k)—

"(A) the plans of the State agency for operating the program, including—

"(i) documentation of a need that eligible homeless, elderly, and disabled clients are underserved in a particular geographic area;

"(ii) the manner by which the State agency will limit participation to only those private establishments that the State determines necessary to meet the need identified in clause (i); and

"(iii) any other conditions the Secretary may prescribe, such as the level of security necessary to ensure that only eligible recipients participate in the program; and

"(B) a report by the State agency to the Secretary annually, the schedule of which shall be established by the Secretary, that includes—

"(i) the number of households and individual recipients authorized to participate in the program, including any information on whether the individual recipient is elderly, disabled, or homeless; and

"(ii) an assessment of whether the program is meeting an established need, as documented under subparagraph (A)(i).".

(b) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. 2018) (as amended by section 4002(d)(2)) is amended by adding at the end the following:

"(h) PRIVATE ESTABLISHMENTS.

"(1) IN GENERAL. Subject to paragraph (2), no private establishment that contracts with a State agency to offer meals at concessional prices as described in paragraphs (3), (4), and (9) of section 3(k) may be authorized to accept and redeem benefits unless the Secretary determines that the participation of the private establishment is required to meet a documented need in accordance with section 11(e)(25).

"(2) EXISTING CONTRACTS.

"(A) IN GENERAL. If, on the day before the date of enactment of this subsection, a State has entered into a contract with a private establishment described in paragraph (1) and the Secretary has not determined that the participation of the private establishment is necessary to meet a documented need in accordance with section 11(e)(25), the Secretary shall allow the operation of the private establishment to continue without that determination of need for a period not to exceed 180 days from the date on which the Secretary establishes determination criteria, by regulation, under section 11(e)(25).

"(B) JUSTIFICATION. If the Secretary determines to terminate a contract with a private establishment that is in effect on the date of enactment of this subsection, the Secretary shall provide justification to the State in which the private establishment is located for that termination.

"(3) REPORT TO CONGRESS. Not later than 90 days after September 30, 2014, and 90 days after the last day of each fiscal year thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the effectiveness of a program under this subsection using any information received from States under section 11(e)(25) as well as any other information the Secretary may have relating to the manner in which benefits are used.".

(c) CONFORMING AMENDMENTS.—Section 3(k) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(k)) is amended by inserting "subject to section 9(h)" after "concessional prices" each place it appears.

**SEC. 4015. MANDATING STATE IMMIGRATION VERIFICATION.**

Section 11 of the Food and Nutrition Act of 2008 (7 U.S.C. 2020) is amended by striking subsection (p) and inserting the following:

"(p) STATE VERIFICATION OPTION. In carrying out the supplemental nutrition assistance program, a State agency shall be required to use an immigration status verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b-7), and an income and eligibility verification system, in accordance with standards set by the Secretary.".

**SEC. 4016. DATA EXCHANGE STANDARDIZATION FOR IMPROVED INTEROPERABILITY.**

(a) DATA EXCHANGE STANDARDIZATION.—Section 11 of the Food and Nutrition Act of 2008 (7 U.S.C. 2020) is amended by adding at the end the following:

"(v) DATA EXCHANGE STANDARDS FOR IMPROVED INTEROPERABILITY.

"(1) DESIGNATION. The Secretary shall, in consultation with an interagency work group established by the Office of Management and Budget, and considering State government perspectives, designate data exchange standards to govern, under this Act—

"(A) necessary categories of information that State agencies operating related programs are required under

applicable law to electronically exchange with another State agency; and

"(B) Federal reporting and data exchange required under applicable law.

"(2) REQUIREMENTS. The data exchange standards required by paragraph (1) shall, to the maximum extent practicable—

"(A) incorporate a widely accepted, nonproprietary, searchable, computer-readable format, such as the eXtensible Markup Language;

"(B) contain interoperable standards developed and maintained by intergovernmental partnerships, such as the National Information Exchange Model;

"(C) incorporate interoperable standards developed and maintained by Federal entities with authority over contracting and financial assistance;

"(D) be consistent with and implement applicable accounting principles;

"(E) be implemented in a manner that is cost-effective and improves program efficiency and effectiveness; and

"(F) be capable of being continually upgraded as necessary.

"(3) RULES OF CONSTRUCTION. Nothing in this subsection requires a change to existing data exchange standards for Federal reporting found to be effective and efficient.".

(b) [7 U.S.C. 2020 note] APPLICATION DATE.—

(1) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Secretary shall issue a proposed rule to carry out the amendments made by this section.

(2) REQUIREMENTS.—The rule shall—

(A) identify federally required data exchanges;

(B) include specification and timing of exchanges to be standardized;

(C) address the factors used in determining whether and when to standardize data exchanges;

(D) specify State implementation options; and

(E) describe future milestones.

**SEC. 4017. PILOT PROJECTS TO IMPROVE FEDERAL-STATE COOPERATION IN IDENTIFYING AND REDUCING FRAUD IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.**

Section 12 of the Food and Nutrition Act of 2008 (7 U.S.C. 2021) is amended by adding at the end the following:

"(i) PILOT PROJECTS TO IMPROVE FEDERAL-STATE COOPERATION IN IDENTIFYING AND REDUCING FRAUD IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

"(1) PILOT PROJECTS REQUIRED.

"(A) IN GENERAL. The Secretary shall carry out, under such terms and conditions as are determined by the Secretary, pilot projects to test innovative Federal-State partnerships to identify, investigate, and reduce fraud by retail food stores and wholesale food concerns in the supplemental nutrition assistance program, including allowing States to operate programs to investigate that fraud.

"(B) REQUIREMENT. At least 1 pilot project described in subparagraph (A) shall be carried out in an urban area

that is among the 10 largest urban areas in the United States (based on population), if—

"(i) the supplemental nutrition assistance program is separately administered in the area; and

"(ii) if the administration of the supplemental nutrition assistance program in the area complies with the other applicable requirements of the program.

"(2) SELECTION CRITERIA. Pilot projects shall be selected based on criteria the Secretary establishes, which shall include—

"(A) enhancing existing efforts by the Secretary to reduce fraud described in paragraph (1)(A);

"(B) requiring participant States to maintain the overall level of effort of the States at addressing recipient fraud, as determined by the Secretary, prior to participation in the pilot project;

"(C) collaborating with other law enforcement authorities as necessary to carry out an effective pilot project;

"(D) commitment of the participant State agency to follow Federal rules and procedures with respect to investigations described in paragraph (1)(A); and

"(E) the extent to which a State has committed resources to recipient fraud and the relative success of those efforts.

"(3) EVALUATION.

"(A) IN GENERAL. The Secretary shall evaluate the pilot projects selected under this subsection to measure the impact of the pilot projects.

"(B) REQUIREMENTS. The evaluation shall include—

"(i) the impact of each pilot project on increasing the capacity of the Secretary to address fraud described in paragraph (1)(A);

"(ii) the effectiveness of the pilot projects in identifying, preventing and reducing fraud described in paragraph (1)(A); and

"(iii) the cost effectiveness of the pilot projects.

"(4) REPORT TO CONGRESS. Not later than September 30, 2017, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report that includes a description of the results of each pilot project, including—

"(A) an evaluation of the impact of the pilot project on fraud described in paragraph (1)(A); and

"(B) the costs associated with the pilot project.

"(5) FUNDING. Any costs incurred by a State to operate pilot projects under this subsection that are in excess of the amount expended under this Act to identify, investigate, and reduce fraud described in paragraph (1)(A) in the respective State in the previous fiscal year shall not be eligible for Federal reimbursement under this Act.".

**SEC. 4018. PROHIBITING GOVERNMENT-SPONSORED RECRUITMENT ACTIVITIES.**

(a) ADMINISTRATIVE COST-SHARING AND QUALITY CONTROL.—Section 16(a)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(a)(4)) is amended by inserting after "recruitment activities" the following: "designed to persuade an individual to apply for program benefits or that promote the program through television, radio, or billboard advertisements".

(b) LIMITATION ON USE OF FUNDS AUTHORIZED TO BE APPROPRIATED UNDER ACT.—Section 18 of the Food and Nutrition Act of 2008 (7 U.S.C. 2027) is amended by adding at the end the following:

"(g) BAN ON RECRUITMENT AND PROMOTION ACTIVITIES.

"(1) IN GENERAL. Except as provided in paragraph (2), no funds authorized to be appropriated under this Act shall be used by the Secretary for—

"(A) recruitment activities designed to persuade an individual to apply for supplemental nutrition assistance program benefits;

"(B) television, radio, or billboard advertisements that are designed to promote supplemental nutrition assistance program benefits and enrollment; or

"(C) any agreements with foreign governments designed to promote supplemental nutrition assistance program benefits and enrollment.

"(2) LIMITATION. Paragraph (1)(B) shall not apply to programmatic activities undertaken with respect to benefits made under section 5(h).".

(c) BAN ON RECRUITMENT ACTIVITIES BY ENTITIES THAT RECEIVE FUNDS.—Section 18 of the Food and Nutrition Act of 2008 (7 U.S.C. 2027) (as amended by subsection (b)) is amended by adding at the end the following:

"(h) BAN ON RECRUITMENT BY ENTITIES THAT RECEIVE FUNDS. The Secretary shall issue regulations that prohibit entities that receive funds under this Act to compensate any person for conducting outreach activities relating to participation in, or for recruiting individuals to apply to receive benefits under, the supplemental nutrition assistance program, if the amount of the compensation would be based on the number of individuals who apply to receive the benefits.".

**SEC. 4019. TOLERANCE LEVEL FOR EXCLUDING SMALL ERRORS.**

Section 16(c)(1)(A) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(c)(1)(A)) is amended—

(1) by striking "In carrying" and inserting the following:

"(i) IN GENERAL. In carrying"; and

(2) by adding at the end the following:

"(ii) TOLERANCE LEVEL FOR EXCLUDING SMALL ERRORS. The Secretary shall set the tolerance level for excluding small errors for the purposes of this subsection—

"(I) for fiscal year 2014, at an amount not greater than $37; and

"(II) for each fiscal year thereafter, the amount specified in subclause (I) adjusted by the

percentage by which the thrifty food plan is adjusted under section 3(u)(4) between June 30, 2013, and June 30 of the immediately preceding fiscal year.".

**SEC. 4020. QUALITY CONTROL STANDARDS.**

(a) IN GENERAL.—Section 16(c)(1)(D)(i) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(c)(1)(D)(i)) is amended by striking subclause (I).

(b) CONFORMING AMENDMENTS.—

(1) Section 13(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2022(a)(1)) is amended in the first sentence by striking "section 16(c)(1)(D)(i)(III)" and inserting "section 16(c)(1)(D)(i)(II)".

(2) Section 16(c)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(c)(1)) is amended—

(A) in subparagraph (D)—

(i) in clause (i)—

(I) by redesignating subclauses (II) through (IV) as subclauses (I) through (III), respectively; and

(II) in subclause (III) (as so redesignated), by striking "through (III)" and inserting "and (II)"; and

(ii) in clause (ii), by striking "waiver amount or";

(B) in subparagraph (E)(i), by striking "(D)(i)(III)" and inserting "(D)(i)(II)"; and

(C) in subparagraph (F), by striking "(D)(i)(II)" each place it appears and inserting "(D)(i)(I)".

**SEC. 4021. PERFORMANCE BONUS PAYMENTS.**

Section 16(d) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(d)) is amended by adding at the end the following:

"(5) USE OF PERFORMANCE BONUS PAYMENTS. A State agency may use a performance bonus payment received under this subsection only to carry out the program established under this Act, including investments in—

"(A) technology;

"(B) improvements in administration and distribution; and

"(C) actions to prevent fraud, waste, and abuse.".

**SEC. 4022. PILOT PROJECTS TO REDUCE DEPENDENCY AND INCREASE WORK REQUIREMENTS AND WORK EFFORT UNDER SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.**

(a) IN GENERAL.—Section 16(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "15 months" and inserting "24 months"; and

(ii) by striking ", except that for fiscal year 2013 and fiscal year 2014, the amount shall be $79,000,000";

(B) in subparagraph (C)—

(i) by striking "If a State" and inserting the following:

"(i) IN GENERAL. If a State"; and

(ii) by adding at the end the following:

"(ii) TIMING. The Secretary shall collect such information as the Secretary determines to be necessary about the expenditures and anticipated expenditures by the State agencies of the funds initially allocated to the State agencies under subparagraph (A) to make reallocations of unexpended funds under clause (i) within a timeframe that allows each State agency to which funds are reallocated at least 270 days to expend the reallocated funds.

"(iii) OPPORTUNITY. The Secretary shall ensure that all State agencies have an opportunity to obtain reallocated funds."; and

(C) by adding at the end the following:

"(F) PILOT PROJECTS TO REDUCE DEPENDENCY AND INCREASE WORK REQUIREMENTS AND WORK EFFORT UNDER SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

"(i) PILOT PROJECTS REQUIRED.

"(I) IN GENERAL. The Secretary shall carry out pilot projects under which State agencies shall enter into cooperative agreements with the Secretary to develop and test methods, including operating work programs with certain features comparable to the program of block grants to States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), for employment and training programs and services to raise the number of work registrants under section 6(d) of this Act who obtain unsubsidized employment, increase the earned income of the registrants, and reduce the reliance of the registrants on public assistance, so as to reduce the need for supplemental nutrition assistance benefits.

"(II) REQUIREMENTS. Pilot projects shall—

"(aa) meet such terms and conditions as the Secretary considers to be appropriate; and

"(bb) except as otherwise provided in this subparagraph, be in accordance with the requirements of sections 6(d) and 20.

"(ii) SELECTION CRITERIA.

"(I) IN GENERAL. The Secretary shall select pilot projects under this subparagraph in accordance with the criteria established under this clause and additional criteria established by the Secretary.

"(II) QUALIFYING CRITERIA. To be eligible to participate in a pilot project, a State agency shall—

"(aa) agree to participate in the evaluation described in clause (vii), including pro-

viding evidence that the State has a robust data collection system for program administration and cooperating to make available State data on the employment activities and post-participation employment, earnings, and public benefit receipt of participants to ensure proper and timely evaluation;

"(bb) commit to collaborate with the State workforce board and other job training programs in the State and local area; and

"(cc) commit to maintain at least the amount of State funding for employment and training programs and services under paragraphs (2) and (3) and under section 20 as the State expended for fiscal year 2013.

"(III) SELECTION CRITERIA. In selecting pilot projects, the Secretary shall—

"(aa) consider the degree to which the pilot project would enhance existing employment and training programs in the State;

"(bb) consider the degree to which the pilot project would enhance the employment and earnings of program participants;

"(cc) consider whether there is evidence that the pilot project could be replicated easily by other States or political subdivisions;

"(dd) consider whether the State agency has a demonstrated capacity to operate high quality employment and training programs; and

"(ee) ensure the pilot projects, when considered as a group, test a range of strategies, including strategies that—

"(AA) target individuals with low skills or limited work experience, individuals subject to the requirements under section 6(o), and individuals who are working;

"(BB) are located in a range of geographic areas and States, including rural and urban areas;

"(CC) emphasize education and training, rehabilitative services for individuals with barriers to employment, rapid attachment to employment, and mixed strategies; and

"(DD) test programs that assign work registrants to mandatory and voluntary participation in employment and training activities.

"(iii) ACCOUNTABILITY.

"(I) IN GENERAL. The Secretary shall establish and implement a process to terminate a pilot project for which the State has failed to meet the

criteria described in clause (ii) or other criteria established by the Secretary.

"(II) TIMING. The process shall include a reasonable time period, not to exceed 180 days, for State agencies found noncompliant to correct the noncompliance.

"(iv) EMPLOYMENT AND TRAINING ACTIVITIES. Allowable programs and services carried out under this subparagraph shall include those programs and services authorized under this Act and employment and training activities authorized under the program of block grants to States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), including:

"(I) Employment in the public or private sector that is not subsidized by any public program.

"(II) Employment in the private sector for which the employer receives a subsidy from public funds to offset all or a part of the wages and costs of employing an adult.

"(III) Employment in the public sector for which the employer receives a subsidy from public funds to offset all or a part of the wages and costs of employing an adult.

"(IV) A work activity that—

"(aa) is performed in return for public benefits;

"(bb) provides an adult with an opportunity to acquire the general skills, knowledge, and work habits necessary to obtain employment;

"(cc) is designed to improve the employability of those who cannot find unsubsidized employment; and

"(dd) is supervised by an employer, work site sponsor, or other responsible party on an ongoing basis.

"(V) Training in the public or private sector that—

"(aa) is given to a paid employee while the employee is engaged in productive work; and

"(bb) provides knowledge and skills essential to the full and adequate performance of the job.

"(VI) Job search, obtaining employment, or preparation to seek or obtain employment, including—

"(aa) life skills training;

"(bb) substance abuse treatment or mental health treatment, determined to be necessary and documented by a qualified med-

ical, substance abuse, or mental health professional; and

"(cc) rehabilitation activities, supervised by a public agency or other responsible party on an ongoing basis.

"(VII) Structured programs and embedded activities—

"(aa) in which adults perform work for the direct benefit of the community under the auspices of public or nonprofit organizations;

"(bb) that are limited to projects that serve useful community purposes in fields such as health, social service, environmental protection, education, urban and rural redevelopment, welfare, recreation, public facilities, public safety, and child care;

"(cc) that are designed to improve the employability of adults not otherwise able to obtain unsubsidized employment;

"(dd) that are supervised on an ongoing basis; and

"(ee) with respect to which a State agency takes into account, to the maximum extent practicable, the prior training, experience, and skills of a recipient in making appropriate community service assignments.

"(VIII) Career and technical training programs that are—

"(aa) directly related to the preparation of adults for employment in current or emerging occupations; and

"(bb) supervised on an ongoing basis.

"(IX) Training or education for job skills that are—

"(aa) required by an employer to provide an adult with the ability to obtain employment or to advance or adapt to the changing demands of the workplace; and

"(bb) supervised on an ongoing basis.

"(X) Education that is—

"(aa) related to a specific occupation, job, or job offer; and

"(bb) supervised on an ongoing basis.

"(XI) In the case of an adult who has not completed secondary school or received a certificate of general equivalence, regular attendance that is—

"(aa) in accordance with the requirements of the secondary school or course of study, at a secondary school or in a course of study leading to a certificate of general equivalence; and

"(bb) supervised on an ongoing basis.

"(XII) Providing child care to enable another recipient of public benefits to participate in a community service program that—

"(aa) does not provide compensation for the community service;

"(bb) is a structured program designed to improve the employability of adults who participate in the program; and

"(cc) is supervised on an ongoing basis.

"(v) SANCTIONS. Subject to clause (vi), no work registrant shall be eligible to participate in the supplemental nutrition assistance program if the individual refuses without good cause to participate in an employment and training program under this subparagraph, to the extent required by the State agency.

"(vi) STANDARDS.

"(I) IN GENERAL. Employment and training activities under this subparagraph shall be considered to be carried out under section 6(d), including for the purpose of satisfying any conditions of participation and duration of ineligibility.

"(II) STANDARDS FOR CERTAIN EMPLOYMENT ACTIVITIES. The Secretary shall establish standards for employment activities described in subclauses (I), (II), and (III) of clause (iv) that ensure that failure to work for reasons beyond the control of an individual, such as involuntary reduction in hours of employment, shall not result in ineligibility.

"(III) PARTICIPATION IN OTHER PROGRAMS. Before assigning a work registrant to mandatory employment and training activities, a State agency shall—

"(aa) assess whether the work registrant is participating in substantial employment and training activities outside of the pilot project that are expected to result in the work registrant gaining increased skills, training, work, or experience consistent with the objectives of the pilot project; and

"(bb) if determined to be acceptable, count hours engaged in the activities toward any minimum participation requirement.

"(vii) EVALUATION AND REPORTING.

"(I) INDEPENDENT EVALUATION.

"(aa) IN GENERAL. The Secretary shall, under such terms and conditions as the Secretary determines to be appropriate, conduct for each State agency that enters into a cooperative agreement under clause (i) an independent longitudinal evaluation of each pilot project of the State agency under this subparagraph, with results reported not less fre-

quently than in consecutive 12-month increments.

"(bb) PURPOSE. The purpose of the independent evaluation shall be to measure the impact of employment and training programs and services provided by each State agency under the pilot projects on the ability of adults in each pilot project target population to find and retain employment that leads to increased household income and reduced reliance on public assistance, as well as other measures of household well-being, compared to what would have occurred in the absence of the pilot project.

"(cc) METHODOLOGY. The independent evaluation shall use valid statistical methods that can determine, for each pilot project, the difference, if any, between supplemental nutrition assistance and other public benefit receipt expenditures, employment, earnings and other impacts as determined by the Secretary—

"(AA) as a result of the employment and training programs and services provided by the State agency under the pilot project; as compared to

"(BB) a control group that is not subject to the employment and training programs and services provided by the State agency under the pilot project.

"(II) REPORTING. Not later than December 31, 2015, and each December 31 thereafter until the completion of the last evaluation under subclause (I), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate and share broadly, including by posting on the Internet website of the Department of Agriculture, a report that includes a description of—

"(aa) the status of each pilot project carried out under this subparagraph;

"(bb) the results of the evaluation completed during the previous fiscal year;

"(cc) to the maximum extent practicable, baseline information relevant to the stated goals and desired outcomes of the pilot project;

"(dd) the employment and training programs and services each State tested under the pilot, including—

"(AA) the system of the State for assessing the ability of work registrants to participate in and meet the requirements

of employment and training activities and assigning work registrants to appropriate activities; and

"(BB) the employment and training activities and services provided under the pilot;

"(ee) the impact of the employment and training programs and services on appropriate employment, income, and public benefit receipt as well as other outcomes among households participating in the pilot project, relative to households not participating; and

"(ff) the steps and funding necessary to incorporate into State employment and training programs and services the components of the pilot projects that demonstrate increased employment and earnings.

"(viii) FUNDING.

"(I) IN GENERAL. Subject to subclause (II), from amounts made available under section 18(a)(1), the Secretary shall use to carry out this subparagraph—

"(aa) for fiscal year 2014, $10,000,000; and

"(bb) for fiscal year 2015, $190,000,000.

"(II) LIMITATIONS.

"(aa) IN GENERAL. The Secretary shall not fund more than 10 pilot projects under this subparagraph.

"(bb) DURATION. Each pilot project shall be in effect for not more than 3 years.

"(III) AVAILABILITY OF FUNDS. Funds made available under subclause (I) shall remain available through September 30, 2018.

"(ix) USE OF FUNDS.

"(I) IN GENERAL. Funds made available under this subparagraph for pilot projects shall be used only for—

"(aa) pilot projects that comply with this Act;

"(bb) the program and administrative costs of carrying out the pilot projects;

"(cc) the costs incurred in developing systems and providing information and data for the independent evaluations under clause (vii); and

"(dd) the costs of the evaluations under clause (vii).

"(II) MAINTENANCE OF EFFORT. Funds made available under this subparagraph shall be used only to supplement, not to supplant, non-Federal funds used for existing employment and training activities or services.

"(III) OTHER FUNDS. In carrying out pilot projects, States may contribute additional funds obtained from other sources, including Federal, State, or private funds, on the condition that the use of the contributions is permissible under Federal law."; and

(2) by striking paragraph (5) and inserting the following:

"(5) MONITORING.

"(A) IN GENERAL. The Secretary shall monitor the employment and training programs carried out by State agencies under section 6(d)(4) and assess the effectiveness of the programs in—

"(i) preparing members of households participating in the supplemental nutrition assistance program for employment, including the acquisition of basic skills necessary for employment; and

"(ii) increasing the number of household members who obtain and retain employment subsequent to participation in the employment and training programs.

"(B) REPORTING MEASURES.

"(i) IN GENERAL. The Secretary, in consultation with the Secretary of Labor, shall develop State reporting measures that identify improvements in the skills, training, education, or work experience of members of households participating in the supplemental nutrition assistance program.

"(ii) REQUIREMENTS. Measures shall—

"(I) be based on common measures of performance for Federal workforce training programs; and

"(II) include additional indicators that reflect the challenges facing the types of members of households participating in the supplemental nutrition assistance program who participate in a specific employment and training component.

"(iii) STATE REQUIREMENTS. The Secretary shall require that each State employment and training plan submitted under section 11(e)(19) identifies appropriate reporting measures for each proposed component that serves a threshold number of participants determined by the Secretary of at least 100 people a year.

"(iv) INCLUSIONS. Reporting measures described in clause (iii) may include—

"(I) the percentage and number of program participants who received employment and training services and are in unsubsidized employment subsequent to the receipt of those services;

"(II) the percentage and number of program participants who obtain a recognized credential, including a registered apprenticeship, or a regular secondary school diploma or its recognized equivalent, while participating in, or within 1 year after receiving, employment and training services;

"(III) the percentage and number of program participants who are in an education or training program that is intended to lead to a recognized credential, including a registered apprenticeship or on-the-job training program, a regular secondary school diploma or its recognized equivalent, or unsubsidized employment;

"(IV) subject to terms and conditions established by the Secretary, measures developed by each State agency to assess the skills acquisition of employment and training program participants that reflect the goals of the specific employment and training program components of the State agency, which may include, at a minimum—

"(aa) the percentage and number of program participants who are meeting program requirements in each component of the education and training program of the State agency;

"(bb) the percentage and number of program participants who are gaining skills likely to lead to employment as measured through testing, quantitative or qualitative assessment, or other method; and

"(cc) the percentage and number of program participants who do not comply with employment and training requirements and who are ineligible under section 6(b); and

"(V) other indicators approved by the Secretary.

"(C) OVERSIGHT OF STATE EMPLOYMENT AND TRAINING ACTIVITIES. The Secretary shall assess State employment and training programs on a periodic basis to ensure—

"(i) compliance with Federal employment and training program rules and regulations;

"(ii) that program activities are appropriate to meet the needs of the individuals referred by the State agency to an employment and training program component;

"(iii) that reporting measures are appropriate to identify improvements in skills, training, work and experience for participants in an employment and training program component; and

"(iv) for States receiving additional allocations under paragraph (1)(E), any information the Secretary may require to evaluate the compliance of the State agency with paragraph (1), which may include—

"(I) a report for each fiscal year of the number of individuals in the State who meet the conditions of paragraph (1)(E)(ii), the number of individuals the State agency offers a position in a program described in subparagraph (B) or (C) of section 6(o)(2), and the number who participate in such a program;

"(II) a description of the types of employment and training programs the State agency uses to comply with paragraph (1)(E) and the availability of those programs throughout the State; and

"(III) any additional information the Secretary determines to be appropriate.

"(D) STATE REPORT. Each State agency shall annually prepare and submit to the Secretary a report on the State employment and training program that includes, using measures identified under subparagraph (B), the numbers of supplemental nutrition assistance program participants who have gained skills, training, work, or experience that will increase the ability of the participants to obtain regular employment.

"(E) MODIFICATIONS TO THE STATE EMPLOYMENT AND TRAINING PLAN. Subject to terms and conditions established by the Secretary, if the Secretary determines that the performance of a State agency with respect to employment and training outcomes is inadequate, the Secretary may require the State agency to make modifications to the State employment and training plan to improve the outcomes.

"(F) PERIODIC EVALUATION. Subject to terms and conditions established by the Secretary, not later than October 1, 2016, and not less frequently than once every 5 years thereafter, the Secretary shall conduct a study to review existing practice and research to identify employment and training program components and practices that—

"(i) effectively assist members of households participating in the supplemental nutrition assistance program in gaining skills, training, work, or experience that will increase the ability of the participants to obtain regular employment; and

"(ii) are best integrated with statewide workforce development systems.".

(b) CONFORMING AMENDMENTS.—

(1) Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(A) in subsection (d)(14), by inserting "or a pilot project under section 16(h)(1)(F)" after "6(d)(4)(I)";

(B) in subsection (e)(3)(B)(iii), by inserting "or a pilot project under section 16(h)(1)(F)" after "6(d)(4)"; and

(C) in subsection (g)(3), in the first sentence, by inserting "or a pilot project under section 16(h)(1)(F)" after "6(d)".

(2) Section 16(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)) is amended—

(A) in paragraph (3), by inserting "or a pilot project under paragraph (1)(F)" after "6(d)(4)"; and

(B) in paragraph (4), by inserting "or a pilot project under paragraph (1)(F)" after "6(d)(4)".

(3) Section 17(b)(1)(B)(iv)(III)(hh) of the Food and Nutrition Act of 2008 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(hh)) is amended by inserting "(h)(1)(F)," after "(g),".

(c) APPLICATION DATE.—

(1) [7 U.S.C. 2014 note] IN GENERAL.—The amendments made by this section (other than the amendments made by subsection (a)(2)) shall apply beginning on the date of enactment of this Act.

(2) [7 U.S.C. 2025 note] PROCESS FOR SELECTING PILOT PROGRAMS.—

(A) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall—

(i) develop and publish the process for selecting pilot projects under section 16(h)(1)(F) of the Food and Nutrition Act of 2008 (as added by subsection (a)(1)(C)); and

(ii) issue such request for proposals for the independent evaluation as is determined appropriate by the Secretary.

(B) APPLICATION.—The Secretary shall begin considering proposals not earlier than 90 days after the date on which the Secretary completes the actions described in subparagraph (A).

(C) SELECTION.—Not later than 180 days after the date on which the Secretary completes the actions described in subparagraph (A), the Secretary shall select pilot projects from the applications submitted in response to the request for proposals issued under subparagraph (A).

(3) [7 U.S.C. 2025 note] MONITORING OF EMPLOYMENT AND TRAINING PROGRAMS.—

(A) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Secretary shall issue interim final regulations implementing the amendments made by subsection (a)(2).

(B) STATE ACTION.—States shall include reporting measures required under section 16(h)(5) of the Food and Nutrition Act of 2008 (as amended by subsection (a)(2)) in the employment and training plans of the States for the first full fiscal year that begins not earlier than 180 days after the date that the regulations described in subparagraph (A) are published.

**SEC. 4023. COOPERATION WITH PROGRAM RESEARCH AND EVALUATION.**

Section 17 of the Food and Nutrition Act of 2008 (7 U.S.C. 2026) is amended by adding at the end the following:

"(l) COOPERATION WITH PROGRAM RESEARCH AND EVALUATION. Subject to the requirements of this Act, including protections under section 11(e)(8), States, State agencies, local agencies, institutions, facilities such as data consortiums, and contractors participating in programs authorized under this Act shall—

"(1) cooperate with officials and contractors acting on behalf of the Secretary in the conduct of evaluations and studies under this Act; and

"(2) submit information at such time and in such manner as the Secretary may require.".

**SEC. 4024. AUTHORIZATION OF APPROPRIATIONS.**

Section 18(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(a)(1)) is amended in the first sentence by striking "2012" and inserting "2018".

**SEC. 4025. REVIEW, REPORT, AND REGULATION OF CASH NUTRITION ASSISTANCE PROGRAM BENEFITS PROVIDED IN PUERTO RICO.**

Section 19 of the Food and Nutrition Act of 2008 (7 U.S.C. 2028) is amended by adding at the end the following:

"(e) REVIEW, REPORT, AND REGULATION OF CASH NUTRITION ASSISTANCE PROGRAM BENEFITS PROVIDED IN PUERTO RICO.

"(1) REVIEW. The Secretary, in consultation with the Secretary of Health and Human Services, shall carry out a review of the provision of nutrition assistance in Puerto Rico in the form of cash benefits under this section that shall include—

"(A) an examination of the history of and purpose for distribution of a portion of monthly benefits in the form of cash;

"(B) an examination of current barriers to the redemption of non-cash benefits by current program participants and retailers;

"(C) an examination of current usage of cash benefits for the purchase of non-food and other prohibited items;

"(D) an identification and assessment of potential adverse effects of the discontinuation of a portion of benefits in the form of cash for program participants and retailers; and

"(E) an examination of such other factors as the Secretary determines to be relevant.

"(2) REPORT. Not later than 18 months after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report that describes the results of the review conducted under this subsection.

"(3) REGULATION.

"(A) IN GENERAL. Except as provided in subparagraph (B), and notwithstanding the second sentence of subsection (b)(1)(B)(i), the Secretary shall disapprove any plan submitted pursuant to subsection (b)(1)(A)—

"(i) for fiscal year 2017 that provides for the distribution of more than 20 percent of the nutrition assistance benefit of a participant in the form of cash;

"(ii) for fiscal year 2018 that provides for the distribution of more than 15 percent of the nutrition assistance benefit of a participant in the form of cash;

"(iii) for fiscal year 2019 that provides for the distribution of more than 10 percent of the nutrition assistance benefit of a participant in the form of cash;

"(iv) for fiscal year 2020 that provides for the distribution of more than 5 percent of the nutrition assistance benefit of a participant in the form of cash; and

"(v) for fiscal year 2021 that provides for the distribution of any portion of the nutrition assistance benefit of a participant in the form of cash.

"(B) EXCEPTION. Notwithstanding subparagraph (A), the Secretary, informed by the report required under paragraph (2), may approve a plan that exempts participants or categories of participants if the Secretary determines that discontinuation of benefits in the form of cash is likely to have significant adverse effects.

"(4) FUNDING. Out of any funds made available under section 18 for fiscal year 2014, the Secretary shall make available to carry out the review and report described in paragraphs (1) and (2) $1,000,000, to remain available until expended.".

**SEC. 4026. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.**

Section 25 of the Food and Nutrition Act of 2008 (7 U.S.C. 2034) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(B)—

(i) in clause (i)—

(I) in subclause (I), by inserting after "individuals" the following: "through food distribution, community outreach to assist in participation in Federally assisted nutrition programs, or improving access to food as part of a comprehensive service;"; and

(II) in subclause (III), by inserting "food access," after "food,"; and

(ii) in clause (ii), by striking subclause (I) and inserting the following:

"(I) equipment necessary for the efficient operation of a project;"; and

(B) by striking paragraphs (2) and (3) and inserting the following:

"(2) GLEANER. The term 'gleaner' means an entity that—

"(A) collects edible, surplus food that would be thrown away and distributes the food to agencies or nonprofit organizations that feed the hungry; or

"(B) harvests for free distribution to the needy, or for donation to agencies or nonprofit organizations for ultimate distribution to the needy, an agricultural crop that has been donated by the owner of the crop.

"(3) HUNGER-FREE COMMUNITIES GOAL. The term 'hunger-free communities goal' means any of the 14 goals described in House Concurrent Resolution 302, 102nd Congress, agreed to October 5, 1992.";

(2) in subsection (b)(2)—

(A) in subparagraph (A), by striking "and" at the end;

(B) in subparagraph (B), by striking "fiscal year 2008 and each fiscal year thereafter." and inserting the following:" each of fiscal years 2008 through 2014; and

"(C) $9,000,000 for fiscal year 2015 and each fiscal year thereafter.";

(3) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "private nonprofit entity" and inserting "public food program service provider, a tribal organization, or a private nonprofit entity, including gleaners,";

(B) in paragraph (1)—

(i) in subparagraph (A), by striking "or" after the semicolon at the end;

(ii) in subparagraph (B), by inserting "or" after the semicolon at the end; and

(iii) by adding at the end the following:

"(C) efforts to reduce food insecurity in the community, including food distribution, improving access to services, or coordinating services and programs;";

(C) in paragraph (2), by striking "and" after the semicolon at the end;

(D) in paragraph (3), by striking the period at the end and inserting "; and"; and

(E) by adding at the end the following:

"(4) collaborate with 1 or more local partner organizations to achieve at least 1 hunger-free communities goal.";

(4) in subsection (d)—

(A) in paragraph (3), by striking "or" after the semicolon at the end;

(B) in paragraph (4), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following:

"(5) develop new resources and strategies to help reduce food insecurity in the community and prevent food insecurity in the future by—

"(A) developing creative food resources;

"(B) coordinating food services with park and recreation programs and other community-based outlets to reduce barriers to access; or

"(C) creating nutrition education programs for at- risk populations to enhance food-purchasing and food- preparation skills and to heighten awareness of the connection between diet and health.";

(5) in subsection (f)(2), by striking "3 years" and inserting "5 years"; and

(6) by striking subsections (h) and (i) and inserting the following:

"(h) REPORTS TO CONGRESS. Not later than September 30, 2014, and each year thereafter, the Secretary shall submit to Congress a report that describes each grant made under this section, including—

"(1) a description of any activity funded;

"(2) the degree of success of each activity funded in achieving hunger-free community goals; and

"(3) the degree of success in improving the long-term capacity of a community to address food and agriculture problems related to hunger or access to healthy food.".

**SEC. 4027. EMERGENCY FOOD ASSISTANCE.**

(a) PURCHASE OF COMMODITIES.—Section 27(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)) is amended—

(1) in paragraph (1), by striking "2008 through 2012" and inserting "2014 through 2018";

(2) in paragraph (2)—

(A) in subparagraph (B), by striking "and" at the end;

(B) in subparagraph (C)—

(i) by striking "2012" and inserting "2018"; and

(ii) by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

"(D) for each of fiscal years 2015 through 2018, the sum obtained by adding the total dollar amount of commodities specified in subparagraph (C) and—

"(i) for fiscal year 2015, $50,000,000;

"(ii) for fiscal year 2016, $40,000,000;

"(iii) for fiscal year 2017, $20,000,000; and

"(iv) for fiscal year 2018, $15,000,000; and

"(E) for fiscal year 2019 and each subsequent fiscal year, the total dollar amount of commodities specified in subparagraph (D)(iv) adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(u)(4) to reflect changes between June 30, 2017, and June 30 of the immediately preceding fiscal year."; and

(3) by adding at the end the following:

"(3) FUNDS AVAILABILITY. For purposes of the funds described in this subsection, the Secretary shall—

"(A) make the funds available for 2 fiscal years; and

"(B) allow States to carry over unexpended balances to the next fiscal year pursuant to such terms and conditions as are determined by the Secretary.".

(b) EMERGENCY FOOD PROGRAM INFRASTRUCTURE GRANTS.—Section 209(d) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7511a(d)) is amended by striking "2012" and inserting "2018".

**SEC. 4028. NUTRITION EDUCATION.**

Section 28(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036a(b)) is amended by inserting "and physical activity" after "healthy food choices".

**SEC. 4029. RETAIL FOOD STORE AND RECIPIENT TRAFFICKING.**

The Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

**"SEC. 29. [7 U.S.C. 2036b] RETAIL FOOD STORE AND RECIPIENT TRAFFICKING**

"(a) PURPOSE. The purpose of this section is to provide the Department of Agriculture with additional resources to prevent trafficking in violation of this Act by strengthening recipient and retail food store program integrity.

"(b) USE OF FUNDS.

"(1) IN GENERAL. Additional funds are provided under this section to supplement the retail food store and recipient integrity activities of the Department.

"(2) INFORMATION TECHNOLOGIES. The Secretary shall use an appropriate amount of the funds provided under this section to employ information technologies known as data mining and data warehousing and other available information technologies to administer the supplemental nutrition assistance program and enforce regulations promulgated under section 4(c).

"(c) FUNDING.

"(1) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2014 through 2018.

"(2) MANDATORY FUNDING.

"(A) IN GENERAL. Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section not less than $15,000,000 for fiscal year 2014, to remain available until expended.

"(B) RECEIPT AND ACCEPTANCE. The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under subparagraph (A), without further appropriation.

"(C) MAINTENANCE OF FUNDING. The funding provided under subparagraph (A) shall supplement (and not supplant) other Federal funding for programs carried out under this Act.".

**SEC. 4030. TECHNICAL AND CONFORMING AMENDMENTS.**

(a) Section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012) is amended—

(1) in subsection (g), by striking "coupon," the last place it appears and inserting "coupon";

(2) in subsection (k)(7), by striking "or are" and inserting "and";

(3) by striking subsection (*l*);

(4) by redesignating subsections (m) through (t) as subsections (*l*) through (s), respectively; and

(5) by inserting after subsection (s) (as so redesignated) the following:

"(t) 'Supplemental nutrition assistance program' means the program operated pursuant to this Act.".

(b) Section 4(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(a)) is amended in the last sentence by striking "benefits" and inserting "Benefits".

(c) Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in the last sentence of subsection (i)(2)(D), by striking "section 13(b)(2)" and inserting "section 13(b)"; and

(2) in subsection (k)(4)(A), by striking "paragraph (2)(H)" and inserting "paragraph (2)(G)".

(d) Section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4)) is amended in subparagraphs (B)(vii) and (F)(iii) by indenting both clauses appropriately.

(e) Section 7(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)) is amended by redesignating the second paragraph (12) (relating to interchange fees) as paragraph (13).

(f) Section 9(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2018(a)) is amended by indenting paragraph (3) appropriately.

(g) Section 12 of the Food and Nutrition Act of 2008 (7 U.S.C. 2021) is amended—

(1) in subsection (b)(3)(C), by striking "civil money penalties" and inserting "civil penalties"; and

(2) in subsection (g)(1), by striking "(7 U.S.C. 1786)" and inserting "(42 U.S.C. 1786)".

(h) Section 15(b)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2024(b)(1)) is amended in the first sentence by striking "an benefit" both places it appears and inserting "a benefit".

(i) Section 16(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(a)) is amended in the proviso following paragraph (8) by striking "as amended.".

(j) Section 18(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(e)) is amended in the first sentence by striking "sections 7(f)" and inserting "section 7(f)".

(k) Section 22(b)(10)(B)(i) of the Food and Nutrition Act of 2008 (7 U.S.C. 2031(b)(10)(B)(i)) is amended in the last sentence by striking "Food benefits" and inserting "Benefits".

(l) Section 26(f)(3)(C) of the Food and Nutrition Act of 2008 (7 U.S.C. 2035(f)(3)(C)) is amended by striking "subsection" and inserting "subsections".

(m) Section 27(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)(1)) is amended by striking "(Public Law 98-8; 7 U.S.C. 612c note)" and inserting "(7 U.S.C. 7515)".

(n) Section 115 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (21 U.S.C. 862a) is amended—

(1) in subsection (a)(2), by striking "food stamp program (as defined in section 3(l) of the Food Stamp Act of 1977) or any State program carried out under the Food Stamp Act of 1977" and inserting "supplemental nutrition assistance program (as defined in section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012)) or any State program carried out under that Act";

(2) in subsection (b)(2)—

(A) in the paragraph heading, by striking "the food stamp act of 1977" and inserting "the food and nutrition act of 2008"; and

(B) by striking "food stamp program (as defined in section 3(l) of the Food Stamp Act of 1977), or any State program carried out under the Food Stamp Act of 1977" and inserting "supplemental nutrition assistance program (as defined in section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012)), or any State program carried out under that Act"; and

(3) in subsection (e)(2), by striking "section 3(s) of the Food Stamp Act of 1977, when referring to the food stamp program (as defined in section 3(l) of the Food Stamp Act of 1977) or any State program carried out under the Food Stamp Act of 1977" and inserting "section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), when referring to the supplemental nutrition assistance program (as defined in that section) or any State program carried out under that Act".

(o) Section 3803(c)(2)(C)(vii) of title 31 of the United States Code is amended by striking "section 3(l)" and inserting "section 3".

(p) Section 453(j)(10) of the Social Security Act (42 U.S.C. 653(j)(10)) is amended in the paragraph heading by striking "food stamp programs" and inserting "supplemental nutrition assistance program benefits".

(q) Section 1137 of the Social Security Act (42 U.S.C. 1320b-7)—

(1) in subsection (a)(5)(B), by striking "food stamp" and inserting "supplemental nutrition assistance"; and

(2) in subsection (b)(4), by striking "food stamp program under the Food Stamp Act of 1977" and inserting "supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.)".

(r) Section 1631(n) of the Social Security Act (42 U.S.C. 1383) is amended in the subsection heading by striking "Food Stamp" and inserting "Supplemental Nutrition Assistance".

(s) Section 509 of the Older Americans Act of 1965 (42 U.S.C. 3056g) is amended in the section heading by striking "FOOD STAMP PROGRAMS" and inserting "SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAMS".

(t) Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93-86) is amended by striking "Food Stamp Act of 1977" and inserting "Food and Nutrition Act of 2008".

(u) Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93-86) is amended—

(1) in subsection (h)(1), by striking "food stamps" and inserting "the supplemental nutrition assistance program";

(2) in subsection (i)(1), by striking "food stamps provided under the Food Stamp Act of 1977" and inserting "supplemental nutrition assistance benefits provided under the Food and Nutrition Act of 2008"; and

(3) in subsection (*l*)(2)(B), by striking "Food Stamp Act of 1977" and inserting "Food and Nutrition Act of 2008".

(v) **[**42 U.S.C. 654**]** Section 4115(c)(2)(H) of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246; 122 Stat. 1871) is amended by striking "531" and inserting "454".

**SEC. 4031. [48 U.S.C. 1841 note] COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS PILOT PROGRAM.**

(a) STUDY.—

(1) IN GENERAL.—Prior to establishing the pilot program under subsection (b), the Secretary shall conduct a study to be completed not later than 2 years after the date of enactment of this Act to assess—

(A) the capabilities of the Commonwealth of the Northern Mariana Islands to operate the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) in a similar manner as the program is operated in the States (as defined in section 3 of that Act (7 U.S.C. 2012)); and

(B) alternative models of the supplemental nutrition assistance program operation and benefit delivery that

best meet the nutrition assistance needs of the Commonwealth of the Northern Mariana Islands.

(2) SCOPE.—The study conducted under paragraph (1)(A) shall assess the capability of the Commonwealth of the Northern Mariana Islands to fulfill the responsibilities of a State agency (as defined in section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012)), including—

(A) extending and limiting participation to eligible households, as required by sections 5 and 6 of that Act (7 U.S.C. 2014, 2015);

(B) issuing benefits through EBT cards, as required by section 7 of that Act (7 U.S.C. 2016);

(C) maintaining the integrity of the program, including operation of a quality control system, as required by section 16(c) of that Act (7 U.S.C. 2025(c));

(D) implementing work requirements, including operating an employment and training program, as required by section 6(d) of that Act (7 U.S.C. 2015(d)); and

(E) paying a share of administrative costs with non-Federal funds, as required by section 16(a) of that Act (7 U.S.C. 2016(a)).

(b) ESTABLISHMENT.—If the Secretary determines that a pilot program is feasible, the Secretary shall establish a pilot program for the Commonwealth of the Northern Mariana Islands to operate the supplemental nutrition assistance program in the same manner in which the program is operated in the States.

(c) SCOPE.—The Secretary shall use the information obtained from the study conducted under subsection (a) to establish the scope of the pilot program established under subsection (b).

(d) REPORT.—Not later than June 30, 2019, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the pilot program carried out under this section, including an analysis of the feasibility of operating the supplemental nutrition assistance program in the Commonwealth of the Northern Mariana Islands in the same manner in which the program is operated in the States.

(e) FUNDING.—

(1) STUDY.—Of the funds made available under section 18(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(a)(1)), the Secretary may use to conduct the study described in subsection (a) not more than $1,000,000 for each of fiscal years 2014 and 2015.

(2) PILOT PROGRAM.—

(A) IN GENERAL.—Except as provided in subparagraph (B), of the funds made available under section 18(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(a)(1)), the Secretary may use to establish and carry out the pilot program under subsection (b), including the Federal costs for providing technical assistance to the Commonwealth of the Northern Mariana Islands, authorizing and monitoring retail food stores, and assessing pilot operations, not more than—

(i) $13,500,000 for fiscal year 2016; and

(ii) $8,500,000 for each of fiscal years 2017 and 2018.

(B) EXCEPTION.—If the Secretary determines that a pilot program described in subsection (b) is not feasible, the Secretary shall provide to the Commonwealth of the Northern Mariana Islands any unspent funds described in subparagraph (A), which shall—

(i) be made available for obligation under the Commonwealth of the Northern Mariana Islands nutrition assistance program block grant in addition to any other funds made available for that grant; and

(ii) remain available until expended.

**SEC. 4032. [7 U.S.C. 2036c] ANNUAL STATE REPORT ON VERIFICATION OF SNAP PARTICIPATION.**

(a) ANNUAL REPORT.—Not later than 1 year after the date specified by the Secretary during the 180-day period beginning on the date of enactment of this Act, and annually thereafter, each State agency that carries out the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) shall submit to the Secretary a report containing sufficient information for the Secretary to determine whether the State agency has, for the most recently concluded fiscal year preceding that annual date, verified that the State agency in that fiscal year—

(1) did not issue benefits to a deceased individual; and

(2) did not issue benefits to an individual who had been permanently disqualified from receiving benefits.

(b) PENALTY FOR NONCOMPLIANCE.—For any fiscal year for which a State agency fails to comply with subsection (a), the Secretary shall impose a penalty that includes a reduction of up to 50 percent of the amount that would be otherwise payable to the State agency under section 16(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(a)) with respect to that fiscal year.

(c) REPORT OF PILOT PROGRAM TO TEST PREVENTION OF DUPLICATE PARTICIPATION.—Not later than 90 days after the completion in multiple States of a temporary pilot program to test the detection and prevention of duplicate participation by beneficiaries of the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report assessing the feasibility, effectiveness, and cost for the expansion of the pilot program nationwide.

**SEC. 4033. [25 U.S.C. 1685] SERVICE OF TRADITIONAL FOODS IN PUBLIC FACILITIES.**

(a) PURPOSES.—The purposes of this section are—

(1) to provide access to traditional foods in food service programs;

(2) to encourage increased consumption of traditional foods to decrease health disparities among Indians, particularly Alaska Natives; and

(3) to provide alternative food options for food service programs.

(b) DEFINITIONS.—In this section:

(1) ALASKA NATIVE.—The term "Alaska Native" means a person who is a member of any Native village, Village Corporation, or Regional Corporation (as those terms are defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602)).

(2) COMMISSIONER.—The term "Commissioner" means the Commissioner of Food and Drugs.

(3) FOOD SERVICE PROGRAM.—The term "food service program" includes—

(A) food service at residential child care facilities that have a license from an appropriate State agency;

(B) any child nutrition program (as that term is defined in section 25(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769f(b));

(C) food service at hospitals, clinics, and long-term care facilities; and

(D) senior meal programs.

(4) INDIAN; INDIAN TRIBE.—The terms "Indian" and "Indian tribe" have the meanings given those terms in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(5) TRADITIONAL FOOD.—

(A) IN GENERAL.—The term "traditional food" means food that has traditionally been prepared and consumed by an Indian tribe.

(B) INCLUSIONS.—The term "traditional food" includes—

(i) wild game meat;

(ii) fish;

(iii) seafood;

(iv) marine mammals;

(v) plants; and

(vi) berries.

(6) TRIBAL ORGANIZATION.—The term "tribal organization" has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(c) PROGRAM.—The Secretary and the Commissioner shall allow the donation to and serving of traditional food through food service programs at public facilities and nonprofit facilities, including facilities operated by Indian tribes and facilities operated by tribal organizations, that primarily serve Indians if the operator of the food service program—

(1) ensures that the food is received whole, gutted, gilled, as quarters, or as a roast, without further processing;

(2) makes a reasonable determination that—

(A) the animal was not diseased;

(B) the food was butchered, dressed, transported, and stored to prevent contamination, undesirable microbial growth, or deterioration; and

(C) the food will not cause a significant health hazard or potential for human illness;

(3) carries out any further preparation or processing of the food at a different time or in a different space from the preparation or processing of other food for the applicable program to prevent cross-contamination;

(4) cleans and sanitizes food-contact surfaces of equipment and utensils after processing the traditional food;

(5) labels donated traditional food with the name of the food;

(6) stores the traditional food separately from other food for the applicable program, including through storage in a separate freezer or refrigerator or in a separate compartment or shelf in the freezer or refrigerator;

(7) follows Federal, State, local, county, tribal, or other non-Federal law regarding the safe preparation and service of food in public or nonprofit facilities; and

(8) follows other such criteria as established by the Secretary and Commissioner.

(d) LIABILITY.—

(1) IN GENERAL.—The United States, an Indian tribe, a tribal organization, a State, a county or county equivalent, a local educational agency, and an entity or person authorized to facilitate the donation, storage, preparation, or serving of traditional food by the operator of a food service program shall not be liable in any civil action for any damage, injury, or death caused to any person by the donation to or storage, preparation, or serving of traditional foods through food service programs.

(2) RULE OF CONSTRUCTION.—Nothing in paragraph (1) alters any liability or other obligation of the United States under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 1450 et seq.).

# Subtitle B—Commodity Distribution Programs

**SEC. 4101. COMMODITY DISTRIBUTION PROGRAM.**

Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93-86) is amended in the first sentence by striking "2012" and inserting "2018".

**SEC. 4102. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93-86) is amended—

(1) in paragraphs (1) and (2)(B) of subsection (a), by striking "2012" each place it appears and inserting "2018";

(2) in the first sentence of subsection (d)(2), by striking "2012" and inserting "2018";

(3) by striking subsection (g) and inserting the following:

"(g) ELIGIBILITY. Except as provided in subsection (m), the States shall only provide assistance under the commodity supplemental food program to low-income persons aged 60 and older."; and

(4) by adding at the end the following:

"(m) PHASE-OUT. Notwithstanding any other provision of law, an individual who receives assistance under the commodity supplemental food program on the day before the date of enactment of this subsection shall continue to receive that assistance until the date on which the individual is no longer eligible for assistance under the eligibility requirements for the program in effect on the day before the date of enactment of this subsection.".

**SEC. 4103. DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.**

Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the first sentence by striking "2012" and inserting "2018".

**SEC. 4104. PROCESSING OF COMMODITIES.**

(a) IN GENERAL.—Section 17 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100-237) is amended—

(1) in the section heading, by inserting "AND PROCESSING" after "DONATIONS"; and

(2) by adding at the end the following:

"(c) PROCESSING.

"(1) IN GENERAL. For any program included under subsection (b), the Secretary may, notwithstanding any other provision of Federal or State law relating to the procurement of goods and services—

"(A) retain title to commodities delivered to a processor, on behalf of a State (including a State distributing agency and a recipient agency), until such time as end products containing the commodities, or similar commodities as approved by the Secretary, are delivered to a State distributing agency or to a recipient agency; and

"(B) promulgate regulations to ensure accountability for commodities provided to a processor for processing into end products, and to facilitate processing of commodities into end products for use by recipient agencies.

"(2) REGULATIONS. The regulations described in paragraph (1)(B) may provide that—

"(A) a processor that receives commodities for processing into end products, or provides a service with respect to the commodities or end products, in accordance with the agreement of the processor with a State distributing agency or a recipient agency, provide to the Secretary a bond or other means of financial assurance to protect the value of the commodities; and

"(B) in the event a processor fails to deliver to a State distributing agency or a recipient agency an end product in conformance with the processing agreement entered into under this Act, the Secretary—

"(i) take action with respect to the bond or other means of financial assurance pursuant to regulations promulgated under this subsection; and

"(ii) distribute any proceeds obtained by the Secretary to 1 or more State distributing agencies and re-

cipient agencies, as determined appropriate by the Secretary.".

(b) DEFINITIONS.—Section 18 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100-237) is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) COMMODITIES. The term 'commodities' means agricultural commodities and their products that are donated by the Secretary for use by recipient agencies.

"(2) END PRODUCT. The term 'end product' means a food product that contains processed commodities.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—Section 3 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100-237) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking subparagraph (B) and inserting the following:

"(B) the program established under section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b));"; and

(B) in paragraph (3)(D), by striking "the Committee on Education and Labor" and inserting "the Committee on Education and the Workforce";

(2) in subsection (b)(1)(A)(ii), by striking "section 32 of the Agricultural Adjustment Act (7 U.S.C. 601 et seq.)" and inserting "section 32 of the Act of August 24, 1935 (7 U.S.C. 612c)";

(3) in subsection (e)(1)(D)(iii), by striking subclause (II) and inserting the following:

"(II) the program established under section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b));"; and

(4) in subsection (k), by striking "the Committee on Education and Labor" and inserting "the Committee on Education and the Workforce".

## Subtitle C—Miscellaneous

### SEC. 4201. PURCHASE OF FRESH FRUITS AND VEGETABLES FOR DISTRIBUTION TO SCHOOLS AND SERVICE INSTITUTIONS.

Section 10603(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 612c-4(b)) is amended by striking "2012" and inserting "2018".

### SEC. 4202. PILOT PROJECT FOR PROCUREMENT OF UNPROCESSED FRUITS AND VEGETABLES.

Section 6 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755) is amended by adding at the end the following:

"(f) PILOT PROJECT FOR PROCUREMENT OF UNPROCESSED FRUITS AND VEGETABLES.

"(1) IN GENERAL. The Secretary shall conduct a pilot project under which the Secretary shall facilitate the procurement of unprocessed fruits and vegetables in not more than 8 States receiving funds under this Act.

"(2) PURPOSE. The purpose of the pilot project required by this subsection is to provide selected States flexibility for the

procurement of unprocessed fruits and vegetables by permitting each State—

"(A) to utilize multiple suppliers and products established and qualified by the Secretary; and

"(B) to allow geographic preference, if desired, in the procurement of the products under the pilot project.

"(3) SELECTION AND PARTICIPATION.

"(A) IN GENERAL. The Secretary shall select States for participation in the pilot project in accordance with criteria established by the Secretary and terms and conditions established for participation.

"(B) REQUIREMENT. The Secretary shall ensure that at least 1 project is located in a State in each of—

"(i) the Pacific Northwest Region;

"(ii) the Northeast Region;

"(iii) the Western Region;

"(iv) the Midwest Region; and

"(v) the Southern Region.

"(4) PRIORITY. In selecting States for participation in the pilot project, the Secretary shall prioritize applications based on—

"(A) the quantity and variety of growers of local fruits and vegetables in the States on a per capita basis;

"(B) the demonstrated commitment of the States to farm-to-school efforts, as evidenced by prior efforts to increase and promote farm-to-school programs in the States; and

"(C) whether the States contain a sufficient quantity of local educational agencies, various population sizes, and geographical locations.

"(5) RECORDKEEPING AND REPORTING REQUIREMENTS.

"(A) RECORDKEEPING REQUIREMENT. States selected to participate in the pilot project, and participating school food authorities within those States, shall keep records of the fruits and vegetables received under the pilot project in such manner and form as requested by the Secretary.

"(B) REPORTING REQUIREMENT. Each participating State shall submit to the Secretary a report on the success of the pilot project in the State, including information on—

"(i) the quantity and cost of each type of fruit and vegetable received by the State under the pilot project; and

"(ii) the benefit provided by those procurements in conducting school food service in the State, including meeting school meal requirements.".

**SEC. 4203. SENIORS FARMERS' MARKET NUTRITION PROGRAM.**

(a) IN GENERAL.—Section 4402(a) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3007(a)) is amended by striking "2012" and inserting "2018".

(b) [7 U.S.C. 3007 note] EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on October 1, 2013.

**SEC. 4204. DIETARY GUIDELINES FOR AMERICANS.**

Section 301(a) of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341(a)) is amended by adding at the end the following:

"(3) PREGNANT WOMEN AND YOUNG CHILDREN. Not later than the 2020 report and in each report thereafter, the Secretaries shall include national nutritional and dietary information and guidelines for pregnant women and children from birth until the age of 2.".

**SEC. 4205. MULTIAGENCY TASK FORCE.**

Subtitle D of title II of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6951 et seq.) is amended by adding at the end the following:

**"SEC. 242. [7 U.S.C. 6952] MULTIAGENCY TASK FORCE**

"(a) IN GENERAL. The Secretary shall establish, in the office of the Under Secretary for Food, Nutrition, and Consumer Services, a multiagency task force for the purpose of providing coordination and direction for commodity programs.

"(b) COMPOSITION. The Task Force shall be composed of at least 4 members, including—

"(1) a representative from the Food Distribution Division of the Food and Nutrition Service, who shall—

"(A) be appointed by the Under Secretary for Food, Nutrition, and Consumer Services; and

"(B) serve as Chairperson of the Task Force;

"(2) at least 1 representative from the Agricultural Marketing Service, who shall be appointed by the Under Secretary for Marketing and Regulatory Programs;

"(3) at least 1 representative from the Farm Services Agency, who shall be appointed by the Under Secretary for Farm and Foreign Agricultural Services; and

"(4) at least 1 representative from the Food Safety and Inspection Service, who shall be appointed by the Under Secretary for Food Safety.

"(c) DUTIES.

"(1) IN GENERAL. The Task Force shall be responsible for evaluation and monitoring of the commodity programs to ensure that the commodity programs meet the mission of the Department—

"(A) to support the United States farm sector; and

"(B) to contribute to the health and well-being of individuals in the United States through the distribution of domestic agricultural products through commodity programs.

"(2) SPECIFIC DUTIES. In carrying out paragraph (1), the Task Force shall—

"(A) review and make recommendations regarding the specifications used for the procurement of food commodities;

"(B) review and make recommendations regarding the efficient and effective distribution of food commodities; and

"(C) review and make recommendations regarding the degree to which the quantity, quality, and specifications of

procured food commodities align the needs of producers and the preferences of recipient agencies.

"(d) REPORTS. Not later than 1 year after the date of enactment of this section, and annually thereafter, the Secretary shall submit to Congress a report that describes, for the period covered by the report—

"(1) the findings and recommendations of the Task Force; and

"(2) policies implemented for the improvement of commodity procurement programs.".

**SEC. 4206. HEALTHY FOOD FINANCING INITIATIVE.**

Subtitle D of title II of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6951 et seq.) (as amended by section 4205) is amended by adding at the end the following:

**"SEC. 243. [7 U.S.C. 6953] HEALTHY FOOD FINANCING INITIATIVE**

"(a) PURPOSE. The purpose of this section is to enhance the authorities of the Secretary to support efforts to provide access to healthy food by establishing an initiative to improve access to healthy foods in underserved areas, to create and preserve quality jobs, and to revitalize low-income communities by providing loans and grants to eligible fresh, healthy food retailers to overcome the higher costs and initial barriers to entry in underserved areas.

"(b) DEFINITIONS. In this section:

"(1) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION. The term 'community development financial institution' has the meaning given the term in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702).

"(2) INITIATIVE. The term 'Initiative' means the Healthy Food Financing Initiative established under subsection (c)(1).

"(3) NATIONAL FUND MANAGER. The term 'national fund manager' means a community development financial institution that is—

"(A) in existence on the date of enactment of this section; and

"(B) certified by the Community Development Financial Institution Fund of the Department of Treasury to manage the Initiative for purposes of—

"(i) raising private capital;

"(ii) providing financial and technical assistance to partnerships; and

"(iii) funding eligible projects to attract fresh, healthy food retailers to underserved areas, in accordance with this section.

"(4) PARTNERSHIP. The term 'partnership' means a regional, State, or local public-private partnership that—

"(A) is organized to improve access to fresh, healthy foods;

"(B) provides financial and technical assistance to eligible projects; and

"(C) meets such other criteria as the Secretary may establish.

"(5) PERISHABLE FOOD. The term 'perishable food' means a staple food that is fresh, refrigerated, or frozen.

"(6) QUALITY JOB. The term 'quality job' means a job that provides wages and other benefits comparable to, or better than, similar positions in existing businesses of similar size in similar local economies.

"(7) STAPLE FOOD.

"(A) IN GENERAL. The term 'staple food' means food that is a basic dietary item.

"(B) INCLUSIONS. The term 'staple food' includes—

"(i) bread or cereal;

"(ii) flour;

"(iii) fruits;

"(iv) vegetables;

"(v) meat; and

"(vi) dairy products.

"(c) INITIATIVE.

"(1) ESTABLISHMENT. The Secretary shall establish an initiative to achieve the purpose described in subsection (a) in accordance with this subsection.

"(2) IMPLEMENTATION.

"(A) IN GENERAL.

"(i) IN GENERAL. In carrying out the Initiative, the Secretary shall provide funding to entities with eligible projects, as described in subparagraph (B), subject to the priorities described in subparagraph (C).

"(ii) USE OF FUNDS. Funds provided to an entity pursuant to clause (i) shall be used—

"(I) to create revolving loan pools of capital or other products to provide loans to finance eligible projects or partnerships;

"(II) to provide grants for eligible projects or partnerships;

"(III) to provide technical assistance to funded projects and entities seeking Initiative funding; and

"(IV) to cover administrative expenses of the national fund manager in an amount not to exceed 10 percent of the Federal funds provided.

"(B) ELIGIBLE PROJECTS. Subject to the approval of the Secretary, the national fund manager shall establish eligibility criteria for projects under the Initiative, which shall include the existence or planned execution of agreements—

"(i) to expand or preserve the availability of staple foods in underserved areas with moderate- and low-income populations by maintaining or increasing the number of retail outlets that offer an assortment of perishable food and staple food items, as determined by the Secretary, in those areas; and

"(ii) to accept benefits under the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

"(C) PRIORITIES. In carrying out the Initiative, priority shall be given to projects that—

"(i) are located in severely distressed low-income communities, as defined by the Community Development Financial Institutions Fund of the Department of Treasury; and

"(ii) include 1 or more of the following characteristics:

"(I) The project will create or retain quality jobs for low-income residents in the community.

"(II) The project supports regional food systems and locally grown foods, to the maximum extent practicable.

"(III) In areas served by public transit, the project is accessible by public transit.

"(IV) The project involves women- or minority-owned businesses.

"(V) The project receives funding from other sources, including other Federal agencies.

"(VI) The project otherwise advances the purpose of this section, as determined by the Secretary.

"(d) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated to the Secretary to carry out this section $125,000,000, to remain available until expended.".

**SEC. 4207. PURCHASE OF HALAL AND KOSHER FOOD FOR EMERGENCY FOOD ASSISTANCE PROGRAM.**

Section 202 of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7502) is amended by adding at the end the following:

"(h) KOSHER AND HALAL FOOD. As soon as practicable after the date of enactment of this subsection, the Secretary shall finalize and implement a plan—

"(1) to increase the purchase of Kosher and Halal food from food manufacturers with a Kosher or Halal certification to carry out the program established under this Act if the Kosher and Halal food purchased is cost neutral as compared to food that is not from food manufacturers with a Kosher or Halal certification; and

"(2) to modify the labeling of the commodities list used to carry out the program in a manner that enables Kosher and Halal distribution entities to identify which commodities to obtain from local food banks.".

**SEC. 4208. FOOD INSECURITY NUTRITION INCENTIVE.**

Section 4405 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7517) is amended to read as follows:

**"SEC. 4405. FOOD INSECURITY NUTRITION INCENTIVE**

"(a) IN GENERAL. In this section:

"(1) ELIGIBLE ENTITY. The term 'eligible entity' means—

"(A) a nonprofit organization (including an emergency feeding organization);

"(B) an agricultural cooperative;

"(C) a producer network or association;

"(D) a community health organization;

"(E) a public benefit corporation;

"(F) an economic development corporation;

"(G) a farmers' market;

"(H) a community-supported agriculture program;

"(I) a buying club;

"(J) a retail food store participating in the supplemental nutrition assistance program;

"(K) a State, local, or tribal agency; and

"(L) any other entity the Secretary designates.

"(2) EMERGENCY FEEDING ORGANIZATION. The term 'emergency feeding organization' has the meaning given the term in section 201A of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501).

"(3) SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM. The term 'supplemental nutrition assistance program' means the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

"(b) FOOD INSECURITY NUTRITION INCENTIVE GRANTS.

"(1) AUTHORIZATION.

"(A) IN GENERAL. In each of the years specified in subsection (c), the Secretary shall make grants to eligible entities in accordance with paragraph (2).

"(B) FEDERAL SHARE. The Federal share of the cost of carrying out an activity under this subsection shall not exceed 50 percent of the total cost of the activity.

"(C) NON-FEDERAL SHARE.

"(i) IN GENERAL. The non-Federal share of the cost of an activity under this subsection may be provided—

"(I) in cash or in-kind contributions as determined by the Secretary, including facilities, equipment, or services; and

"(II) by a State or local government or a private source.

"(ii) LIMITATION. In the case of a for-profit entity, the non-Federal share described in clause (i) shall not include services of an employee, including salaries paid or expenses covered by the employer.

"(2) CRITERIA.

"(A) IN GENERAL. For purposes of this subsection, an eligible entity is a governmental agency or nonprofit organization that—

"(i) meets the application criteria set forth by the Secretary; and

"(ii) proposes a project that, at a minimum—

"(I) has the support of the State agency;

"(II) would increase the purchase of fruits and vegetables by low-income consumers participating in the supplemental nutrition assistance program by providing incentives at the point of purchase;

"(III) agrees to participate in the evaluation described in paragraph (4);

"(IV) ensures that the same terms and conditions apply to purchases made by individuals with benefits issued under this Act and incentives provided for in this subsection as apply to purchases made by individuals who are not members of

households receiving benefits, such as provided for in section 278.2(b) of title 7, Code of Federal Regulations (or a successor regulation); and

"(V) includes effective and efficient technologies for benefit redemption systems that may be replicated in other States and communities.

"(B) PRIORITY. In awarding grants under this section, the Secretary shall give priority to projects that—

"(i) maximize the share of funds used for direct incentives to participants;

"(ii) use direct-to-consumer sales marketing;

"(iii) demonstrate a track record of designing and implementing successful nutrition incentive programs that connect low-income consumers and agricultural producers;

"(iv) provide locally or regionally produced fruits and vegetables;

"(v) are located in underserved communities; or

"(vi) address other criteria as established by the Secretary.

"(3) APPLICABILITY.

"(A) IN GENERAL. The value of any benefit provided to a participant in any activity funded under this subsection shall be treated as supplemental nutrition benefits under section 8(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2017(b)).

"(B) PROHIBITION ON COLLECTION OF SALES TAXES. Each State shall ensure that no State or local tax is collected on a purchase of food under this subsection.

"(C) NO LIMITATION ON BENEFITS. A grant made available under this subsection shall not be used to carry out any project that limits the use of benefits under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) or any other Federal nutrition law.

"(D) HOUSEHOLD ALLOTMENT. Assistance provided under this subsection to households receiving benefits under the supplemental nutrition assistance program shall not—

"(i) be considered part of the supplemental nutrition assistance program benefits of the household; or

"(ii) be used in the collection or disposition of claims under section 13 of the Food and Nutrition Act of 2008 (7 U.S.C. 2022).

"(4) EVALUATION.

"(A) INDEPENDENT EVALUATION. The Secretary shall provide for an independent evaluation of projects selected under this subsection that measures the impact of each project on—

"(i) improving the nutrition and health status of participating households receiving incentives under this subsection; and

"(ii) increasing fruit and vegetable purchases in participating households.

"(B) REQUIREMENT. The independent evaluation under subparagraph (A) shall use rigorous methodologies capable of producing scientifically valid information regarding the effectiveness of a project.

"(C) COSTS. The Secretary may use funds not to exceed 10 percent of the funding provided to carry out this section to pay costs associated with administering, monitoring, and evaluating each project.

"(c) FUNDING.

"(1) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated to carry out subsection (b) $5,000,000 for each of fiscal years 2014 through 2018.

"(2) MANDATORY FUNDING. Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out subsection (b)—

"(A) $35,000,000 for the period of fiscal years 2014 and 2015;

"(B) $20,000,000 for each of fiscal years 2016 and 2017; and

"(C) $25,000,000 for fiscal year 2018.".

**SEC. 4209. FOOD AND AGRICULTURE SERVICE LEARNING PROGRAM.**

Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7630 et seq.) is amended by adding at the end the following:

**"SEC. 413. [7 U.S.C. 7633] FOOD AND AGRICULTURE SERVICE LEARNING PROGRAM**

"(a) IN GENERAL. Subject to the availability of appropriations under subsection (e), the Secretary, acting through the Director of the National Institute of Food and Agriculture, and working in consultation with other appropriate Federal agencies that oversee national service programs, shall administer a competitively awarded food and agriculture service learning grant program (referred to in this section as the 'Program') to increase knowledge of agriculture and improve the nutritional health of children.

"(b) PURPOSES. The purposes of the Program are—

"(1) to increase capacity for food, garden, and nutrition education within host organizations or entities and school cafeterias and in the classroom;

"(2) to complement and build on the efforts of the farm to school programs implemented under section 18(g) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(g));

"(3) to complement efforts by the Department and school food authorities to implement the school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773);

"(4) to carry out activities that advance the nutritional health of children and nutrition education in elementary schools and secondary schools (as those terms are defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801)); and

"(5) to foster higher levels of community engagement and support the expansion of national service and volunteer opportunities.

"(c) GRANTS.

"(1) IN GENERAL. In carrying out the Program, the Director of the National Institute of Food and Agriculture shall make competitive grants to eligible entities that carry out the purposes described in paragraphs (1) through (5) of subsection (b).

"(2) PRIORITIES. In making grants under this section, the Secretary may consider projects that are carried out by entities that—

"(A) have a proven track record in carrying out the purposes described in subsection (b);

"(B) work in underserved rural and urban communities;

"(C) teach and engage children in experiential learning about agriculture, gardening, nutrition, cooking, and where food comes from; and

"(D) facilitate a connection between elementary schools and secondary schools and agricultural producers in the local and regional area.

"(d) ACCOUNTABILITY.

"(1) IN GENERAL. The Secretary may require a partner organization or other qualified entity to collect and report any data on the activities carried out under the Program, as determined by the Secretary.

"(2) EVALUATION. The Secretary shall—

"(A) conduct regular evaluations of the activities carried out under the Program; and

"(B) submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that includes a description of the results of each evaluation conducted under subparagraph (A).

"(e) FUNDING.

"(1) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated to carry out the Program $25,000,000, to remain available until expended.

"(2) ADMINISTRATION. Paragraphs (4), (7), (8), and (11)(B) of subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)) shall apply with respect to the making of a competitive grant under this section.

"(3) MAINTENANCE OF EFFORT. Funds made available under paragraph (1) shall be used only to supplement, not to supplant, the amount of Federal funding otherwise expended for nutrition, research, and extension programs of the Department.".

**SEC. 4210. NUTRITION INFORMATION AND AWARENESS PILOT PROGRAM.**

Section 4403 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3171 note; Public Law 107-171) is repealed.

**SEC. 4211. TERMINATION OF EXISTING AGREEMENT.**

Effective beginning on the date of the enactment of this Act, the memorandum of understanding entered into on July 22, 2004, by the Secretary of Agriculture of the United States Department of Agriculture and the Secretary of Foreign Affairs of the Republic of Mexico and known as the "Partnership for Nutrition Assistance Initiative" is null and void.

**SEC. 4212. REVIEW OF SOLE-SOURCE CONTRACTS IN FEDERAL NUTRITION PROGRAMS.**

(a) IN GENERAL.—The Secretary shall conduct an evaluation of sole-source contracts in Federal nutrition programs carried out by the Secretary, and the effect the contracts have on program participation, program goals, nonprogram consumers, retailers, and free market dynamics.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the findings of the review conducted under subsection (a).

**SEC. 4213. [42 U.S.C. 1755b] PULSE CROP PRODUCTS.**

(a) PURPOSE.—The purpose of this section is to encourage greater awareness and interest in the number and variety of pulse crop products available to schoolchildren, as recommended by the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341).

(b) DEFINITIONS.—In this section:

(1) ELIGIBLE PULSE CROP.—The term "eligible pulse crop" means dry beans, dry peas, lentils, and chickpeas.

(2) PULSE CROP PRODUCT.—The term "pulse crop product" means a food product derived in whole or in part from an eligible pulse crop.

(c) PURCHASE OF PULSE CROPS AND PULSE CROP PRODUCTS.—In addition to the commodities delivered under section 6 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755), subject to the availability of appropriations, the Secretary shall purchase eligible pulse crops and pulse crop products for use in—

(1) the school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.); and

(2) the school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

(d) EVALUATION.—Not later than September 30, 2016, the Secretary shall conduct an evaluation of the activities conducted under subsection (c), including—

(1) an evaluation of whether children participating in the school lunch and breakfast programs described in subsection (c) increased overall consumption of eligible pulse crops as a result of the activities;

(2) an evaluation of which eligible pulse crops and pulse crop products are most acceptable for use in the school lunch and breakfast programs;

(3) any recommendations of the Secretary regarding the integration of the use of pulse crop products in carrying out the school lunch and breakfast programs;

(4) an evaluation of any change in the nutrient composition in the school lunch and breakfast programs due to the activities; and

(5) an evaluation of any other outcomes determined to be appropriate by the Secretary.

(e) REPORT.—As soon as practicable after the completion of the evaluation under subsection (d), the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Education and the Workforce of the House of Representative a report describing the results of the evaluation.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000, to remain available until expended.

**SEC. 4214. [42 U.S.C. 1769a note] PILOT PROJECT FOR CANNED, FROZEN, OR DRIED FRUITS AND VEGETABLES.**

(a) IN GENERAL.—Subject to subsection (b), in the 2014-2015 school year, the Secretary shall carry out a pilot project in schools participating in the Fresh Fruit and Vegetable Program under section 19 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769a) (referred to in this section as the "Program"), in not less than 5 States, to evaluate the impact of allowing schools to offer canned, frozen, or dried fruits and vegetables as part of the Program.

(b) REQUIREMENTS.—Not later than 60 days after the date of enactment of this Act, the Secretary shall establish criteria for the conditions under which canned, frozen, or dried fruits and vegetables may be offered, which shall be in accordance with the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341).

(c) EVALUATION.—With respect to the pilot project, the Secretary shall evaluate—

(1) the impacts on fruit and vegetable consumption at the schools participating in the pilot project;

(2) the impacts of the pilot project on school participation in the Program and operation of the Program;

(3) the implementation strategies used by the schools participating in the pilot project;

(4) the acceptance of the pilot project by key stakeholders; and

(5) such other outcomes as are determined by the Secretary.

(d) REPORTS.—

(1) INTERIM REPORT.—Not later than January 1, 2015, the Secretary shall submit to the Committee on Education and Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the evaluation under subsection (c).

(2) FINAL REPORT.—On completion of the pilot project, the Secretary shall submit to the Committee on Education and

Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the evaluation under subsection (c).

(e) NOTICE OF AVAILABILITY.—As soon as practicable after the date on which the Secretary establishes the criteria for the pilot project under subsection (b), the Secretary shall notify potentially eligible schools of the potential eligibility of the schools for participation in the pilot project.

(f) RELATIONSHIP TO FRESH FRUIT AND VEGETABLE PROGRAM.—Nothing in this section permits a school that is not a part of the pilot project to offer anything other than fresh fruits and vegetables through the Program.

(g) FUNDING.—The Secretary shall use $5,000,000 of amounts otherwise made available to the Secretary to carry out this section.

# TITLE V—CREDIT

## Subtitle A—Farm Ownership Loans

**SEC. 5001. ELIGIBILITY FOR FARM OWNERSHIP LOANS.**

(a) IN GENERAL.—Section 302(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a)) is amended—

(1) by striking "(a) In General.—The" and inserting the following:

"(a) IN GENERAL.

"(1) ELIGIBILITY REQUIREMENTS. The";

(2) in the first sentence, by striking "and limited liability companies" and inserting "limited liability companies, and such other legal entities as the Secretary considers appropriate,";

(3) in the second sentence, by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively;

(4) in each of the second and third sentences, by striking "and limited liability companies" each place it appears and inserting "limited liability companies, and such other legal entities";

(5) in the third sentence—

(A) by striking "clause (3)" and inserting "subparagraph (C)";

(B) by striking "clause (4)" and inserting "subparagraph (D)"; and

(6) by adding at the end the following:

"(2) SPECIAL RULES.

"(A) ELIGIBILITY OF CERTAIN OPERATING-ONLY ENTITIES. An entity that is or will become only the operator of a family farm shall be considered to meet the owner-operator requirements of paragraph (1) if the individuals that are the owners of the family farm own more than 50 percent (or such other percentage as the Secretary determines is appropriate) of the entity.

"(B) ELIGIBILITY OF CERTAIN EMBEDDED ENTITIES. An entity that is an owner-operator described in paragraph

(1), or an operator described in subparagraph (A) of this paragraph that is owned, in whole or in part, by other entities, shall be considered to meet the direct ownership requirement imposed under paragraph (1) if at least 75 percent of the ownership interests of each embedded entity of the entity is owned directly or indirectly by the individuals that own the family farm.".

(b) DIRECT FARM OWNERSHIP EXPERIENCE REQUIREMENT.—Section 302(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(b)(1)) is amended in the matter preceding subparagraph (A) by inserting "or has other acceptable experience for a period of time, as determined by the Secretary," after "3 years".

(c) CONFORMING AMENDMENTS.—

(1) Section 304(c)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924(c)(2)) by striking "paragraphs (1) and (2) of section 302(a)" and inserting "subparagraphs (A) and (B) of section 302(a)(1)".

(2) Section 310D(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1934(a)) is amended in the second sentence—

(A) by inserting after "partnership" the following: ", or such other legal entities as the Secretary considers appropriate,"; and

(B) by striking "or partners" each place it appears and inserting "partners, or owners".

**SEC. 5002. CONSERVATION LOAN AND LOAN GUARANTEE PROGRAM.**

(a) ELIGIBILITY.—Section 304(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924(c)) is amended by striking "or limited liability companies" and inserting "limited liability companies, or such other legal entities as the Secretary considers appropriate".

(b) LIMITATIONS APPLICABLE TO LOAN GUARANTEES.—Section 304(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924(e)) is amended by striking "shall be 75 percent of the principal amount of the loan." and inserting" shall be—

"(1) 80 percent of the principal amount of the loan; or

"(2) in the case of a producer that is a qualified socially disadvantaged farmer or rancher or a beginning farmer or rancher, 90 percent of the principal amount of the loan.".

(c) EXTENSION OF PROGRAM.—Section 304 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924) is amended by striking subsection (h) and inserting the following:

"(h) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated to the Secretary to carry out this section $150,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 5003. JOINT FINANCING ARRANGEMENTS.**

Section 307(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)) is amended by striking subparagraph (D) and inserting the following:

"(D) JOINT FINANCING ARRANGEMENTS. If a direct farm ownership loan is made under this subtitle as part of a joint financing arrangement and the amount of the direct farm ownership loan does not exceed 50 percent of the

total principal amount financed under the arrangement, the interest rate on the direct farm ownership loan shall be a rate equal to the greater of—

"(i) the difference between—

"(I) 2 percent; and

"(II) the interest rate for farm ownership loans under this subtitle; or

"(ii) 2.5 percent.".

**SEC. 5004. ELIMINATION OF MINERAL RIGHTS APPRAISAL REQUIREMENT.**

Section 307 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927) is amended—

(1) by striking subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

**SEC. 5005. DOWN PAYMENT LOAN PROGRAM.**

(a) IN GENERAL.—Section 310E(b)(1)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935(b)(1)(C)) is amended by striking "$500,000" and inserting "$667,000".

(b) TECHNICAL CORRECTION.—Section 310E(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935(b)) is amended by striking paragraph (2) (as added by section 7(a) of Public Law 102-554; 106 Stat. 4145).

# Subtitle B—Operating Loans

**SEC. 5101. ELIGIBILITY FOR FARM OPERATING LOANS.**

Section 311(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(a)) is amended—

(1) by striking "(a) In General.—The" and inserting the following:

"(a) IN GENERAL.

"(1) ELIGIBILITY REQUIREMENTS. The";

(2) in the first sentence, by striking "and limited liability companies" and inserting " limited liability companies, and such other legal entities as the Secretary considers appropriate,";

(3) in the second sentence, by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively;

(4) in each of the second and third sentences, by striking "and limited liability companies" each place it appears and inserting "limited liability companies, and such other legal entities";

(5) in the third sentence—

(A) by striking "clause (3)" and inserting "subparagraph (C)"; and

(B) by striking "clause (4)" and inserting "subparagraph (D)"; and

(6) by adding at the end the following:

"(2) SPECIAL RULE. An entity that is an operator described in paragraph (1) that is owned, in whole or in part, by other entities, shall be considered to meet the direct ownership requirement imposed under paragraph (1) if at least 75 percent of the ownership interests of each embedded entity of the enti-

ty is owned directly or indirectly by the individuals that own the family farm.".

**SEC. 5102. ELIMINATION OF RURAL RESIDENCY REQUIREMENT FOR OPERATING LOANS TO YOUTH.**

Section 311(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)(1)) is amended by striking "who are rural residents".

**SEC. 5103. DEFAULTS BY YOUTH LOAN BORROWERS.**

Section 311(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)) is amended by adding at the end the following:

"(5) EQUITABLE CONSIDERATIONS FOR DEFAULT.

"(A) DEBT FORGIVENESS.

"(i) IN GENERAL. The Secretary may, on a case-by-case basis, provide debt forgiveness to a borrower for a loan made under this subsection if the borrower was unable to timely repay the loan due to circumstances beyond the control of the borrower, as determined by the Secretary, including any natural disaster, act of terrorism, or other man-made disaster that results in an inordinate level of damage or disruption severely affecting the borrower.

"(ii) ELIGIBILITY FOR FUTURE LOANS. Notwithstanding any other provision of law, debt forgiveness provided under this subparagraph shall not be used by any Federal agency in determining the eligibility of the borrower for any loan made or guaranteed by the agency.

"(B) EDUCATION LOANS. Notwithstanding any other provision of law, if a borrower becomes delinquent or is provided with debt forgiveness with respect to a youth loan made under this subsection, the borrower shall not become ineligible, as a result of the delinquency or debt forgiveness, to receive loans and loan guarantees from the Federal Government to pay for education expenses of the borrower.".

**SEC. 5104. TERM LIMITS ON DIRECT OPERATING LOANS.**

Section 311(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)) is amended by adding at the end the following:

"(5) ANNUAL REPORT ON TERM LIMITS ON DIRECT OPERATING LOANS.

"(A) IN GENERAL. The Secretary shall prepare a report annually that describes—

"(i) the status of the direct operating loan program of the Department of Agriculture; and

"(ii) the impact of term limits on direct loan borrowers.

"(B) DEMOGRAPHIC INFORMATION.

"(i) IN GENERAL. The report shall provide a demographic breakdown, on a State-by-State basis, of—

"(I) all direct loan borrowers; and

"(II) borrowers that have reached the eligibility limit for direct lending programs during the previous calendar year.

"(ii) DEMOGRAPHIC INFORMATION. The available demographic information shall include, to the maximum extent practicable, a description of race or ethnicity, gender, age, type of farm or ranch, financial classification, number of years of indebtedness, veteran status, and other similar information, as determined by the Secretary.

"(C) ADDITIONAL CONTENT. In addition to information described in subparagraph (B), the report shall provide—

"(i) a demographic analysis of the borrowers impacted by term limits;

"(ii) information on the conditions impacting the direct lending portfolio of the Department of Agriculture, including impacts by region and agriculture sector, and credit availability within those regions and sectors;

"(iii) to the maximum extent practicable, information on the status of borrower operations impacted by term limits; and

"(iv) recommendations, if appropriate, to address any identifiable unmet credit needs.

"(D) SUBMISSION. The Secretary shall—

"(i) annually submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a copy of the report; and

"(ii) make the report available to the public, including posting the report on the website of the Department of Agriculture.".

**SEC. 5105. VALUATION OF LOCAL OR REGIONAL CROPS.**

Section 312 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942) is amended by adding at the end the following:

"(e) VALUATION OF LOCAL OR REGIONAL CROPS.

"(1) IN GENERAL. The Secretary shall develop ways to determine unit prices (or other appropriate forms of valuation) for crops and other agricultural products, the end use of which is intended to be in locally or regionally produced agricultural food products, to facilitate lending to local and regional food producers.

"(2) PRICE HISTORY. The Secretary shall implement a mechanism for local and regional food producers to establish price history for the crops and other agricultural products produced by local and regional food producers.".

**SEC. 5106. MICROLOANS.**

(a) IN GENERAL.—Section 313 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1943) is amended by adding at the end the following:

"(c) MICROLOANS.

"(1) IN GENERAL. Subject to paragraph (2), the Secretary may establish a program to make or guarantee microloans.

"(2) LIMITATIONS. The Secretary shall not make or guarantee a microloan under this subsection that would cause the total principal indebtedness outstanding at any 1 time for microloans made under this title to any 1 borrower to exceed $50,000.

"(3) APPLICATIONS. To the maximum extent practicable, the Secretary shall limit the administrative burdens and streamline the application and approval process for microloans under this subsection.

"(4) COOPERATIVE LENDING PILOT PROJECTS.

"(A) IN GENERAL. Subject to subparagraph (B), during each of the 2014 through 2018 fiscal years, the Secretary may carry out a pilot project to make loans to community development financial institutions, as the Secretary determines appropriate—

"(i) to make or guarantee microloans consistent with the terms provided under this subsection; and

"(ii) to provide business, financial, marketing, and credit management services to microloan borrowers.

"(B) REQUIREMENTS. Prior to making a loan to an institution described in subparagraph (A), the Secretary shall—

"(i) review and approve—

"(I) the loan loss reserve fund for microloans established by the institution; and

"(II) the underwriting standards for microloans of the institution; and

"(ii) establish such other requirements for making a loan to the institution as the Secretary determines necessary.

"(C) ELIGIBILITY. To be eligible for a loan under subparagraph (A), an institution described in subparagraph (A) shall, as determined by the Secretary—

"(i) have the legal authority necessary to carry out the actions described in subparagraph (A);

"(ii) have a proven track record of successfully assisting agricultural borrowers; and

"(iii) have the services of a staff with appropriate loan making and servicing expertise.

"(D) OVERSIGHT. Not less often than annually, on a date determined by the Secretary, an institution that has a loan under this paragraph shall provide to the Secretary such information as the Secretary may require to ensure that the services provided by the institution are serving the purposes of this subsection.

"(E) LIMITATION. The Secretary shall not make more than $10,000,000 in loans under this paragraph in any fiscal year.".

(b) CONFORMING AMENDMENTS.—

(1) Section 311(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)) is amended by striking paragraph (2) and inserting the following:

"(2) DEFINITION OF DIRECT OPERATING LOAN. In this subsection, the term 'direct operating loan' does not include—

"(A) a loan made to a youth under subsection (b); or

"(B) a microloan made to a beginning farmer or rancher or a veteran farmer or rancher (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)).".

(2) Section 312(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942(a)) is amended in the matter preceding paragraph (1) by inserting "(including a microloan, as defined by the Secretary)" after "A direct loan".

(3) Section 316(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946(a)(2)) is amended in the matter preceding subparagraph (A) by inserting "a microloan to a beginning farmer or rancher or veteran farmer or rancher (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)), or" after "The interest rate on".

**SEC. 5107. TERM LIMITS ON GUARANTEED OPERATING LOANS.**

Section 319 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1949) is amended—

(1) in subsection (a), by striking "(a) Graduation Plan.—"; and

(2) by striking subsection (b).

## Subtitle C—Emergency Loans

**SEC. 5201. ELIGIBILITY FOR EMERGENCY LOANS.**

Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended—

(1) by striking "owner-operators (in the case of loans for a purpose under subtitle A) or operators (in the case of loans for a purpose under subtitle B)" each place it appears and inserting "(in the case of farm ownership loans in accordance with subtitle A) owner-operators or operators, or (in the case of loans for a purpose under subtitle B) operators";

(2) in the first sentence—

(A) by inserting ", or such other legal entities as the Secretary considers appropriate" after "limited liability companies" the first place it appears;

(B) by inserting ", or other legal entities" after "limited liability companies" the second place it appears; and

(C) by striking "and limited liability companies," and inserting "limited liability companies, and such other legal entities";

(3) in the second sentence, by striking "ownership and operator" and inserting "ownership or operator"; and

(4) by adding at the end the following: "An entity that is an owner-operator or operator described in this subsection shall be considered to meet the direct ownership requirement imposed under this subsection if at least 75 percent of the ownership interests of each embedded entity of the entity is owned directly or indirectly by the individuals that own the family farm.".

# Subtitle D—Administrative Provisions

**SEC. 5301. BEGINNING FARMER AND RANCHER INDIVIDUAL DEVELOPMENT ACCOUNTS PILOT PROGRAM.**

Section 333B(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983b(h)) is amended by striking "2012" and inserting "2018".

**SEC. 5302. FARMER LOAN PILOT PROJECTS.**

Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 333C (7 U.S.C. 1983c) the following:

**"SEC. 333D. [7 U.S.C. 1983d] FARMER LOAN PILOT PROJECTS**

"(a) IN GENERAL. The Secretary may conduct pilot projects of limited scope and duration that are consistent with subtitle A through this subtitle to evaluate processes and techniques that may improve the efficiency and effectiveness of the programs carried out under subtitle A through this subtitle.

"(b) NOTIFICATION. The Secretary shall—

"(1) not less than 60 days before the date on which the Secretary initiates a pilot project under subsection (a), submit notice of the proposed pilot project to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate; and

"(2) consider any recommendations or feedback provided to the Secretary in response to the notice provided under paragraph (1).".

**SEC. 5303. DEFINITION OF QUALIFIED BEGINNING FARMER OR RANCHER.**

(a) IN GENERAL.—Section 343(a)(11) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(11)) is amended in subparagraphs (C) and (D)—

(1) by striking "or joint operation," each place it appears and inserting "joint operation, or such other legal entity as the Secretary considers appropriate,";

(2) by striking "or joint operators," each place it appears and inserting "joint operators, or owners,"; and

(3) in subparagraph (D), by striking "corporation, has stockholders," each place it appears in clauses (i)(II)(bb) and (ii)(II)(bb) and inserting "cooperative, corporation, partnership, joint operation, or other such legal entity as the Secretary considers appropriate, has members, stockholders, partners, or joint operators,".

(b) MODIFICATION OF ACREAGE OWNERSHIP LIMITATION.—Section 343(a)(11)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(11)(F)) is amended by striking "median acreage" and inserting "average acreage".

**SEC. 5304. LOAN AUTHORIZATION LEVELS.**

Section 346(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(1)) is amended in the matter preceding subparagraph (A) by striking "2012" and inserting "2018".

**SEC. 5305. LOAN FUND SET-ASIDES.**

Section 346(b)(2)(A)(ii)(III) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(2)(A)(ii)(III)) is amended—

(1) by striking "2012" and inserting "2018"; and

(2) by striking "of the total amount".

**SEC. 5306. BORROWER TRAINING.**

Section 359(c)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a(c)(2)) is amended by striking "section 302(a)(2) or 311(a)(2)" and inserting "section 302(a)(1)(B) or 311(a)(1)(B)".

# Subtitle E—Miscellaneous

**SEC. 5401. STATE AGRICULTURAL MEDIATION PROGRAMS.**

Section 506 of the Agricultural Credit Act of 1987 (7 U.S.C. 5106) is amended by striking "2015" and inserting "2018".

**SEC. 5402. LOANS TO PURCHASERS OF HIGHLY FRACTIONATED LAND.**

The first section of Public Law 91-229 (25 U.S.C. 488) is amended—

(1) in subsection (a), in the first sentence, by striking "loans from" and all that follows through "1929)" and inserting "direct loans in a manner consistent with direct loans pursuant to subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.)"; and

(2) in subsection (b)(1)—

(A) by striking "pursuant to section 205(c) of the Indian Land Consolidation Act (25 U.S.C. 2204(c))"; and

(B) by inserting "or to intermediaries in order to establish revolving loan funds for the purchase of highly fractionated land under that section" before the period at the end.

**SEC. 5403. [25 U.S.C. 5137] REMOVAL OF DUPLICATIVE APPRAISALS.**

Notwithstanding any other law (including regulations), in making loans under the first section of Public Law 91-229 (25 U.S.C. 488), borrowers who are Indian tribes, members of Indian tribes, or tribal corporations shall only be required to obtain 1 appraisal under an appraisal standard recognized as of the date of enactment of this Act by the Secretary or the Secretary of the Interior.

**SEC. 5404. [12 U.S.C. 2252 note] COMPENSATION DISCLOSURE BY FARM CREDIT SYSTEM INSTITUTIONS.**

(a) FINDINGS.—Congress finds that —

(1) the reasonable disclosure to stockholders by Farm Credit System institutions regarding the compensation of Farm Credit System institution senior officers is beneficial to stockholders' understanding of the operation of their institutions;

(2) transparency regarding compensation practices reinforces the cooperative nature of Farm Credit System institutions;

(3) the unique cooperative structure of the Farm Credit System should be considered when promulgating rules;

(4) the participation of stockholders in the election of the boards of directors of Farm Credit System institutions provides

stockholders the opportunity to participate in the management of their institutions;

(5) as representatives of stockholders, the boards of directors of Farm Credit System institutions importantly establish and oversee the compensation practices of Farm Credit System institutions to ensure the safe and sound operation of those institutions; and

(6) any regulation should strengthen and not hinder the ability of Farm Credit System boards of directors to oversee compensation practices.

(b) IMPLEMENTATION.—Not later than 60 days after the date of enactment of this Act, the Farm Credit Administration shall review its rules to reflect Congressional intent that a primary responsibility of the boards of directors of Farm Credit System institutions, as elected representatives of their stockholders, is to oversee compensation practices.

# TITLE VI—RURAL DEVELOPMENT

## Subtitle A—Consolidated Farm and Rural Development Act

**SEC. 6001. WATER, WASTE DISPOSAL, AND WASTEWATER FACILITY GRANTS.**

Section 306(a)(2)(B)(vii) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)(B)(vii)) is amended by striking "2012" and inserting "2018".

**SEC. 6002. ELIMINATION OF RESERVATION OF COMMUNITY FACILITIES GRANT PROGRAM FUNDS.**

Section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) is amended by striking subparagraph (C).

**SEC. 6003. RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.**

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by striking paragraph (22) and inserting the following:

"(22) RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.

"(A) IN GENERAL. The Secretary shall continue a national rural water and wastewater circuit rider program that—

"(i) is consistent with the activities and results of the program conducted before the date of enactment of this clause, as determined by the Secretary; and

"(ii) receives funding from the Secretary, acting through the Rural Utilities Service.

"(B) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated to carry out this paragraph $20,000,000 for fiscal year 2014 and each fiscal year thereafter.".

**SEC. 6004. USE OF LOAN GUARANTEES FOR COMMUNITY FACILITIES.**

Section 306(a)(24) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(24)) is amended by adding at the end the following:

"(C) USE OF LOAN GUARANTEES FOR COMMUNITY FACILITIES. The Secretary shall consider the benefits to communities that result from using loan guarantees in carrying out the community facilities program and, to the maximum extent practicable, use guarantees to enhance community involvement.".

**SEC. 6005. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL COMMUNITY FACILITIES.**

Section 306(a)(25)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(25)(C)) is amended by striking "2012" and inserting "2018".

**SEC. 6006. ESSENTIAL COMMUNITY FACILITIES TECHNICAL ASSISTANCE AND TRAINING.**

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding at the end the following:

"(26) ESSENTIAL COMMUNITY FACILITIES TECHNICAL ASSISTANCE AND TRAINING.

"(A) IN GENERAL. The Secretary may make grants to public bodies and private nonprofit corporations (such as States, counties, cities, townships, and incorporated towns and villages, boroughs, authorities, districts, and Indian tribes on Federal and State reservations) that will serve rural areas for the purpose of enabling the public bodies and private nonprofit corporations to provide to associations described in paragraph (1) technical assistance and training, with respect to essential community facilities programs authorized under this subsection—

"(i) to assist communities in identifying and planning for community facility needs;

"(ii) to identify public and private resources to finance community facility needs;

"(iii) to prepare reports and surveys necessary to request financial assistance to develop community facilities;

"(iv) to prepare applications for financial assistance;

"(v) to improve the management, including financial management, related to the operation of community facilities; or

"(vi) to assist with other areas of need identified by the Secretary.

"(B) SELECTION PRIORITY. In selecting recipients of grants under this paragraph, the Secretary shall give priority to private, nonprofit, or public organizations that have experience in providing technical assistance and training to rural entities.

"(C) FUNDING. Not less than 3 nor more than 5 percent of any funds appropriated to carry out each of the essential community facilities grant, loan and loan guar-

antee programs as authorized under this subsection for a fiscal year shall be reserved for grants under this paragraph.".

**SEC. 6007. EMERGENCY AND IMMINENT COMMUNITY WATER ASSISTANCE GRANT PROGRAM.**

Section 306A(i)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)(2)) is amended by striking "2012" and inserting "2018".

**SEC. 6008. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.**

Section 306D(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d(d)(1)) is amended by striking "2012" and inserting "2018".

**SEC. 6009. HOUSEHOLD WATER WELL SYSTEMS.**

Section 306E(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926e(d)) is amended by striking "$10,000,000 for each of fiscal years 2008 through 2012" and inserting "$5,000,000 for each of fiscal years 2014 through 2018".

**SEC. 6010. RURAL BUSINESS AND INDUSTRY LOAN PROGRAM.**

(a) IN GENERAL.—Section 310B(a)(2)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(2)(A)) is amended by inserting "(including through the financing of working capital)" after "employment".

(b) GREATER FLEXIBILITY FOR ADEQUATE COLLATERAL THROUGH ACCOUNTS RECEIVABLE.—Section 310B(g)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)(7)) is amended—

(1) by striking "In determining" and inserting the following:

"(A) IN GENERAL. In determining"; and

(2) by adding at the end the following:

"(B) ACCOUNTS RECEIVABLE. In the discretion of the Secretary, if the Secretary determines that the action would not create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government, the Secretary may take accounts receivable as security for the obligations entered into in connection with loans and a borrower may use accounts receivable as collateral to secure a loan made or guaranteed under this subsection.".

(c) [7 U.S.C. 1932 note] REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall promulgate such regulations as are necessary to implement the amendments made by this section.

**SEC. 6011. SOLID WASTE MANAGEMENT GRANTS.**

Section 310B(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(b)) is amended—

(1) by striking "The Secretary" and by inserting the following:

"(1) IN GENERAL. The Secretary"; and

(2) by adding at the end the following

"(2) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated to carry out this subsection $10,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 6012. RURAL BUSINESS DEVELOPMENT GRANTS.**

(a) IN GENERAL.—Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by striking subsection (c) and inserting the following:

"(c) RURAL BUSINESS DEVELOPMENT GRANTS.

"(1) IN GENERAL. The Secretary may make grants under this subsection to eligible entities described in paragraph (2) in rural areas that primarily serve rural areas for purposes described in paragraph (3).

"(2) ELIGIBLE ENTITIES. The Secretary may make grants under this subsection to—

"(A) governmental entities;

"(B) Indian tribes; and

"(C) nonprofit entities.

"(3) ELIGIBLE PURPOSES FOR GRANTS. Eligible entities that receive grants under this subsection may use the grant funds for—

"(A) business opportunity projects that—

"(i) identify and analyze business opportunities;

"(ii) identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers;

"(iii) assist in the establishment of new rural businesses and the maintenance of existing businesses, including through business support centers;

"(iv) conduct regional, community, and local economic development planning and coordination, and leadership development; and

"(v) establish centers for training, technology, and trade that will provide training to rural businesses in the use of interactive communications technologies to develop international trade opportunities and markets; and

"(B) projects that support the development of business enterprises that finance or facilitate—

"(i) the development of small and emerging private business enterprise;

"(ii) the establishment, expansion, and operation of rural distance learning networks;

"(iii) the development of rural learning programs that provide educational instruction or job training instruction related to potential employment or job advancement to adult students; and

"(iv) the provision of technical assistance and training to rural communities for the purpose of improving passenger transportation services or facilities.

"(4) AUTHORIZATION OF APPROPRIATIONS.

"(A) IN GENERAL. There is authorized to be appropriated to the Secretary to carry out this subsection

$65,000,000 for each of fiscal years 2014 through 2018, to remain available until expended.

"(B) ALLOCATION. Of the funds made available under subparagraph (A) for a fiscal year, not more than 10 percent shall be used for the purposes described in paragraph (3)(A).".

(b) CONFORMING AMENDMENT.—Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by striking paragraph (11).

**SEC. 6013. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

Section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)) is amended—

(1) by redesignating paragraph (12) as paragraph (13);

(2) by inserting after paragraph (11) the following:

"(12) INTERAGENCY WORKING GROUP. Not later than 90 days after the date of enactment of the Agricultural Act of 2014, the Secretary shall coordinate and chair an interagency working group to foster cooperative development and ensure coordination with Federal agencies and national and local cooperative organizations that have cooperative programs and interests."; and

(3) in paragraph (13) (as so redesignated), by striking "$50,000,000 for each of fiscal years 2008 through 2012" and inserting "$40,000,000 for each of fiscal years 2014 through 2018".

**SEC. 6014. LOCALLY OR REGIONALLY PRODUCED AGRICULTURAL FOOD PRODUCTS.**

Section 310B(g)(9)(B)(v)(I) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)(9)(B)(v)(I)) is amended by striking "2012" and inserting "2018".

**SEC. 6015. APPROPRIATE TECHNOLOGY TRANSFER FOR RURAL AREAS PROGRAM.**

Section 310B(i)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(i)(4)) is amended by striking "2012" and inserting "2018".

**SEC. 6016. RURAL ECONOMIC AREA PARTNERSHIP ZONES.**

Section 310B(j) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(j)) is amended by striking "2012" and inserting "2018".

**SEC. 6017. INTERMEDIARY RELENDING PROGRAM.**

(a) IN GENERAL.—Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 et seq.) is amended by adding at the end the following:

**"SEC. 310H. [7 U.S.C. 1936b] INTERMEDIARY RELENDING PROGRAM**

"(a) IN GENERAL. The Secretary may make or guarantee loans to eligible entities described in subsection (b) so that the eligible entities may relend the funds to individuals and entities for the purposes described in subsection (c).

"(b) ELIGIBLE ENTITIES. Entities eligible for loans and loan guarantees described in subsection (a) are—

"(1) public agencies;

"(2) Indian tribes;

"(3) cooperatives; and

"(4) nonprofit corporations.

"(c) ELIGIBLE PURPOSES. The proceeds from loans made or guaranteed by the Secretary pursuant to subsection (a) may be relent by eligible entities for projects that—

"(1) predominately serve communities in rural areas; and

"(2) as determined by the Secretary—

"(A) promote community development;

"(B) establish new businesses;

"(C) establish and support microlending programs; and

"(D) create or retain employment opportunities.

"(d) LIMITATION. The Secretary shall not make loans under section 623(a) of the Community Economic Development Act of 1981 (42 U.S.C. 9812(a)).

"(e) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated to carry out this subsection $25,000,000 for each of fiscal years 2014 through 2018.".

(b) CONFORMING AMENDMENTS.—Section 1323(b)(2) of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 1932 note) is amended—

(1) in subparagraph (A), by adding "and" at the end;

(2) in subparagraph (B), by striking "; and" and inserting a period; and

(3) by striking subparagraph (C).

**SEC. 6018. RURAL COLLEGE COORDINATED STRATEGY.**

Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by adding at the end the following:

"(d) RURAL COLLEGE COORDINATED STRATEGY.

"(1) IN GENERAL. The Secretary shall develop a coordinated strategy across the relevant programs within the Rural Development mission areas to serve the specific, local needs of rural communities when making investments in rural community colleges and technical colleges through other authorities in effect on the date of enactment of this subsection.

"(2) CONSULTATION. In developing a coordinated strategy, the Secretary shall consult with groups representing rural-serving community colleges and technical colleges to coordinate critical investments in rural community colleges and technical colleges involved in workforce training.

"(3) ADMINISTRATION. Nothing in this subsection provides a priority for funding under authorities in effect on the date of enactment of this subsection.

"(4) USE. The Secretary shall use the coordinated strategy and information developed for the strategy to more effectively serve rural communities with respect to investments in community colleges and technical colleges.".

**SEC. 6019. RURAL WATER AND WASTE DISPOSAL INFRASTRUCTURE.**

Section 333 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983) is amended—

(1) in the matter preceding paragraph (1), by striking "require";

(2) in paragraph (1), by inserting "require" after "(1)";

(3) in paragraph (2), by inserting ", require" after "314";

(4) in paragraph (3), by inserting "require" after "loans,";

(5) in paragraph (4)—

(A) by inserting "require" after "(4)"; and

(B) by striking "and" after the semicolon;

(6) in paragraph (5)—

(A) by inserting "require" after "(5)"; and

(B) by striking the period at the end and inserting "; and"; and

(7) by adding at the end the following:

"(6) in the case of water and waste disposal direct and guaranteed loans provided under section 306, encourage, to the maximum extent practicable, private or cooperative lenders to finance rural water and waste disposal facilities by—

"(A) maximizing the use of loan guarantees to finance eligible projects in rural communities in which the population exceeds 5,500;

"(B) maximizing the use of direct loans to finance eligible projects in rural communities if the impact on ratepayers will be material when compared to financing with a loan guarantee;

"(C) establishing and applying a materiality standard when determining the difference in impact on ratepayers between a direct loan and a loan guarantee;

"(D) in the case of projects that require interim financing in excess of $500,000, requiring that the projects initially seek the financing from private or cooperative lenders; and

"(E) determining if an existing direct loan borrower can refinance with a private or cooperative lender, including with a loan guarantee, prior to providing a new direct loan.".

**SEC. 6020. SIMPLIFIED APPLICATIONS.**

(a) IN GENERAL.—Section 333A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a) is amended by adding at the end the following:

"(h) SIMPLIFIED APPLICATION FORMS. Except as provided in subsection (g)(2), the Secretary shall, to the maximum extent practicable, develop a simplified application process, including a single page application if practicable, for grants and relending authorized under sections 306, 306C, 306D, 306E, 310B(b), 310B(c), 310B(e), 310B(f), 310H, 379B, and 379E.".

(b) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that contains an evaluation of the implementation of the amendment made by subsection (a).

**SEC. 6021. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.**

Section 378 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008m) is amended—

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

(2) in subsection (h), by striking "2012" and inserting "2018".

**SEC. 6022. GRANTS FOR NOAA WEATHER RADIO TRANSMITTERS.**

Section 379B(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008p(d)) is amended by striking subsection (d) and inserting the following:

"(d) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated to carry out this section $1,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 6023. RURAL MICROENTREPRENEUR ASSISTANCE PROGRAM.**

Section 379E(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008s(d)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "and" after the semicolon at the end;

(B) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(C) $3,000,000 for each of fiscal years 2014 through 2018."; and

(2) in paragraph (2), by striking "2012" and inserting "2018".

**SEC. 6024. HEALTH CARE SERVICES.**

Section 379G(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008u(e)) is amended by striking "2012" and inserting "2018".

**SEC. 6025. STRATEGIC ECONOMIC AND COMMUNITY DEVELOPMENT.**

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) is amended by adding at the end the following:

**"SEC. 379H. [7 U.S.C. 2008v] STRATEGIC ECONOMIC AND COMMUNITY DEVELOPMENT**

"(a) IN GENERAL. In the case of any rural development program described in subsection (d)(2), the Secretary may give priority to an application for a project that, as determined and approved by the Secretary—

"(1) meets the applicable eligibility requirements of this title;

"(2) will be carried out solely in a rural area; and

"(3) supports strategic community and economic development plans on a multijurisdictional basis.

"(b) RURAL AREA. For purposes of subsection (a)(2), the Secretary shall consider an application to be for a project that will be carried out solely in a rural area only if—

"(1) in the case of an application for a project in the rural community facilities category described in subsection (d)(2)(A), the project will be carried out in a rural area described in section 343(a)(13)(C);

"(2) in the case of an application for a project in the rural utilities category described in subsection (d)(2)(B), the project will be carried out in a rural area described in section 343(a)(13)(B); and

"(3) in the case of an application for a project in the rural business and cooperative development category described in subsection (d)(2)(C), the project will be carried out in a rural area described in section 343(a)(13)(A).

"(c) EVALUATION.

"(1) IN GENERAL. In evaluating strategic applications, the Secretary shall give a higher priority to strategic applications for a plan described in subsection (a) that demonstrates to the Secretary—

"(A) the plan was developed through the collaboration of multiple stakeholders in the service area of the plan, including the participation of combinations of stakeholders such as State, local, and tribal governments, nonprofit institutions, institutions of higher education, and private entities;

"(B) an understanding of the applicable regional resources that could support the plan, including natural resources, human resources, infrastructure, and financial resources;

"(C) investment from other Federal agencies;

"(D) investment from philanthropic organizations; and

"(E) clear objectives for the plan and the ability to establish measurable performance measures and to track progress toward meeting the objectives.

"(2) CONSISTENCY WITH PLANS. Applications involving State, county, municipal, or tribal governments shall include an indication of consistency with an adopted regional economic or community development plan.

"(d) FUNDS.

"(1) IN GENERAL. Subject to paragraph (3) and subsection (e), the Secretary may reserve for projects that support multijurisdictional strategic community and economic development plans described in subsection (a) an amount that does not exceed 10 percent of the funds made available for a fiscal year for a functional category described in paragraph (2).

"(2) FUNCTIONAL CATEGORIES. The functional categories described in this subsection are the following:

"(A) RURAL COMMUNITY FACILITIES CATEGORY. The rural community facilities category consists of all amounts made available for community facility grants and direct and guaranteed loans under paragraph (1), (19), (20), (21), (24), or (25) of section 306(a).

"(B) RURAL UTILITIES CATEGORY. The rural utilities category consists of all amounts made available for—

"(i) water or waste disposal grants or direct or guaranteed loans under paragraph (1), (2), or (24) of section 306(a);

"(ii) rural water or wastewater technical assistance and training grants under section 306(a)(14);

"(iii) emergency community water assistance grants under section 306A; or

"(iv) solid waste management grants under section 310B(b).

"(C) RURAL BUSINESS AND COOPERATIVE DEVELOPMENT CATEGORY. The rural business and cooperative development category consists of all amounts made available for—

"(i) business and industry direct and guaranteed loans under section 310B(a)(2)(A); or

"(ii) rural business development grants under section 310B(c).

"(3) PERIOD. The reservation of funds described in paragraph (2) may only extend through June 30 of the fiscal year in which the funds were first made available.

"(e) APPROVED APPLICATIONS.

"(1) IN GENERAL. Any applicant who submitted a rural development application that was approved before the date of enactment of this section may amend the application to qualify for the funds reserved under subsection (d)(1).

"(2) RURAL UTILITIES. Any rural development application authorized under section 306(a)(2), 306(a)(14), 306(a)(24), 306A, or 310B(b) and approved by the Secretary before the date of enactment of this section shall be eligible for the funds reserved under subsection (d)(1) on the same basis as the applications submitted under this section until September 30, 2016.".

**SEC. 6026. DELTA REGIONAL AUTHORITY.**

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 382M(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-12(a)) is amended by striking "2012" and inserting "2018".

(b) TERMINATION OF AUTHORITY.—Section 382N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-13) is amended by striking "2012" and inserting "2018".

**SEC. 6027. NORTHERN GREAT PLAINS REGIONAL AUTHORITY.**

(a) AUDIT.—Section 383L(c) of the Consolidated Farm and Rural Development Ac (7 U.S.C. 2009bb-10(c)) is amended by inserting "for any fiscal year for which funds are appropriated" after "annual basis".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 383N(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb-12(a)) is amended by striking "2012" and inserting "2018".

(c) TERMINATION OF AUTHORITY.—Section 383O of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb-13) is amended by striking "2012" and inserting "2018".

**SEC. 6028. RURAL BUSINESS INVESTMENT PROGRAM.**

Section 384S of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc-18) is amended by striking "$50,000,000 for the period of fiscal years 2008 through 2012" and inserting "$20,000,000 for each of fiscal years 2014 through 2018".

# Subtitle B—Rural Electrification Act of 1936

**SEC. 6101. FEES FOR CERTAIN LOAN GUARANTEES.**

The Rural Electrification Act of 1936 is amended by inserting after section 4 (7 U.S.C. 904) the following:

**"SEC. 5. [7 U.S.C. 905] FEES FOR CERTAIN LOAN GUARANTEES**

"(a) IN GENERAL. For electrification baseload generation loan guarantees, the Secretary shall, at the request of the borrower, charge an upfront fee to cover the costs of the loan guarantee.

"(b) FEE. The fee described in subsection (a) for a loan guarantee shall be equal to the costs of the loan guarantee (within the meaning of section 502(5)(C) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)(C))).

"(c) LIMITATION. Funds received from a borrower to pay the fee described in this section shall not be derived from a loan or other debt obligation that is made or guaranteed by the Federal Government.".

**SEC. 6102. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.**

Section 313A(f) of the Rural Electrification Act of 1936 (7 U.S.C. 940c-1(f)) is amended by striking "2012" and inserting "2018".

**SEC. 6103. EXPANSION OF 911 ACCESS.**

Section 315(d) of the Rural Electrification Act of 1936 (7 U.S.C. 940e(d)) is amended by striking "2012" and inserting "2018".

**SEC. 6104. ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.**

(a) IN GENERAL.—Section 601 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) is amended—

(1) in subsection (c), by striking paragraph (2) and inserting the following:

"(2) PRIORITY. In making loans or loan guarantees under paragraph (1), the Secretary shall—

"(A) establish not less than 2 evaluation periods for each fiscal year to compare loan and loan guarantee applications and to prioritize loans and loan guarantees to all or part of rural communities that do not have residential broadband service that meets the minimum acceptable level of broadband service established under subsection (e);

"(B) give the highest priority to applicants that offer to provide broadband service to the greatest proportion of unserved households or households that do not have residential broadband service that meets the minimum acceptable level of broadband service established under subsection (e), as—

"(i) certified by the affected community, city, county, or designee; or

"(ii) demonstrated on—

"(I) the broadband map of the affected State if the map contains address-level data; or

"(II) the National Broadband Map if address-level data is unavailable; and

"(C) provide equal consideration to all qualified applicants, including applicants that have not previously received loans or loan guarantees under paragraph (1); and

"(D) give priority to applicants that offer in the applications of the applicants to provide broadband service not predominantly for business service, if at least 25 percent of the customers in the proposed service territory are commercial interests.";

(2) in subsection (d)—

(A) in paragraph (1)(A), by striking clause (i) and inserting the following:

"(i) demonstrate the ability to furnish, improve in order to meet the minimum acceptable level of broadband service established under subsection (e), or extend broadband service to all or part of an unserved rural area or an area below the minimum acceptable level of broadband service established under subsection (e);";

(B) in paragraph (2)—

(i) in subparagraph (A), by striking clause (i) and inserting the following:

"(i) not less than 15 percent of the households in the proposed service territory are unserved or have service levels below the minimum acceptable level of broadband service established under subsection (e); and";

(ii) in the heading of subparagraph (B), by striking "25"; and

(iii) in subparagraph (C)—

(I) in the subparagraph heading, by striking "3 or more"; and

(II) by striking clause (i) and inserting the following:

"(i) IN GENERAL. Except as provided in clause (ii), subparagraph (A)(ii) shall not apply to an incumbent service provider in the portion of a proposed service territory in which the provider is upgrading broadband service to meet the minimum acceptable level of broadband service established under subsection (e) for the existing territory of the incumbent service provider.";

(C) in paragraph (3)(B), by adding at the end the following:

"(iii) INFORMATION. Information submitted under this subparagraph shall be—

"(I) certified by the affected community, city, county, or designee; or

"(II) demonstrated on—

"(aa) the broadband map of the affected State if the map contains address-level data; or

"(bb) the National Broadband Map if address-level data is unavailable.";

(D) by striking paragraph (5) and inserting the following:

"(5) NOTICE REQUIREMENTS. The Secretary shall promptly provide a fully searchable database on the website of the Rural Utilities Service that contains, at a minimum—

"(A) notice of each application for a loan or loan guarantee under this section describing the application, including—

"(i) the identity of the applicant;

"(ii) a description of each application, including—

"(I) each area proposed to be served by the applicant; and

"(II) the amount and type of support requested by each applicant;

"(iii) the status of each application;

"(iv) the estimated number and proportion relative to the service territory of households without terrestrial-based broadband service in those areas; and

"(v) a list of the census block groups or proposed service territory, in a manner specified by the Secretary, that the applicant proposes to service;

"(B) notice of each entity receiving assistance under this section, including—

"(i) the name of the entity;

"(ii) the type of assistance being received;

"(iii) the purpose for which the entity is receiving the assistance;

"(iv) each semiannual report submitted under paragraph (8)(A) (redacted to protect any proprietary information in the report); and

"(C) such other information as is sufficient to allow the public to understand assistance provided under this section.";

(E) by adding at the end the following:

"(8) REPORTING.

"(A) IN GENERAL. The Secretary shall require any entity receiving assistance under this section to submit a semiannual report for 3 years after completion of the project, in a format specified by the Secretary, that describes—

"(i) the use by the entity of the assistance, including new equipment and capacity enhancements that support high-speed broadband access for educational institutions, health care providers, and public safety service providers (including the estimated number of end users who are currently using or forecasted to use the new or upgraded infrastructure); and

"(ii) the progress towards fulfilling the objectives for which the assistance was granted, including—

"(I) the number and location of residences and businesses that will receive new broadband service, existing network service improvements, and

facility upgrades resulting from the Federal assistance;

"(II) the speed of broadband service;

"(III) the average price of broadband service in a proposed service area;

"(IV) any changes in broadband service adoption rates, including new subscribers generated from demand-side projects; and

"(V) any metrics the Secretary determines to be appropriate;

"(B) ADDITIONAL REPORTING. The Secretary may require any additional reporting and information by any recipient of any assistance under this section so as to ensure compliance with this section.

"(9) DEFAULT AND DEOBLIGATION. In addition to other authority under applicable law, the Secretary shall establish written procedures for all broadband programs administered by the Rural Utilities Service under this or any other Act that, to the maximum extent practicable—

"(A) recover funds from loan defaults;

"(B) deobligate any awards, less allowable costs that demonstrate an insufficient level of performance (including metrics determined by the Secretary) or fraudulent spending, to the extent funds with respect to the award are available in the account relating to the program established by this section;

"(C) award those funds, on a competitive basis, to new or existing applicants consistent with this section; and

"(D) minimize overlap among the programs.

"(10) SERVICE AREA ASSESSMENT. The Secretary shall, with respect to an application for assistance under this section—

"(A) provide not less than 15 days for broadband service providers to voluntarily submit information concerning the broadband services that the providers offer in the census block groups or tracts described in paragraph (5)(A)(v) so that the Secretary may assess whether the applications submitted meet the eligibility requirements under this section; and

"(B) if no broadband service provider submits information under subparagraph (A), consider the number of providers in the census block group or tract to be established by using—

"(i) the most current National Broadband Map of the National Telecommunications and Information Administration; or

"(ii) any other data regarding the availability of broadband service that the Secretary may collect or obtain through reasonable efforts.";

(3) in subsection (e)—

(A) by redesignating paragraph (2) as paragraph (3); and

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

"(1) IN GENERAL. Subject to paragraph (2), for purposes of this section, the minimum acceptable level of broadband service for a rural area shall be at least—

"(A) a 4-Mbps downstream transmission capacity; and

"(B) a 1-Mbps upstream transmission capacity.

"(2) ADJUSTMENTS.

"(A) IN GENERAL. At least once every 2 years, the Secretary shall review, and may adjust through notice published in the Federal Register, the minimum acceptable level of broadband service established under paragraph (1) to ensure that high quality, cost-effective broadband service is provided to rural areas over time.

"(B) CONSIDERATIONS. In making an adjustment to the minimum acceptable level of broadband service under subparagraph (A), the Secretary may consider establishing different transmission rates for fixed broadband service and mobile broadband service.";

(4) in subsection (g), by striking paragraph (2) and inserting the following:

"(2) TERMS. In determining the term and conditions of a loan or loan guarantee, the Secretary may—

"(A) consider whether the recipient is or would be serving an area that is unserved or has service levels below the minimum acceptable level of broadband service established under subsection (e); and

"(B) if the Secretary makes a determination in the affirmative under subparagraph (A), establish a limited initial deferral period or comparable terms necessary to achieve the financial feasibility and long-term sustainability of the project.";

(5) in subsection (j)—

(A) in paragraph (1), by inserting ", including any loan terms or conditions for which the Secretary provided additional assistance to unserved areas" before the semicolon at the end;

(B) in paragraph (5), by striking "and" after the semicolon at the end;

(C) in paragraph (6), by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following:

"(7) the overall progress towards fulfilling the goal of improving the quality of rural life by expanding rural broadband access, as demonstrated by metrics, including—

"(A) the number of residences and businesses receiving new broadband services;

"(B) network improvements, including facility upgrades and equipment purchases;

"(C) average broadband speeds and prices on a local and statewide basis;

"(D) any changes in broadband adoption rates; and

"(E) any specific activities that increased high speed broadband access for educational institutions, health care providers, and public safety service providers."; and

(6) in subsections (k)(1) and (l), by striking "2012" each place it appears and inserting "2018".

(b) STUDY ON PROVIDING EFFECTIVE DATA FOR NATIONAL BROADBAND MAP.—.

(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Commerce and the Chairman of the Federal Communications Commission, shall conduct a study of the ways that data collected under the broadband programs of the Secretary of Agriculture could be most effectively shared with the Commission to support the development and maintenance of the National Broadband Map by the Commission.

(2) INCLUSIONS.—The study shall include a consideration of the circumstances under which address-level data could be collected by the Secretary and appropriately shared with the Commission.

(3) COMPLETION.—Not later than 180 days after the date of enactment of this Act, the Secretary shall complete the study required under this subsection.

(4) REPORT.—Not later than 60 days after the date of completion of the study, the Secretary shall submit a report describing the results of the study to—

(A) the Committee on Agriculture of the House of Representatives;

(B) the Committee on Energy and Commerce of the House of Representatives;

(C) the Committee on Agriculture, Nutrition, and Forestry of the Senate; and

(D) the Committee on Commerce, Science, and Transportation of the Senate.

**SEC. 6105. RURAL GIGABIT NETWORK PILOT PROGRAM.**

Title VI of the Rural Electrification Act of 1936 (7 U.S.C. 950bb et seq.) is amended by adding at the end the following:

**"SEC. 603. [7 U.S.C. 950bb-2] RURAL GIGABIT NETWORK PILOT PROGRAM**

"(a) DEFINITION OF ULTRA-HIGH SPEED SERVICE. In this section, the term 'ultra-high speed service' means broadband service operating at a 1 gigabit per second downstream transmission capacity.

"(b) PILOT PROGRAM. The Secretary shall establish a pilot program to be known as the 'Rural Gigabit Network Pilot Program', under which the Secretary may, at the discretion of the Secretary, provide grants, loans, or loan guarantees to eligible entities.

"(c) ELIGIBILITY.

"(1) IN GENERAL. To be eligible to obtain assistance under this section, an entity shall—

"(A) demonstrate to the Secretary the ability to furnish or extend ultra-high speed service to a rural area;

"(B) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

"(C) not already provide ultra-high speed service to a rural area within any State in the proposed service territory; and

"(D) agree to complete buildout of ultra-high speed service by not later than 3 years after the initial date on which assistance under this section is made available.

"(2) ELIGIBLE PROJECTS. Assistance under this section may only be used to carry out a project in a proposed service territory if—

"(A) the proposed service territory is a rural area; and

"(B) ultra-high speed service is not provided in any part of the proposed service territory.

"(d) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2014 through 2018.".

## Subtitle C—Miscellaneous

**SEC. 6201. DISTANCE LEARNING AND TELEMEDICINE.**

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa-5) is amended by striking "$100,000,000 for each of fiscal years 1996 through 2012" and inserting "$75,000,000 for each of fiscal years 2014 through 2018".

(b) CONFORMING AMENDMENT.—Section 1(b) of Public Law 102-551 (7 U.S.C. 950aaa note) is amended by striking "2012" and inserting "2018".

**SEC. 6202. AGRICULTURAL TRANSPORTATION.**

Section 203(j) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622(j)) is amended by striking "the Interstate Commerce Commission, the Maritime Commission,," and inserting "the Surface Transportation Board, the Federal Maritime Commission,".

**SEC. 6203. VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.**

Section 231(b) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1632a(b)) is amended—

(1) by striking paragraph (6) and inserting the following:

"(6) PRIORITY.

"(A) ELIGIBLE INDEPENDENT PRODUCERS OF VALUE-ADDED AGRICULTURAL PRODUCTS. In awarding grants under paragraph (1)(A), the Secretary shall give priority to—

"(i) operators of small- and medium-sized farms and ranches that are structured as family farms;

"(ii) beginning farmers or ranchers;

"(iii) socially disadvantaged farmers or ranchers; and

"(iv) veteran farmers or ranchers (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))).

"(B) ELIGIBLE AGRICULTURAL PRODUCER GROUPS, FARMER OR RANCHER COOPERATIVES, AND MAJORITY-CONTROLLED PRODUCER-BASED BUSINESS VENTURE. In awarding grants under paragraph (1)(B), the Secretary shall give priority to projects (including farmer or rancher cooperative projects) that best contribute to creating or increasing marketing

opportunities for operators, farmers, and ranchers described in subparagraph (A).”; and

(2) in paragraph (7)—

(A) in subparagraph (A)—

(i) by striking “On October 1, 2008,” and inserting “On the date of enactment of the Agricultural Act of 2014,”; and

(ii) by striking “$15,000,000” and inserting “$63,000,000”; and

(B) in subparagraph (B), by striking “2012” and inserting “2018”.

**SEC. 6204. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.**

Section 6402(i) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1632b(i)) is amended by striking “$6,000,000 for each of fiscal years 2008 through 2012” and inserting “$1,000,000 for each of fiscal years 2014 through 2018”.

**SEC. 6205. RURAL ENERGY SAVINGS PROGRAM.**

Subtitle E of title VI of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171; 116 Stat. 424) is amended by adding at the end the following:

**“SEC. 6407. [7 U.S.C. 8107a] RURAL ENERGY SAVINGS PROGRAM**

“(a) PURPOSE. The purpose of this section is to help rural families and small businesses achieve cost savings by providing loans to qualified consumers to implement durable cost-effective energy efficiency measures.

“(b) DEFINITIONS. In this section:

“(1) ELIGIBLE ENTITY. The term ‘eligible entity’ means—

“(A) any public power district, public utility district, or similar entity, or any electric cooperative described in section 501(c)(12) or 1381(a)(2) of the Internal Revenue Code of 1986, that borrowed and repaid, prepaid, or is paying an electric loan made or guaranteed by the Rural Utilities Service (or any predecessor agency);

“(B) any entity primarily owned or controlled by 1 or more entities described in subparagraph (A); or

“(C) any other entity that is an eligible borrower of the Rural Utilities Service, as determined under section 1710.101 of title 7, Code of Federal Regulations (or a successor regulation).

“(2) ENERGY EFFICIENCY MEASURES. The term ‘energy efficiency measures’ means, for or at property served by an eligible entity, structural improvements and investments in cost-effective, commercial technologies to increase energy efficiency.

“(3) QUALIFIED CONSUMER. The term ‘qualified consumer’ means a consumer served by an eligible entity that has the ability to repay a loan made under subsection (d), as determined by the eligible entity.

“(4) SECRETARY. The term ‘Secretary’ means the Secretary of Agriculture, acting through the Administrator of the Rural Utilities Service.

“(c) LOANS TO ELIGIBLE ENTITIES.

"(1) IN GENERAL. Subject to paragraph (2), the Secretary shall make loans to eligible entities that agree to use the loan funds to make loans to qualified consumers for the purpose of implementing energy efficiency measures.

"(2) REQUIREMENTS.

"(A) IN GENERAL. As a condition of receiving a loan under this subsection, an eligible entity shall—

"(i) establish a list of energy efficiency measures that is expected to decrease energy use or costs of qualified consumers;

"(ii) prepare an implementation plan for use of the loan funds, including use of any interest to be received pursuant to subsection (d)(1)(A);

"(iii) provide for appropriate measurement and verification to ensure—

"(I) the effectiveness of the energy efficiency loans made by the eligible entity; and

"(II) that there is no conflict of interest in carrying out this section; and

"(iv) demonstrate expertise in effective use of energy efficiency measures at an appropriate scale.

"(B) REVISION OF LIST OF ENERGY EFFICIENCY MEASURES. Subject to the approval of the Secretary, an eligible entity may update the list required under subparagraph (A)(i) to account for newly available efficiency technologies.

"(C) EXISTING ENERGY EFFICIENCY PROGRAMS. An eligible entity that, at any time before the date that is 60 days after the date of enactment of this section, has established an energy efficiency program for qualified consumers may use an existing list of energy efficiency measures, implementation plan, or measurement and verification system of that program to satisfy the requirements of subparagraph (A) if the Secretary determines the list, plan, or systems are consistent with the purposes of this section.

"(3) NO INTEREST. A loan under this subsection shall bear no interest.

"(4) REPAYMENT. With respect to a loan under paragraph (1)—

"(A) the term shall not exceed 20 years from the date on which the loan is closed; and

"(B) except as provided in paragraph (6), the repayment of each advance shall be amortized for a period not to exceed 10 years.

"(5) AMOUNT OF ADVANCES. Any advance of loan funds to an eligible entity in any single year shall not exceed 50 percent of the approved loan amount.

"(6) SPECIAL ADVANCE FOR START-UP ACTIVITIES.

"(A) IN GENERAL. In order to assist an eligible entity in defraying the appropriate start-up costs (as determined by the Secretary) of establishing new programs or modifying existing programs to carry out subsection (d), the Secretary shall allow an eligible entity to request a special advance.

"(B) AMOUNT. No eligible entity may receive a special advance under this paragraph for an amount that is greater than 4 percent of the loan amount received by the eligible entity under paragraph (1).

"(C) REPAYMENT. Repayment of the special advance—

"(i) shall be required during the 10-year period beginning on the date on which the special advance is made; and

"(ii) at the election of the eligible entity, may be deferred to the end of the 10-year period.

"(7) LIMITATION. All special advances shall be made under a loan described in paragraph (1) during the first 10 years of the term of the loan.

"(d) LOANS TO QUALIFIED CONSUMERS.

"(1) TERMS OF LOANS. Loans made by an eligible entity to qualified consumers using loan funds provided by the Secretary under subsection (c)—

"(A) may bear interest, not to exceed 3 percent, to be used for purposes that include—

"(i) to establish a loan loss reserve; and

"(ii) to offset personnel and program costs of eligible entities to provide the loans;

"(B) shall finance energy efficiency measures for the purpose of decreasing energy usage or costs of the qualified consumer by an amount that ensures, to the maximum extent practicable, that a loan term of not more than 10 years will not pose an undue financial burden on the qualified consumer, as determined by the eligible entity;

"(C) shall not be used to fund purchases of, or modifications to, personal property unless the personal property is or becomes attached to real property (including a manufactured home) as a fixture;

"(D) shall be repaid through charges added to the electric bill for the property for, or at which, energy efficiency measures are or will be implemented, on the condition that this requirement does not prohibit—

"(i) the voluntary prepayment of a loan by the owner of the property; or

"(ii) the use of any additional repayment mechanisms that are—

"(I) demonstrated to have appropriate risk mitigation features, as determined by the eligible entity; or

"(II) required if the qualified consumer is no longer a customer of the eligible entity; and

"(E) shall require an energy audit by an eligible entity to determine the impact of proposed energy efficiency measures on the energy costs and consumption of the qualified consumer.

"(2) CONTRACTORS. In addition to any other qualified general contractor, eligible entities may serve as general contractors.

"(e) CONTRACT FOR MEASUREMENT AND VERIFICATION, TRAINING, AND TECHNICAL ASSISTANCE.

"(1) IN GENERAL. Not later than 90 days after the date of enactment of this section, the Secretary—

"(A) shall establish a plan for measurement and verification, training, and technical assistance of the program; and

"(B) may enter into 1 or more contracts with a qualified entity for the purposes of—

"(i) providing measurement and verification activities; and

"(ii) developing a program to provide technical assistance and training to the employees of eligible entities to carry out this section.

"(2) USE OF SUBCONTRACTORS AUTHORIZED. A qualified entity that enters into a contract under paragraph (1) may use subcontractors to assist the qualified entity in carrying out the contract.

"(f) ADDITIONAL AUTHORITY. The authority provided in this section is in addition to any other authority of the Secretary to offer loans under any other law.

"(g) EFFECTIVE PERIOD. Subject to the availability of funds and except as otherwise provided in this section, the loans and other expenditures required to be made under this section shall be available until expended, with the Secretary authorized to make new loans as loans are repaid.

"(h) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated to carry out this section $75,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 6206. STUDY OF RURAL TRANSPORTATION ISSUES.**

(a) IN GENERAL.—The Secretary of Agriculture and the Secretary of Transportation shall publish an updated version of the study described in section 6206 of the Food, Conservation, and Energy Act of 2008 (as amended by subsection (b)).

(b) ADDITION TO STUDY.—Section 6206(b) of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246; 122 Stat. 1971) is amended—

(1) in paragraph (3), by striking "and" at the end;

(2) in paragraph (4), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(5) the sufficiency of infrastructure along waterways in the United States and the impact of the infrastructure on the movement of agricultural goods in terms of safety, efficiency and speed, as well as the benefits derived through upgrades and repairs to locks and dams.".

(c) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture and the Secretary of Transportation shall submit to Congress the updated version of the study required by subsection (a).

**SEC. 6207. REGIONAL ECONOMIC AND INFRASTRUCTURE DEVELOPMENT.**

Section 15751 of title 40, United States Code, is amended—

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

(2) in subsection (b)—

(A) by striking "Not more than" and inserting the following:

"(1) IN GENERAL. Except as provided in paragraph (2), not more than"; and

(B) by adding at the end the following:

"(2) LIMITED FUNDING. In a case in which less than $10,000,000 is made available to a Commission for a fiscal year under this section, paragraph (1) shall not apply.".

**SEC. 6208. DEFINITION OF RURAL AREA FOR PURPOSES OF THE HOUSING ACT OF 1949.**

The second sentence of section 520 of the Housing Act of 1949 (42 U.S.C. 1490) is amended—

(1) by striking "1990 or 2000 decennial census shall continue to be so classified until the receipt of data from the decennial census in the year 2010" and inserting "1990, 2000, or 2010 decennial census, and any area deemed to be a 'rural area' for purposes of this title under any other provision of law at any time during the period beginning January 1, 2000, and ending December 31, 2010, shall continue to be so classified until the receipt of data from the decennial census in the year 2020"; and

(2) by striking "25,000" and inserting "35,000".

**SEC. 6209. [7 U.S.C. 2207b] PROGRAM METRICS.**

(a) IN GENERAL.—The Secretary shall collect data regarding economic activities created through grants and loans, including any technical assistance provided as a component of the grant or loan program, and measure the short- and long-term viability of award recipients and any entities to whom those recipients provide assistance using award funds, under—

(1) section 210A of the Agricultural Marketing Act of 1946;

(2) section 313(b)(2) of the Rural Electrification Act of 1936 (7 U.S.C. 940c(b)(2)); or

(3) section 310B(c), 310B(e), 310B(g), 310H, or 379E, or subtitle E, of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(c), 1932(e), 1932(g), 2008s, 2009 et seq.).

(b) DATA.—The data collected under subsection (a) shall include information collected from recipients both during the award period and for a period of time, as determined by the Secretary, which is not less than 2 years after the award period ends.

(c) REPORT.—

(1) IN GENERAL.—Not later than 4 years after the date of enactment of this Act, and every 2 years thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that contains the data described in subsection (a).

(2) DETAILED INFORMATION.—The report shall include detailed information regarding—

(A) actions taken by the Secretary to use the data;

(B) the percentage increase of employees;

(C) the number of business starts and clients served;

(D) any benefit, such as an increase in revenue or customer base; and

(E) such other information as the Secretary considers appropriate.

**SEC. 6210. FUNDING OF PENDING RURAL DEVELOPMENT LOAN AND GRANT APPLICATIONS.**

(a) IN GENERAL.—The Secretary shall use funds made available under subsection (b) to provide funds for applications that are pending on the date of enactment of this Act in accordance with the terms and conditions of section 6029 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246; 122 Stat. 1955).

(b) FUNDING.—Notwithstanding any other provision of law, beginning in fiscal year 2014, of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $150,000,000, to remain available until expended.

# TITLE VII—RESEARCH, EXTENSION, AND RELATED MATTERS

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

**SEC. 7101. OPTION TO BE INCLUDED AS NON-LAND-GRANT COLLEGE OF AGRICULTURE.**

Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

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

"(5) COOPERATING FORESTRY SCHOOL.

"(A) IN GENERAL. The term 'cooperating forestry school' means an institution—

"(i) that is eligible to receive funds under Public Law 87-788 (commonly known as the McIntire-Stennis Cooperative Forestry Act; 16 U.S.C. 582a et seq.); and

"(ii) with respect to which the Secretary has not received a declaration of the intent of that institution to not be considered a cooperating forestry school.

"(B) TERMINATION OF DECLARATION. A declaration of the intent of an institution to not be considered a cooperating forestry school submitted to the Secretary shall be in effect until September 30, 2018.";

(2) in paragraph (10)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i), by striking "that";

(ii) in clause (i)—

(I) by inserting "that" before "qualify"; and

(II) by striking "and" at the end;

(iii) in clause (ii)—

(I) by inserting "that" before "offer"; and

(II) by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following new clause:

"(iii) with respect to which the Secretary has not received a declaration of the intent of a college or university to not be considered a Hispanic-serving agricultural college or university."; and

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

"(C) TERMINATION OF DECLARATION OF INTENT. A declaration of the intent of a college or university to not be considered a Hispanic-serving agricultural college or university submitted to the Secretary shall be in effect until September 30, 2018."; and

(3) in paragraph (14)—

(A) in subparagraph (A), by striking "agriculture or forestry" and inserting "food and agricultural sciences";

(B) by redesignating subparagraph (B) as subparagraph (C); and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) DESIGNATION. Not later than 90 days after the date of the enactment of this subparagraph, the Secretary shall establish an ongoing process through which public colleges or universities may apply for designation as an NLGCA Institution.".

**SEC. 7102. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.**

(a) EXTENSION OF TERMINATION DATE.—Section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking "2012" and inserting "2018".

(b) DUTIES OF NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.—Section 1408(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(c)) is amended—

(1) in paragraph (1)—

(A) by striking "Committee on Appropriations of the Senate" and all that follows through the semi-colon and inserting "Committee on Appropriations of the Senate on—"; and

(B) by adding at the end the following new subparagraphs:

"(A) long-term and short-term national policies and priorities consistent with the purposes specified in section 1402 for agricultural research, extension, education, and economics; and

"(B) the annual establishment of priorities that—

"(i) are in accordance with the purposes specified in a provision of a covered law (as defined in subsection (d) of section 1492) under which competitive grants (described in subsection (c) of such section) are awarded; and

"(ii) the Board determines are national priorities.";

(2) in paragraph (3), by striking "and" at the end;

(3) in paragraph (4)—

(A) in subparagraph (B), by striking "the national research policies and priorities set forth in" inserting "national research policies and priorities that are consistent with the purposes specified in"; and

(B) in subparagraph (C), by striking the period at the end and inserting "; and"; and

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

"(5) consult with industry groups on agricultural research, extension, education, and economics, and make recommendations to the Secretary based on that consultation.".

**SEC. 7103. SPECIALTY CROP COMMITTEE.**

(a) ESTABLISHMENT OF SUBCOMMITTEE.—Section 1408A(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a(a)) is amended—

(1) by striking "Not later than" and inserting the following:

"(1) IN GENERAL. Not later than"; and

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

"(2) CITRUS DISEASE SUBCOMMITTEE.

"(A) IN GENERAL. Not later than 45 days after the date of the enactment of the Agricultural Act of 2014, the Secretary shall establish within the speciality crops committee, and appoint the initial members of, a citrus disease subcommittee to carry out the responsibilities of the subcommittee described in subsection (g) in accordance with subsection (j)(3) of section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632).

"(B) COMPOSITION. The citrus disease subcommittee shall be composed of 9 members, each of whom is a domestic producer of citrus in a State, represented as follows:

"(i) Three of such members shall represent Arizona or California.

"(ii) Five of such members shall represent Florida.

"(iii) One of such members shall represent Texas.

"(C) MEMBERSHIP. The Secretary may appoint individuals who are not members of the specialty crops committee or the Advisory Board established under section 1408 as members of the citrus disease subcommittee

"(D) TERMINATION. The subcommittee established under subparagraph (A) shall terminate on September 30, 2018.

"(E) FEDERAL ADVISORY COMMITTEE ACT. The subcommittee established under subparagraph (A) shall be covered by the exemption to section 9(c) of the Federal Advisory Committee Act (5 U.S.C. App.) applicable to the Advisory Board under section 1408(f).".

(b) MEMBERS.—Section 1408A(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a(b)) is amended—

(1) by striking "Individuals" and inserting the following:

"(1) ELIGIBILITY. Individuals";

(2) by striking "Members" and inserting the following:

"(2) SERVICE. Members"; and

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

"(3) DIVERSITY. Membership of the specialty crops committee shall reflect diversity in the specialty crops represented.".

(c) ANNUAL COMMITTEE REPORT.—Section 1408A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a(c)) is amended—

(1) in paragraph (1), by striking "Measures" and inserting "Programs";

(2) by striking paragraph (2);

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

(4) in paragraph (2) (as so redesignated)—

(A) in the matter preceding subparagraph (A), by striking "Programs that would" and inserting "Research, extension, and teaching programs designed to improve competitiveness in the specialty crop industry, including programs that would";

(B) in subparagraph (D), by inserting ", including improving the quality and taste of processed specialty crops" before the semicolon; and

(C) in subparagraph (G), by inserting "the remote sensing and the" before "mechanization"; and

(5) by adding at the end the following:

"(5) Analysis of the alignment of specialty crops committee recommendations with grants awarded through the specialty crop research initiative established under section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632).".

(d) CONSULTATION WITH SPECIALTY CROP INDUSTRY.—Section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively;

(2) by inserting after subsection (c) the following:

"(d) CONSULTATION WITH SPECIALTY CROP INDUSTRY. In studying the scope and effectiveness of programs under subsection (a), the specialty crops committee shall consult on an ongoing basis with diverse sectors of the specialty crop industry."; and

(3) in subsection (f) (as redesignated by paragraph (1)), by striking "subsection (d)" and inserting "subsection (e)".

(e) DUTIES OF CITRUS DISEASE SUBCOMMITTEE.—Section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a), as amended by subsection (d), is further amended by adding at the end the following new subsection:

"(g) CITRUS DISEASE SUBCOMMITTEE DUTIES. For the purposes of subsection (j) of section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632), the citrus disease subcommittee shall—

"(1) advise the Secretary on citrus research, extension, and development needs;

"(2) propose, by a favorable vote of two-thirds of the members of the subcommittee, a research and extension agenda and annual budgets for the funds made available to carry out such subsection;

"(3) evaluate and review ongoing research and extension funded under the emergency citrus disease research and extension program (as defined in such subsection);

"(4) establish, by a favorable vote of two-thirds of the members of the subcommittee, annual priorities for the award of grants under such subsection;

"(5) provide the Secretary any comments on grants awarded under such subsection during the previous fiscal year; and

"(6) engage in regular consultation and collaboration with the Department and other institutional, governmental, and private persons conducting scientific research on, and extension activities related to, the causes or treatments of citrus diseases and pests, both domestic and invasive, for purposes of—

"(A) maximizing the effectiveness of research and extension projects funded under the citrus disease research and extension program;

"(B) hastening the development of useful treatments;

"(C) avoiding duplicative and wasteful expenditures; and

"(D) providing the Secretary with such information and advice as the Secretary may request.".

**SEC. 7104. VETERINARY SERVICES GRANT PROGRAM.**

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1415A (7 U.S.C. 3151a) the following new section:

**"SEC. 1415B. [7 U.S.C. 3151b] VETERINARY SERVICES GRANT PROGRAM**

"(a) DEFINITIONS. In this section:

"(1) QUALIFIED ENTITY. The term 'qualified entity' means—

"(A) a for-profit or nonprofit entity located in the United States that, or an individual who, operates a veterinary clinic providing veterinary services—

"(i) in a rural area, as defined in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)); and

"(ii) in a veterinarian shortage situation;

"(B) a State, national, allied, or regional veterinary organization or specialty board recognized by the American Veterinary Medical Association;

"(C) a college or school of veterinary medicine accredited by the American Veterinary Medical Association;

"(D) a university research foundation or veterinary medical foundation;

"(E) a department of veterinary science or department of comparative medicine accredited by the Department of Education;

"(F) a State agricultural experiment station; or

"(G) a State, local, or tribal government agency.

"(2) VETERINARIAN SHORTAGE SITUATION. The term 'veterinarian shortage situation' means a veterinarian shortage situation as determined by the Secretary under section 1415A.

"(b) ESTABLISHMENT.

"(1) COMPETITIVE GRANTS. The Secretary shall carry out a program to make competitive grants to qualified entities that carry out programs or activities described in paragraph (2) for the purpose of developing, implementing, and sustaining veterinary services.

"(2) ELIGIBILITY REQUIREMENTS. A qualified entity shall be eligible to receive a grant described in paragraph (1) if the entity carries out programs or activities that the Secretary determines will—

"(A) substantially relieve veterinarian shortage situations;

"(B) support or facilitate private veterinary practices engaged in public health activities; or

"(C) support or facilitate the practices of veterinarians who are providing or have completed providing services under an agreement entered into with the Secretary under section 1415A(a)(2).

"(c) AWARD PROCESSES AND PREFERENCES.

"(1) APPLICATION, EVALUATION, AND INPUT PROCESSES. In administering the grant program established under this section, the Secretary shall—

"(A) use an appropriate application and evaluation process, as determined by the Secretary; and

"(B) seek the input of interested persons.

"(2) COORDINATION PREFERENCE. In selecting recipients of grants to be used for any of the purposes described in subsection (d)(1), the Secretary shall give a preference to qualified entities that provide documentation of coordination with other qualified entities, with respect to any such purpose.

"(3) CONSIDERATION OF AVAILABLE FUNDS. In selecting recipients of grants to be used for any of the purposes described in subsection (d), the Secretary shall take into consideration the amount of funds available for grants and the purposes for which the grant funds will be used.

"(4) NATURE OF GRANTS. A grant awarded under this section shall be considered to be a competitive research, extension, or education grant.

"(d) USE OF GRANTS TO RELIEVE VETERINARIAN SHORTAGE SITUATIONS AND SUPPORT VETERINARY SERVICES.

"(1) IN GENERAL. Except as provided in paragraph (2), a qualified entity may use funds provided by a grant awarded under this section to relieve veterinarian shortage situations and support veterinary services for any of the following purposes:

"(A) To promote recruitment (including for programs in secondary schools), placement, and retention of veterinarians, veterinary technicians, students of veterinary medicine, and students of veterinary technology.

"(B) To allow veterinary students, veterinary interns, externs, fellows, and residents, and veterinary technician

students to cover expenses (other than the types of expenses described in section 1415A(c)(5)) to attend training programs in food safety or food animal medicine.

"(C) To establish or expand accredited veterinary education programs (including faculty recruitment and retention), veterinary residency and fellowship programs, or veterinary internship and externship programs carried out in coordination with accredited colleges of veterinary medicine.

"(D) To provide continuing education and extension, including veterinary telemedicine and other distance-based education, for veterinarians, veterinary technicians, and other health professionals needed to strengthen veterinary programs and enhance food safety.

"(E) To provide technical assistance for the preparation of applications submitted to the Secretary for designation as a veterinarian shortage situation under this section or section 1415A.

"(2) QUALIFIED ENTITIES OPERATING VETERINARY CLINICS. A qualified entity described in subsection (a)(1)(A) may only use funds provided by a grant awarded under this section to establish or expand veterinary practices, including—

"(A) equipping veterinary offices;

"(B) sharing in the reasonable overhead costs of such veterinary practices, as determined by the Secretary; or

"(C) establishing mobile veterinary facilities in which a portion of the facilities will address education or extension needs.

"(e) SPECIAL REQUIREMENTS FOR CERTAIN GRANTS.

"(1) TERMS OF SERVICE REQUIREMENTS.

"(A) IN GENERAL. Funds provided through a grant made under this section to a qualified entity described in subsection (a)(1)(A) and used by such entity under subsection (d)(2) shall be subject to an agreement between the Secretary and such entity that includes a required term of service for such entity (including a qualified entity operating as an individual), as established by the Secretary.

"(B) CONSIDERATIONS. In establishing a term of service under subparagraph (A), the Secretary shall consider only—

"(i) the amount of the grant awarded; and

"(ii) the specific purpose of the grant.

"(2) BREACH REMEDIES.

"(A) IN GENERAL. An agreement under paragraph (1) shall provide remedies for any breach of the agreement by the qualified entity referred to in paragraph (1)(A), including repayment or partial repayment of the grant funds, with interest.

"(B) WAIVER. The Secretary may grant a waiver of the repayment obligation for breach of contract if the Secretary determines that such qualified entity demonstrates extreme hardship or extreme need.

"(C) TREATMENT OF AMOUNTS RECOVERED. Funds recovered under this paragraph shall—

"(i) be credited to the account available to carry out this section; and

"(ii) remain available until expended without further appropriation.

"(f) PROHIBITION ON USE OF GRANT FUNDS FOR CONSTRUCTION. Except as provided in subsection (d)(2), funds made available for grants under this section may not be used—

"(1) to construct a new building or facility; or

"(2) to acquire, expand, remodel, or alter an existing building or facility, including site grading and improvement and architect fees.

"(g) REGULATIONS. Not later than 1 year after the date of the enactment of this section, the Secretary shall promulgate regulations to carry out this section.

"(h) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to the Secretary to carry out this section $10,000,000 for fiscal year 2014 and each fiscal year thereafter, to remain available until expended.".

**SEC. 7105. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURE SCIENCES EDUCATION.**

Section 1417(m) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(m)) is amended by striking "section $60,000,000" and all that follows and inserting the following:" section—

"(1) $60,000,000 for each of fiscal years 1990 through 2013; and

"(2) $40,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7106. AGRICULTURAL AND FOOD POLICY RESEARCH CENTERS.**

Section 1419A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155) is amended—

(1) in the section heading, by inserting "AGRICULTURAL AND FOOD" before "POLICY";

(2) in subsection (a), in the matter preceding paragraph (1)—

(A) by striking "Secretary may" and inserting "Secretary shall, acting through the Office of the Chief Economist,"; and

(B) by striking "make grants, competitive grants, and special research grants to, and enter into cooperative agreements and other contracting instruments with," and inserting "make competitive grants to, or enter into cooperative agreements with,";

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

"(b) ELIGIBLE RECIPIENTS. An entity eligible to apply for funding under subsection (a) is a State agricultural experiment station, college or university, or other public research institution or organization that has a history of providing—

"(1) unbiased, nonpartisan economic analysis to Congress on the areas specified in paragraphs (1) through (4) of subsection (a); or

"(2) objective, scientific information to Federal agencies and the public to support and enhance efficient, accurate implementation of Federal drought preparedness and drought response programs, including interagency thresholds used to determine eligibility for mitigation or emergency assistance.";

(4) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively;

(5) by inserting after subsection (b) the following new subsection:

"(c) PREFERENCE. In making awards under this section, the Secretary shall give a preference to policy research centers that have—

"(1) extensive databases, models, and demonstrated experience in providing Congress with agricultural market projections, rural development analysis, agricultural policy analysis, and baseline projections at the farm, multiregional, national, and international levels; or

"(2) information, analysis, and research relating to drought mitigation.";

(6) in subsection (d)(2) (as redesignated by paragraph (4)), by inserting "applied" after "theoretical and"; and

(7) by striking subsection (e) (as redesignated by paragraph (4)) and inserting the following new subsection:

"(e) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7107. EDUCATION GRANTS TO ALASKA NATIVE SERVING INSTITUTIONS AND NATIVE HAWAIIAN SERVING INSTITUTIONS.**

Section 1419B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3156) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking "(or grants without regard to any requirement for competition)"; and

(B) in paragraph (3), by striking "2012" and inserting "2018"; and

(2) in subsection (b)—

(A) in paragraph (1), by striking "(or grants without regard to any requirement for competition)"; and

(B) in paragraph (3), by striking "2012" and inserting "2018".

**SEC. 7108. REPEAL OF HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.**

Section 1424 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174) is repealed.

**SEC. 7109. REPEAL OF PILOT RESEARCH PROGRAM TO COMBINE MEDICAL AND AGRICULTURAL RESEARCH.**

Section 1424A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a) is repealed.

**SEC. 7110. NUTRITION EDUCATION PROGRAM.**

Section 1425(f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(f)) is amended by striking "2012" and inserting "2018".

**SEC. 7111. CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.**

(a) IN GENERAL.—Section 1433 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195) is amended to read as follows:

**"SEC. 1433. CONTINUING ANIMAL HEALTH AND DISEASE, FOOD SECURITY, AND STEWARDSHIP RESEARCH, EDUCATION, AND EXTENSION PROGRAMS**

"(a) CAPACITY AND INFRASTRUCTURE PROGRAM.

"(1) IN GENERAL. In each State with one or more accredited colleges of veterinary medicine, the deans of the accredited college or colleges and the director of the State agricultural experiment station shall develop a comprehensive animal health and disease research program for the State based on the animal health research capacity of each eligible institution in the State, which shall be submitted to the Secretary for approval and shall be used for the allocation of funds available to the State under this section.

"(2) USE OF FUNDS. An eligible institution allocated funds to carry out animal health and disease research under this section may only use such funds—

"(A) to meet the expenses of conducting animal health and disease research, publishing and disseminating the results of such research, and contributing to the retirement of employees subject to the Act of March 4, 1940 (7 U.S.C. 331);

"(B) for administrative planning and direction; and

"(C) to purchase equipment and supplies necessary for conducting research described in subparagraph (A).

"(3) COOPERATION AMONG ELIGIBLE INSTITUTIONS. The Secretary, to the maximum extent practicable, shall encourage eligible institutions to cooperate in setting research priorities under this section through conducting regular regional and national meetings.

"(b) COMPETITIVE GRANT PROGRAM.

"(1) IN GENERAL. The Secretary, for purposes of addressing the critical needs of animal agriculture, shall award competitive grants to eligible entities under which such eligible entities—

"(A) conduct research—

"(i) to promote food security, such as by—

"(I) improving feed efficiency;

"(II) improving energetic efficiency;

"(III) connecting genomics, proteomics, metabolomics and related phenomena to animal production;

"(IV) improving reproductive efficiency; and

"(V) enhancing pre- and post-harvest food safety systems; and

"(ii) on the relationship between animal and human health, such as by—

"(I) exploring new approaches for vaccine development;

"(II) understanding and controlling zoonosis, including its impact on food safety;

"(III) improving animal health through feed; and

"(IV) enhancing product quality and nutritive value; and

"(B) develop and disseminate to the public tools and information based on the research conducted under subparagraph (A) and sound science.

"(2) ELIGIBLE ENTITIES. An entity eligible to receive a grant under this subsection is any of the following:

"(A) A State cooperative institution.

"(B) An NLGCA Institution.

"(3) ADMINISTRATION. In carrying out this subsection, the Secretary shall establish procedures—

"(A) to seek and accept proposals for grants;

"(B) to review and determine the relevance and merit of proposals, in consultation with representatives of the animal agriculture industry;

"(C) to provide a scientific peer review of each proposal conducted by a panel of subject matter experts from Federal agencies, academic institutions, State animal health agencies, and the animal agriculture industry; and

"(D) to award competitive grants on the basis of merit, quality, and relevance.

"(c) FUNDING.

"(1) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2014 through 2018.

"(2) RESERVATION OF FUNDS. The Secretary shall reserve not less than $5,000,000 of the funds made available under paragraph (1) to carry out the capacity and infrastructure program under subsection (a).

"(3) INITIAL APPORTIONMENT. The amounts made available under paragraph (1) that are remaining after the reservation of funds under paragraph (2), shall be apportioned as follows:

"(A) 15 percent of such amounts shall be used to carry out the capacity and infrastructure program under subsection (a).

"(B) 85 percent of such funds shall be used to carry out the competitive grant program under subsection (b).

"(4) ADDITIONAL APPORTIONMENT. The funds reserved under paragraph (2) and apportioned under paragraph (3)(A) to carry out the capacity and infrastructure program under subsection (a) shall be apportioned as follows:

"(A) Four percent shall be retained by the Department of Agriculture for administration, program assistance to the eligible institutions, and program coordination.

"(B) 48 percent shall be distributed among the several States in the proportion that the value of and income to producers from domestic livestock, poultry, and commercial aquaculture species in each State bears to the total value of and income to producers from domestic livestock, poultry, and commercial aquaculture species in all the States.

The Secretary shall determine the total value of and income from domestic livestock, poultry, and commercial aquaculture species in all the States and the proportionate value of and income from domestic livestock, poultry, and commercial aquaculture species for each State, based on the most current inventory of all cattle, sheep, swine, horses, poultry, and commercial aquaculture species published by the Department of Agriculture.

"(C) 48 percent shall be distributed among the several States in the proportion that the animal health research capacity of the eligible institutions in each State bears to the total animal health research capacity in all the States. The Secretary shall determine the animal health research capacity of the eligible institutions.

"(5) SPECIAL RULES FOR APPORTIONMENT OF CERTAIN FUNDS. With respect to funds reserved under paragraph (2) and apportioned under paragraph (3)(A) to carry out the capacity and infrastructure program under subsection (a), the following shall apply:

"(A) When the amount available under this section for allotment to any State on the basis of domestic livestock, poultry, and commercial aquaculture species values and incomes exceeds the amount for which the eligible institution or institutions in the State are eligible on the basis of animal health research capacity, the excess may be used, at the discretion of the Secretary, for remodeling of facilities, construction of new facilities, or increase in staffing, proportionate to the need for added research capacity.

"(B) Whenever a new college of veterinary medicine is established in a State and is accredited, the Secretary, after consultation with the dean of such college and the director of the State agricultural experiment station and where applicable, deans of other accredited colleges in the State, shall provide for the reallocation of funds available to the State pursuant to paragraph (4) between the new college and other eligible institutions in the State, based on the animal health research capacity of each eligible institution.

"(C) Whenever two or more States jointly establish an accredited regional college of veterinary medicine or jointly support an accredited college of veterinary medicine serving the States involved, the Secretary is authorized to make funds which are available to such States pursuant to paragraph (4) available for such college in such amount that reflects the combined relative value of, and income from, domestic livestock, poultry, and commercial aquaculture species in the cooperating States, such amount to be adjusted, as necessary, pursuant to subsection (a)(1) and subparagraph (B).".

(b) CONFORMING AMENDMENTS.—

(1) DEFINITION OF STATE COOPERATIVE INSTITUTION.—Section 1404(18) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(18)) is amended—

(A) in subparagraph (E), by striking "and" at the end;

(B) in subparagraph (F), by striking "subtitles E, G," and inserting "subtitles G,";

(C) by redesignating subparagraph (F) as subparagraph (G); and

(D) by inserting after subparagraph (E) the following new subparagraph:

"(F) section 1430; and".

(2) DEFINITION OF CAPACITY AND INFRASTRUCTURE PROGRAM.—Section 251(f)(1)(C)(vi) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1)(C)(vi)) is amended by inserting "except for the competitive grant program under section 1433(b)" before the period at the end.

(3) SUBTITLE E OF THE NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.—Subtitle E of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended—

(A) in section 1431(a) (7 U.S.C. 3193(a)), by inserting "under sections 1433(a) and 1434" after "eligible institutions";

(B) in section 1435 (7 U.S.C. 3197), by striking "for allocation under the terms of this subtitle" and inserting "to carry out sections 1433(a) and 1434";

(C) in section 1436 (7 U.S.C. 3198), in the first sentence, by striking "section 1433 of this title" and inserting "subsection (c) of section 1433 to carry out subsection (a) of such section";

(D) in section 1437 (7 U.S.C. 3199), in the first sentence, by striking "States under section 1433 of this title" and inserting "States under subsection (c) of section 1433 to carry out subsection (a) of such section";

(E) in section 1438 (7 U.S.C. 3200), in the first sentence by striking "under this subtitle" and inserting "under subsection (c) of section 1433 to carry out subsection (a) of such section"; and

(F) in section 1439 (7 U.S.C. 3201), by striking "under this subtitle" and inserting "under subsection (c) of section 1433 to carry out subsection (a) of such section or section 1434, as applicable,".

(4) AUTHORIZATION FOR APPROPRIATIONS FOR EXISTING AND CERTAIN NEW AGRICULTURAL RESEARCH PROGRAMS.—Section 1463(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(c)) is amended by striking "sections 1433 and 1434" and inserting "sections 1433(a) and 1434".

**SEC. 7112. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.**

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking "2012" and inserting "2018".

**SEC. 7113. GRANTS TO UPGRADE AGRICULTURE AND FOOD SCIENCE FACILITIES AND EQUIPMENT AT INSULAR AREA LAND-GRANT INSTITUTIONS.**

(a) SUPPORTING TROPICAL AND SUBTROPICAL AGRICULTURAL RESEARCH.—

(1) IN GENERAL.—Section 1447B(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b-2(a)) is amended to read as follows:

"(a) PURPOSE. It is the intent of Congress to assist the land-grant colleges and universities in the insular areas in efforts to—

"(1) acquire, alter, or repair facilities or relevant equipment necessary for conducting agricultural research; and

"(2) support tropical and subtropical agricultural research, including pest and disease research.".

(2) CONFORMING AMENDMENT.—Section 1447B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b-2) is amended in the heading—

(A) by inserting "AND SUPPORT TROPICAL AND SUBTROPICAL AGRICULTURAL RESEARCH" after "EQUIPMENT"; and

(B) by striking "INSTITUTIONS" and inserting "COLLEGES AND UNIVERSITIES".

(b) EXTENSION.—Section 1447B(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b-2(d)) is amended by striking "2012" and inserting "2018".

**SEC. 7114. REPEAL OF NATIONAL RESEARCH AND TRAINING VIRTUAL CENTERS.**

Section 1448 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is repealed.

**SEC. 7115. HISPANIC-SERVING INSTITUTIONS.**

Section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) is amended by striking "2012" and inserting "2018".

**SEC. 7116. COMPETITIVE GRANTS PROGRAM FOR HISPANIC AGRICULTURAL WORKERS AND YOUTH.**

Section 1456(e)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3243(e)(1)) is amended to read as follows:

"(1) IN GENERAL. The Secretary shall establish a competitive grants program—

"(A) to fund fundamental and applied research and extension at Hispanic-serving agricultural colleges and universities in agriculture, human nutrition, food science, bioenergy, and environmental science; and

"(B) to award competitive grants to Hispanic-serving agricultural colleges and universities to provide for training in the food and agricultural sciences of Hispanic agricultural workers and Hispanic youth working in the food and agricultural sciences.".

**SEC. 7117. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.**

Section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)) is amended to read as follows:

"(c) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to carry out this section—

"(1) such sums as are necessary for each of fiscal years 1999 through 2013; and

"(2) $5,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7118. REPEAL OF RESEARCH EQUIPMENT GRANTS.**

Section 1462A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310a) is repealed.

**SEC. 7119. UNIVERSITY RESEARCH.**

Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended by striking "2012" each place it appears in subsections (a) and (b) and inserting "2018".

**SEC. 7120. EXTENSION SERVICE.**

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking "2012" and inserting "2018".

**SEC. 7121. AUDITING, REPORTING, BOOKKEEPING, AND ADMINISTRATIVE REQUIREMENTS.**

Section 1469 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3315) is amended—

(1) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively; and

(2) by inserting after subsection (a) the following new subsection:

"(b) AGREEMENTS WITH FORMER AGRICULTURAL RESEARCH FACILITIES OF THE DEPARTMENT. To the maximum extent practicable, the Secretary, for purposes of supporting ongoing research and information dissemination activities, including supporting research and those activities through co-locating scientists and other technical personnel, sharing of laboratory and field equipment, and providing financial support, shall enter into grants, contracts, cooperative agreements, or other legal instruments with former Department of Agriculture agricultural research facilities.".

**SEC. 7122. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

(a) AUTHORIZATION OF APPROPRIATIONS AND TERMINATION.—Section 1473D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d) is amended—

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

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

"(e) There are authorized to be appropriated to carry out this section—

"(1) such sums as are necessary for fiscal year 2013; and

"(2) $1,000,000 for each of fiscal years 2014 through 2018.".

(b) COMPETITIVE GRANTS.—Section 1473D(c)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(c)(1)) is amended by striking "use such research funding, special or competitive grants, or other means, as the Secretary determines," and inserting "make competitive grants".

**SEC. 7123. CAPACITY BUILDING GRANTS FOR NLGCA INSTITUTIONS.**

Section 1473F(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319i(b)) is amended by striking "2012" and inserting "2018".

**SEC. 7124. AQUACULTURE ASSISTANCE PROGRAMS.**

(a) COMPETITIVE GRANTS.—Section 1475(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322(b)) is amended in the matter preceding paragraph (1), by inserting "competitive" before "grants".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended to read as follows:

**"SEC. 1477. AUTHORIZATION OF APPROPRIATIONS**

"(a) IN GENERAL. There are authorized to be appropriated to carry out this subtitle—

"(1) $7,500,000 for each of fiscal years 1991 through 2013; and

"(2) $5,000,000 for each of fiscal years 2014 through 2018.

"(b) PROHIBITION ON USE. Funds made available under this section may not be used to acquire or construct a building.".

**SEC. 7125. RANGELAND RESEARCH PROGRAMS.**

Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking "subtitle" and all that follows and inserting the following:" subtitle—

"(1) $10,000,000 for each of fiscal years 1991 through 2013; and

"(2) $2,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7126. SPECIAL AUTHORIZATION FOR BIOSECURITY PLANNING AND RESPONSE.**

Section 1484(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3351(a)) is amended by striking "response such sums as are necessary" and all that follows and inserting the following:" response—

"(1) such sums as are necessary for each of fiscal years 2002 through 2013; and

"(2) $20,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7127. DISTANCE EDUCATION AND RESIDENT INSTRUCTION GRANTS PROGRAM FOR INSULAR AREA INSTITUTIONS OF HIGHER EDUCATION.**

(a) DISTANCE EDUCATION GRANTS FOR INSULAR AREAS.—

(1) COMPETITIVE GRANTS.—Section 1490(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3362(a)) is amended by striking "or noncompetitive".

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 1490(f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3362(f)) is amended by striking "section" and all that follows and inserting the following:" section—

"(1) such sums as are necessary for each of fiscal years 2002 through 2013; and

"(2) $2,000,000 for each of fiscal years 2014 through 2018.".

(b) RESIDENT INSTRUCTION GRANTS FOR INSULAR AREAS.—Section 1491(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3363(c)) is amended by striking "such sums as are necessary" and all that follows and inserting the following:" to carry out this section—

"(1) such sums as are necessary for each of fiscal years 2002 through 2013; and

"(2) $2,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7128. MATCHING FUNDS REQUIREMENT.**

(a) IN GENERAL.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding at the end the following new subtitle:

"SUBTITLE P—GENERAL PROVISIONS

**"SEC. 1492. [7 U.S.C. 3371] MATCHING FUNDS REQUIREMENT**

"(a) IN GENERAL. The recipient of a competitive grant that is awarded by the Secretary under a covered law shall provide funds, in-kind contributions, or a combination of both, from sources other than funds provided through such grant in an amount that is at least equal to the amount of such grant.

"(b) EXCEPTION. The matching funds requirement under subsection (a) shall not apply to grants awarded—

"(1) to a research agency of the Department of Agriculture; or

"(2) to an entity eligible to receive funds under a capacity and infrastructure program (as defined in section 251(f)(1)(C) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1)(C))), including a partner of such entity.

"(c) WAIVER. The Secretary may waive the matching funds requirement under subsection (a) for a year with respect to a competitive grant that involves research or extension activities that are consistent with the priorities established by the National Agricultural Research, Extension, Education, and Economics Advisory Board under section 1408(c)(1)(B) for the year involved.

"(d) COVERED LAW. In this section, the term 'covered law' means each of the following provisions of law:

"(1) This title.

"(2) Title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5801 et seq.).

"(3) The Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601 et seq.).

"(4) Part III of subtitle E of title VII of the Food, Conservation, and Energy Act of 2008.

"(5) The Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i).".

(b) CONFORMING AMENDMENTS.—

(1) NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended—

(A) in section 1415(a) (7 U.S.C. 3151(a)), by striking the second sentence;

(B) in section 1475(b) (7 U.S.C. 3322(b)), in the matter following paragraph (4), by striking "Except in the case of" and all that follows; and

(C) in section 1480 (7 U.S.C. 3333)—

(i) by striking subsection (b); and

(ii) by striking "(a) In General.—The Secretary" and inserting "The Secretary".

(2) FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.—The Food, Agriculture, Conservation, and Trade Act of 1990 is amended—

(A) in section 1623(d)(2) (7 U.S.C. 5813(d)(2)), by adding at the end the following: "The matching funds requirement under section 1492 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 shall not apply to grants awarded under this section.";

(B) in section 1671 (7 U.S.C. 5924)—

(i) by striking subsection (e); and

(ii) by redesignating subsection (f) as subsection (e);

(C) in section 1672 (7 U.S.C. 5925)—

(i) by striking subsection (c); and

(ii) by redesignating subsections (d) through (j) as subsections (c) through (i), respectively; and

(D) in section 1672B (7 U.S.C. 5925b)—

(i) by striking subsection (c); and

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

(3) AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION REFORM ACT OF 1998.—The Agricultural Research, Extension, and Education Reform Act of 1998 is amended—

(A) in section 406 (7 U.S.C. 7626)—

(i) by striking subsection (d); and

(ii) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively; and

(B) in section 412(e) (7 U.S.C. 7632(e))—

(i) by striking paragraph (3); and

(ii) by redesignating paragraph (4) as paragraph (3).

(4) COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANT ACT.—Subsection (b)(9) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(9)) is amended—

(A) in subparagraph (A), by adding at the end the following new clause:

"(iii) EXEMPTION. The matching funds requirement under section 1492 of the National Agricultural Re-

search, Extension, and Teaching Policy Act of 1977 shall not apply in the case of a grant made under paragraph (6)(A).”; and

(B) by striking subparagraph (B).

(5) SUN GRANT PROGRAM.—Section 7526(c)(1)(D)(iv) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8114(c)(1)(D)(iv)) is amended by adding at the end the following new subclause:

“(IV) RELATION TO OTHER MATCHING FUND REQUIREMENT. The matching funds requirement under section 1492 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 shall not apply in the case of a grant provided by a sun grant center or subcenter under this paragraph.”.

(c) [7 U.S.C. 3371 note] APPLICATION TO AMENDMENTS.—

(1) NEW GRANTS.—Section 1492 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as added by subsection (a), shall apply with respect to grants described in such section awarded after October 1, 2014, unless the provision of a covered law under which such grants are awarded specifically exempts such grants from the matching funds requirement under such section.

(2) GRANTS AWARDED ON OR BEFORE OCTOBER 1, 2014.—Notwithstanding the amendments made by subsection (b), a matching funds requirement in effect on or before the date of the enactment of this section under a provision of a covered law shall continue to apply to a grant awarded under such provision on or before October 1, 2014.

**SEC. 7129. [7 U.S.C. 321 note] DESIGNATION OF CENTRAL STATE UNIVERSITY AS 1890 INSTITUTION.**

(a) DESIGNATION.—Any provision of a Federal law relating to colleges and universities eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, shall apply to Central State University.

(b) FUNDING RESTRICTION.—Notwithstanding the designation under subsection (a), for fiscal years 2014 and 2015, Central State University shall not be eligible to receive formula funds under—

(1) section 1444 or 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221 and 3222);

(2) section 3(d) of the Smith-Lever Act (7 U.S.C. 343(d)) to carry out the national education program established under section 1425 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175);

(3) the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 et seq.); or

(4) Public Law 87-788 (commonly known as the McIntire-Stennis Cooperative Forestry Act; 16 U.S.C. 582a et seq.).

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

**SEC. 7201. BEST UTILIZATION OF BIOLOGICAL APPLICATIONS.**

Section 1624 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5814) is amended in the first sentence—

(1) by striking "$40,000,000 for each fiscal year"; and

(2) by inserting "$40,000,000 for each of fiscal years 2013 through 2018" after "chapter".

**SEC. 7202. INTEGRATED MANAGEMENT SYSTEMS.**

Section 1627(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5821(d)) is amended to read as follows:

"(d) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to carry out this section through the National Institute of Food and Agriculture $20,000,000 for each of fiscal years 2013 through 2018.".

**SEC. 7203. SUSTAINABLE AGRICULTURE TECHNOLOGY DEVELOPMENT AND TRANSFER PROGRAM.**

Section 1628(f) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831(f)) is amended to read as follows:

"(f) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to carry out this section—

"(1) such sums as are necessary for fiscal year 2013; and

"(2) $5,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7204. NATIONAL TRAINING PROGRAM.**

Section 1629(i) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5832(i)) is amended to read as follows:

"(i) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to carry out the National Training Program $20,000,000 for each of fiscal years 2013 through 2018.".

**SEC. 7205. NATIONAL GENETICS RESOURCES PROGRAM.**

Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended—

(1) by striking "such funds as may be necessary"; and

(2) by striking "subtitle" and all that follows and inserting the following:" subtitle—

"(1) such sums as are necessary for each of fiscal years 1991 through 2013; and

"(2) $1,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7206. NATIONAL AGRICULTURAL WEATHER INFORMATION SYSTEM.**

Section 1641(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5855(c)) is amended—

(1) by striking "$5,000,000 to carry out this subtitle" and inserting "to carry out this subtitle $5,000,000"; and

(2) by inserting "and $1,000,000 for each of fiscal years 2014 through 2018" before the period at the end.

**SEC. 7207. REPEAL OF RURAL ELECTRONIC COMMERCE EXTENSION PROGRAM.**

Section 1670 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5923) is repealed.

**SEC. 7208. AGRICULTURAL GENOME INITIATIVE.**

Section 1671(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924(c)) is amended by adding at the end the following:

"(3) CONSORTIA. The Secretary shall encourage awards under this section to consortia of eligible entities.".

**SEC. 7209. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.**

Section 1672 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is amended—

(1) in the first sentence of subsection (a), by striking "subsections (e) through (i)" and inserting "subsections (d) through (g)";

(2) in subsection (b)(2), in the first sentence, by striking "subsections (e) through (i)" and inserting "subsections (d) through (g)";

(3) by striking subsection (h) (as redesignated by section 7128(b)(2)(C)(ii));

(4) by redesignating subsection (i) (as redesignated by such section) as subsection (h);

(5) in subsection (d) (as redesignated by such section)—

(A) by striking paragraphs (1) through (5), (7), (8), (11) through (43), (47), (48), (51), and (52);

(B) by redesignating paragraphs (6), (9), (10), (44), (45), (46), (49), and (50) as paragraphs (1), (2), (3), (4), (5), (6), (7), and (8), respectively; and

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

"(9) COFFEE PLANT HEALTH INITIATIVE. Research and extension grants may be made under this section for the purposes of—

"(A) developing and disseminating science-based tools and treatments to combat the coffee berry borer (Hypothenemus hampei); and

"(B) establishing an areawide integrated pest management program in areas affected by, or areas at risk of, being affected by the coffee berry borer.

"(10) CORN, SOYBEAN MEAL, CEREAL GRAINS, AND GRAIN BYPRODUCTS RESEARCH AND EXTENSION. Research and extension grants may be made under this section for the purpose of carrying out or enhancing research to improve the digestibility, nutritional value, and efficiency of the use of corn, soybean meal, cereal grains, and grain byproducts for the poultry and food animal production industries.";

(6) by striking subsection (e) (as redesignated by such section) and inserting the following new subsection:

"(e) PULSE CROP HEALTH INITIATIVE.

"(1) DEFINITIONS. In this subsection:

"(A) INITIATIVE. The term 'Initiative' means the pulse crop health initiative established by paragraph (2).

"(B) PULSE CROP. The term 'pulse crop' means dry beans, dry peas, lentils, and chickpeas.

"(2) ESTABLISHMENT. The Secretary shall carry out a pulse crop health competitive research and extension initiative to address the critical needs of the pulse crop industry by developing and disseminating science-based tools and information, including—

"(A) research conducted with respect to pulse crops in the areas of health and nutrition, such as—

"(i) pulse crop diets and the ability of such diets to reduce obesity and associated chronic disease; and

"(ii) the underlying mechanisms of the health benefits of pulse crop consumption;

"(B) research related to the functionality of pulse crops, such as—

"(i) improving the functional properties of pulse crops and pulse crop fractions; and

"(ii) developing new and innovative technologies to improve pulse crops as an ingredient in food products;

"(C) research conducted with respect to pulse crops for purposes of enhancing sustainability and global food security, such as—

"(i) improving pulse crop productivity, nutrient density, and phytonutrient content using plant breeding, genetics, and genomics;

"(ii) improving pest and disease management, including resistance to pests and diseases; and

"(iii) improving nitrogen fixation and water use efficiency to reduce the carbon and energy footprint of agriculture;

"(D) the optimization of systems used in producing pulse crops to reduce water usage; and

"(E) education and technical assistance programs with respect to pulse crops, such as programs—

"(i) providing technical expertise to help food companies include pulse crops in innovative and healthy food; and

"(ii) establishing an educational program to encourage pulse crop consumption in the United States.

"(3) ADMINISTRATION. Paragraphs (4), (7), (8), and (11)(B) of subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)) shall apply with respect to the making of a competitive grant under this subsection.

"(4) PRIORITIES. In making competitive grants under this subsection, the Secretary shall provide a higher priority to projects that—

"(A) are multistate, multiinstitutional, and multidisciplinary; and

"(B) include explicit mechanisms to communicate results to the pulse crop industry and the public.

"(5) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to carry out this subsection $25,000,000 for each of fiscal years 2014 through 2018.";

(7) by striking subsection (f) (as redesignated by such section) and inserting the following new subsection:

"(f) TRAINING COORDINATION FOR FOOD AND AGRICULTURE PROTECTION.

"(1) IN GENERAL. The Secretary shall make a competitive grant to, or enter into a contract or a cooperative agreement with, an eligible entity (described in paragraph (2)) for purposes of establishing an internationally integrated training system to enhance the protection of the food supply in the United States, to be known as the 'Comprehensive Food Safety Training Network' (referred to in this subsection as the 'Network').

"(2) ELIGIBILITY.

"(A) IN GENERAL. For purposes of this subsection, an eligible entity is a multiinstitutional consortium that includes—

"(i) a nonprofit institution that provides food safety protection training; and

"(ii) one or more training centers in institutions of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)) that have demonstrated expertise in developing and delivering community-based training in food supply and agricultural safety and defense.

"(B) COLLECTIVE CONSIDERATION. The Secretary may consider such consortium collectively and not on an institution-by-institution basis.

"(3) DUTIES OF ELIGIBLE ENTITY. As a condition of receiving a competitive grant or entering into a contract or a cooperative agreement with the Secretary under this subsection, the eligible entity, in cooperation with the Secretary, shall establish and maintain the Network, including by—

"(A) providing basic, technical, management, and leadership training (including by developing curricula) to regulatory and public health officials, producers, processors, and other agribusinesses;

"(B) serving as the hub for the administration of the Network;

"(C) implementing a standardized national curriculum to ensure the consistent delivery of quality training throughout the United States;

"(D) building and overseeing a nationally recognized instructor cadre to ensure the availability of highly qualified instructors;

"(E) reviewing training proposed through the National Institute of Food and Agriculture and other relevant Federal agencies that report to the Secretary on the quality and content of proposed and existing courses;

"(F) assisting Federal agencies in the implementation of food safety protection training requirements including requirements under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.), the Agricultural Act of 2014, and any provision of law amended by such Act; and

"(G) performing evaluation and outcome-based studies to provide to the Secretary information on the effectiveness

and impact of training and metrics on jurisdictions and sectors within the food safety system.

"(4) MEMBERSHIP. An eligible entity may alter the consortium membership to meet specific training expertise needs.

"(5) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to carry out this subsection $20,000,000 for each of fiscal years 2014 through 2018, to remain available until expended.";

(8) in subsection (g) (as redesignated by such section)—

(A) by striking "2012" each place it appears in paragraphs (1)(B), (2)(B), and (3) and inserting "2018";

(B) in paragraph (3)—

(i) in the heading, by striking "pest and pathogen"; and

(ii) by striking "pest and pathogen surveillance" and inserting "pest, pathogen, health, and population status surveillance";

(C) by redesignating paragraph (4) as paragraph (5);

(D) by inserting after paragraph (3) the following new paragraph:

"(4) CONSULTATION. The Secretary, in consultation with the Secretary of the Interior and the Administrator of the Environmental Protection Agency, shall publish guidance on enhancing pollinator health and the long-term viability of populations of pollinators, including recommendations related to—

"(A) allowing for managed honey bees to forage on National Forest System lands where compatible with other natural resource management priorities; and

"(B) planting and maintaining managed honey bee and native pollinator foraging on National Forest System lands where compatible with other natural resource management priorities."; and

(E) in paragraph (5) (as redesignated by subparagraph (C))—

(i) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and moving the margins of such subparagraphs two ems to the right;

(ii) by striking "annual report describing" and inserting the following:" annual report—

"(A) describing";

(iii) in clause (i) (as redesignated by clause (i) of this subparagraph)—

(I) by inserting "and honey bee health disorders" after "collapse"; and

(II) by striking "and" at the end;

(iv) in clause (ii) (as redesignated by clause (i) of this subparagraph)—

(I) by inserting ", including best management practices" after "strategies"; and

(II) by striking the period at the end and inserting "; and";

(v) by adding at the end the following new clause:

"(iii) addressing the decline of managed honey bees and native pollinators;"; and

(vi) by adding at the end the following new subparagraphs:

"(B) assessing Federal efforts to mitigate pollinator losses and threats to the United States commercial beekeeping industry; and

"(C) providing recommendations to Congress regarding how to better coordinate Federal agency efforts to address the decline of managed honey bees and native pollinators."; and

(9) in subsection (h) (as redesignated by paragraph (4)), by striking "2012" and inserting "2018".

**SEC. 7210. REPEAL OF NUTRIENT MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.**

Section 1672A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925a) is repealed.

**SEC. 7211. ORGANIC AGRICULTURE RESEARCH AND EXTENSION INITIATIVE.**

Section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting ", education," after "support research";

(B) in paragraph (1), by inserting "and improvement" after "development";

(C) in paragraph (2), by striking "to producers and processors who use organic methods" and inserting "of organic agricultural production and methods to producers, processors, and rural communities"; and

(D) in paragraph (6), by striking "and marketing and to socioeconomic conditions" and inserting ", marketing, food safety, socioeconomic conditions, and farm business management"; and

(2) in subsection (e) (as redesignated by section 7128(b)(2)(D)(ii))—

(A) in paragraph (1)—

(i) in the heading, by striking "for fiscal years 2009 through 2012";

(ii) in subparagraph (A), by striking "and" at the end;

(iii) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following:

"(C) $20,000,000 for each of fiscal years 2014 through 2018."; and

(B) in paragraph (2)—

(i) in the heading, by striking "2009 through 2012" and inserting "2014 through 2018"; and

(ii) by striking "2009 through 2012" and inserting "2014 through 2018".

**SEC. 7212. REPEAL OF AGRICULTURAL BIOENERGY FEEDSTOCK AND ENERGY EFFICIENCY RESEARCH AND EXTENSION INITIATIVE.**

(a) REPEAL.—Section 1672C of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925e) is repealed.

(b) CONFORMING AMENDMENT.—Section 251(f)(1)(D) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1)(D)) is amended—

(1) by striking clause (xi); and

(2) by redesignating clauses (xii) and (xiii) as clauses (xi) and (xii), respectively.

**SEC. 7213. FARM BUSINESS MANAGEMENT.**

Section 1672D(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925f(d)) is amended by striking "such sums as are necessary to carry out this section." and inserting the following:" to carry out this section—

"(1) such sums as are necessary for fiscal year 2013; and

"(2) $5,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7214. CENTERS OF EXCELLENCE.**

(a) IN GENERAL.—The Food, Agriculture, Conservation, and Trade Act of 1990 is amended by inserting after section 1672D (7 U.S.C. 5925f) the following new section:

**"SEC. 1673. [7 U.S.C. 5926] CENTERS OF EXCELLENCE**

"(a) FUNDING PRIORITIES. The Secretary shall prioritize centers of excellence established for purposes of carrying out research, extension, and education activities relating to the food and agricultural sciences (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)) for the receipt of funding for any competitive research or extension program administered by the Secretary.

"(b) COMPOSITION. A center of excellence is composed of 1 or more of the eligible entities specified in subsection (b)(7) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(7)) that provide financial or in-kind support to the center of excellence.

"(c) CRITERIA FOR CENTERS OF EXCELLENCE.

"(1) REQUIRED EFFORTS. The criteria for recognition as a center of excellence shall include efforts—

"(A) to ensure coordination and cost effectiveness by reducing unnecessarily duplicative efforts regarding research, teaching, and extension;

"(B) to leverage available resources by using public-private partnerships among agricultural industry groups, institutions of higher education, and the Federal Government;

"(C) to implement teaching initiatives to increase awareness and effectively disseminate solutions to target audiences through extension activities; and

"(D) to increase the economic returns to rural communities by identifying, attracting, and directing funds to high-priority agricultural issues.

"(2) ADDITIONAL EFFORTS. Where practicable, the criteria for recognition as a center of excellence shall include efforts to improve teaching capacity and infrastructure at colleges and universities (including land-grant colleges and universities, cooperating forestry schools, NLGCA Institutions (as those terms are defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)), and schools of veterinary medicine).".

(b) [7 U.S.C. 5926 note] EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2014.

**SEC. 7215. REPEAL OF RED MEAT SAFETY RESEARCH CENTER.**

Section 1676 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5929) is repealed.

**SEC. 7216. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.**

Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended—

(1) by striking "is" and inserting "are"; and

(2) by striking "section" and all that follows and inserting the following:" section—

"(A) $6,000,000 for each of fiscal years 1999 through 2013; and

"(B) $5,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7217. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.**

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking "2012" and inserting "2018".

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

**SEC. 7301. RELEVANCE AND MERIT OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION FUNDED BY THE DEPARTMENT.**

Section 103(a)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7613(a)(2)) is amended—

(1) in the heading by striking "Merit review of extension" and inserting "Relevance and merit review of research, extension,";

(2) in subparagraph (A)—

(A) by inserting "relevance and" before "merit"; and

(B) by striking "extension or education" and inserting "research, extension, or education"; and

(3) in subparagraph (B), by inserting "on a continuous basis" after "procedures".

**SEC. 7302. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.**

Subsection (e) of section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626) (as re-

designated by section 7128(b)(3)(A)(ii)) is amended by striking "2012" and inserting "2018".

**SEC. 7303. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.**

Section 408(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is amended to read as follows:

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

"(1) such sums as may be necessary for each of fiscal years 1999 through 2013; and

"(2) $10,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7304. REPEAL OF BOVINE JOHNE'S DISEASE CONTROL PROGRAM.**

Section 409 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7629) is repealed.

**SEC. 7305. GRANTS FOR YOUTH ORGANIZATIONS.**

Section 410(d) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7630(d)) is amended by striking "section such sums as are necessary" and all that follows and inserting the following:" section—

"(1) such sums as are necessary for each of fiscal years 2008 through 2013; and

"(2) $3,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7306. SPECIALTY CROP RESEARCH INITIATIVE.**

Section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively;

(B) by inserting before paragraph (2) (as so redesignated), the following new paragraph:

"(1) CITRUS DISEASE SUBCOMMITTEE. The term 'citrus disease subcommittee' means the subcommittee established under section 1408A(a)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977."; and

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

"(4) SPECIALTY CROPS COMMITTEE. The term 'specialty crops committee' means the committee established under section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a).";

(2) in subsection (b)—

(A) in paragraph (1), by striking "and genomics" and inserting "genomics, and other methods"; and

(B) in paragraph (3), by inserting "handling and processing," after "production efficiency,";

(3) in subsection (c), in the matter preceding paragraph (1), by striking "the Initiative" and inserting "this section";

(4) by striking subsection (d) and inserting the following new subsection:

"(d) REVIEW OF PROPOSALS. In carrying out this section, the Secretary shall award competitive grants on the basis of—

"(1) a scientific peer review conducted by a panel of subject matter experts from Federal agencies, non-Federal entities, and the specialty crop industry; and

"(2) a review and ranking for merit, relevance, and impact conducted by a panel of specialty crop industry representatives for the specific specialty crop.";

(5) by redesignating subsections (e) (as amended by section 7128(b)(3)(B)), (f), (g), and (h) as subsections (g), (h), (i), and (k), respectively;

(6) by inserting after subsection (d) the following new subsections:

"(e) CONSULTATION. Each fiscal year, before conducting the scientific peer review described in paragraph (1) of subsection (d) and the merit and relevancy review described in paragraph (2) of such subsection, the Secretary shall consult with the specialty crops committee regarding such reviews. The committee shall provide the Secretary—

"(1) in the first fiscal year in which that consultation occurs, any recommendations for conducting such reviews in such fiscal year; and

"(2) in any subsequent fiscal year in which such consultation occurs—

"(A) an assessment of the procedures and objectives used by the Secretary for such reviews in the previous fiscal year;

"(B) any recommendations for such reviews for the current fiscal year; and

"(C) any comments on grants awarded under subsection (d) during the previous fiscal year.

"(f) REPORT. The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on—

"(1) the results of the consultations with the specialty crops committee (and subcommittees thereof) conducted under subsection (e) of this section and subsection (g) of section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a);

"(2) the specialty crops committee's (and subcommittees thereof) recommendations, if any, provided to the Secretary during such consultations; and

"(3) the specialty crops committee's (and subcommittees thereof) review of the grants awarded under subsection (d) and (j), as applicable, in the previous fiscal year.";

(7) in subsection (g) (as so redesignated)—

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

"(1) IN GENERAL. With respect to grants awarded under this section, the Secretary shall seek and accept proposals for grants."; and

(B) in paragraph (3) (as redesignated by section 7128(b)(3)(B)), by striking "this section" and inserting "the Initiative";

(8) in subsection (h) (as so redesignated), in the matter preceding paragraph (1), by striking "this section" and inserting "the Initiative";

(9) in subsection (k) (as so redesignated)—

(A) in paragraph (1)—

(i) by striking "(1) Mandatory funding for fiscal years 2008 through 2012.—Of the funds" and inserting the following:

"(1) MANDATORY FUNDING.

"(A) FISCAL YEARS 2008 THROUGH 2012. Of the funds"; and

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

"(B) SUBSEQUENT FUNDING. Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section $80,000,000 for fiscal year 2014 and each fiscal year thereafter.

"(C) RESERVATION. For each of fiscal years 2014 through 2018, the Secretary shall reserve not less than $25,000,000 of the funds made available under subparagraph (B) to carry out the program established under subsection (j).

"(D) AVAILABILITY OF FUNDS. Funds reserved under subparagraph (C) shall remain available and reserved for the purpose described in such subparagraph until expended."; and

(B) in paragraph (2)—

(i) in the heading, by striking "2008 through 2012" and inserting "2014 through 2018"; and

(ii) by striking "2008 through 2012" and inserting "2014 through 2018"; and

(10) by inserting after subsection (i) the following new subsection:

"(j) EMERGENCY CITRUS DISEASE RESEARCH AND EXTENSION PROGRAM.

"(1) ESTABLISHMENT AND PURPOSE. The Secretary shall establish a competitive research and extension grant program to combat diseases of citrus under which the Secretary awards competitive grants to eligible entities—

"(A) to conduct scientific research and extension activities, technical assistance, and development activities to combat citrus diseases and pests, both domestic and invasive, which pose imminent harm to the United States citrus production and threaten the future viability of the citrus industry, including *huanglongbing* and the Asian Citrus Psyllid; and

"(B) to provide support for the dissemination and commercialization of relevant information, techniques, and technologies discovered pursuant to research and extension activities funded through—

"(i) the emergency citrus disease research and extension program; or

"(ii) other research and extension projects intended to solve problems caused by citrus production diseases and invasive pests.

"(2) PRIORITY. In awarding grants under this subsection, the Secretary shall give priority to grants that address the research and extension priorities established pursuant to subsection (g)(4) of section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a).

"(3) COORDINATION. When developing the proposed research and extension agenda and budget under subsection (g)(2) of section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a) for the funds made available under this subsection for a fiscal year, the citrus disease subcommittee shall—

"(A) seek input from Federal and State agencies and other entities involved in citrus disease response; and

"(B) take into account other public and private citrus-related research and extension projects and the funding for such projects.

"(4) NONDUPLICATION. The Secretary shall ensure that funds made available to carry out the emergency citrus disease research and extension activities under this subsection shall be in addition to and not supplant funds made available to carry out other citrus disease activities carried out by the Department of Agriculture in consultation with State agencies.

"(5) AUTHORIZATION OF APPROPRIATIONS. In addition to the amounts reserved under subsection (k)(1)(C), there are authorized to be appropriated to carry out this subsection, $25,000,000 for each of fiscal years 2014 through 2018.

"(6) DEFINITIONS. In this subsection:

"(A) CITRUS. The term 'citrus' means edible fruit of the family Rutaceae, including any hybrid of such fruits and products of such hybrids that are produced for commercial purposes in the United States.

"(B) CITRUS PRODUCER. The term 'citrus producer' means any person that is engaged in the domestic production and commercial sale of citrus in the United States.

"(C) EMERGENCY CITRUS DISEASE RESEARCH AND EXTENSION PROGRAM. The term 'emergency citrus disease research and extension program' means the emergency citrus research and extension grant program established under this subsection.".

**SEC. 7307. [H7308] FOOD ANIMAL RESIDUE AVOIDANCE DATABASE PROGRAM.**

Section 604(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7642(e)) is amended by striking "2012" and inserting "2018".

**SEC. 7308. REPEAL OF NATIONAL SWINE RESEARCH CENTER.**

Section 612 of the Agricultural Research, Extension, and Education Reform Act of 1998 (Public Law 105-185; 112 Stat. 605) is repealed.

**SEC. 7309. OFFICE OF PEST MANAGEMENT POLICY.**

Section 614(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is amended—

(1) by striking "such sums as are necessary"; and

(2) by striking "section" and all that follows and inserting the following:" section—

"(1) such sums as are necessary for each of fiscal years 1999 through 2013; and

"(2) $3,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7310. FORESTRY PRODUCTS ADVANCED UTILIZATION RESEARCH.**

Subtitle B of title VI of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7651 et seq.) is amended by inserting after section 616 (7 U.S.C. 7655) the following new section:

**"SEC. 617. [7 U.S.C. 7655b] FORESTRY PRODUCTS ADVANCED UTILIZATION RESEARCH**

"(a) ESTABLISHMENT. The Secretary shall establish a forestry and forestry products research and extension initiative to develop and disseminate science-based tools that address the needs of the forestry sector and their respective regions, forest and timberland owners and managers, and forestry products engineering, manufacturing, and related interests.

"(b) ACTIVITIES. The initiative described in subsection (a) shall include the following activities:

"(1) Research conducted for purposes of—

"(A) wood quality improvement with respect to lumber strength and grade yield;

"(B) the development of novel engineered lumber products and renewable energy from wood; and

"(C) enhancing the longevity, sustainability, and profitability of timberland through sound management and utilization.

"(2) Demonstration activities and technology transfer to demonstrate the beneficial characteristics of wood as a green building material, including investments in life cycle assessment for wood products.

"(3) Projects designed to improve—

"(A) forestry products, lumber, and evaluation standards and valuation techniques;

"(B) lumber quality and value-based, on-forest management techniques; and

"(C) forestry products conversion and manufacturing efficiency, productivity, and profitability over the long term (including forestry product marketing).

"(c) GRANTS.

"(1) IN GENERAL. The Secretary shall make competitive grants to carry out the activities described in subsection (b).

"(2) PRIORITIES. In making grants under this section, the Secretary shall give higher priority to activities that are carried out by entities that—

"(A) are multistate, multiinstitutional, or multidisciplinary;

"(B) have explicit mechanisms to communicate results to producers, forestry industry stakeholders, policymakers, and the public; and

"(C) have—

"(i) extensive history and demonstrated experience in forestry and forestry products research;

"(ii) existing capacity in forestry products research and dissemination; and

"(iii) a demonstrated means of evaluating and responding to the needs of the related commercial sector.

"(3) ADMINISTRATION. In making grants under this section, the Secretary shall follow the requirements of paragraphs (4), (7), (8), and (11)(B) of subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i).

"(4) TERM. The term of a grant made under this section may not exceed 10 years.

"(d) COORDINATION. The Secretary shall ensure that any activities carried out under this section are carried out in coordination with the Forest Service, including the Forest Products Laboratory, and other appropriate agencies of the Department.

"(e) REPORT. The Secretary shall submit an annual report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate describing, for the period covered by the report—

"(1) the research that has been conducted under paragraph (2) of subsection (b);

"(2) the number of buildings the Forest Service has built with wood as the primary structural material; and

"(3) the investments made by the Forest Service in green building and wood promotion.

"(f) AUTHORIZATION OF APPROPRIATIONS.

"(1) IN GENERAL. There are authorized to be appropriated to carry out this section $7,000,000 for each of fiscal years 2014 through 2018.

"(2) MATCHING FUNDS. To the extent practicable, the Secretary shall match any funds made available under paragraph (1) with funds made available under section 7 of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C.1646).".

**SEC. 7311. REPEAL OF STUDIES OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.**

Subtitle C of title VI of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7671 et seq.) is repealed.

## Subtitle D—Other Laws

**SEC. 7401. CRITICAL AGRICULTURAL MATERIALS ACT.**

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended—

(1) by striking "such sums as are necessary"; and

(2) by striking "Act" and all that follows and inserting the following:" Act—

"(1) such sums as are necessary for each of fiscal years 1991 through 2013; and

"(2) $2,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7402. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.**

(a) DEFINITION OF 1994 INSTITUTION.—

(1) IN GENERAL.—Section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382) is amended to read as follows:

**"SEC. 532. DEFINITION OF 1994 INSTITUTION**

"In this part, the term '1994 Institution' means any of the following colleges:

"(1) Aaniiih Nakoda College.
"(2) Bay Mills Community College.
"(3) Blackfeet Community College.
"(4) Cankdeska Cikana Community College.
"(5) Chief Dull Knife College.
"(6) College of Menominee Nation.
"(7) College of the Muscogee Nation.
"(8) D-Q University.
"(9) Dine College.
"(10) Fond du Lac Tribal and Community College.
"(11) Fort Berthold Community College.
"(12) Fort Peck Community College.
"(13) Haskell Indian Nations University.
"(14) Ilisagvik College.
"(15) Institute of American Indian and Alaska Native Culture and Arts Development.
"(16) Keweenaw Bay Ojibwa Community College.
"(17) Lac Courte Oreilles Ojibwa Community College.
"(18) Leech Lake Tribal College.
"(19) Little Big Horn College.
"(20) Little Priest Tribal College.
"(21) Navajo Technical College.
"(22) Nebraska Indian Community College.
"(23) Northwest Indian College.
"(24) Oglala Lakota College.
"(25) Saginaw Chippewa Tribal College.
"(26) Salish Kootenai College.
"(27) Sinte Gleska University.
"(28) Sisseton Wahpeton College.
"(29) Sitting Bull College.
"(30) Southwestern Indian Polytechnic Institute.
"(31) Stone Child College.
"(32) Tohono O'odham Community College.
"(33) Turtle Mountain Community College.
"(34) United Tribes Technical College.
"(35) White Earth Tribal and Community College.".

(2) [7 U.S.C. 301 note] EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on October 1, 2014.

(b) ENDOWMENT FOR 1994 INSTITUTIONS.—Section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382) is amended in the first sentence by striking "2012" and inserting "2018".

(c) INSTITUTIONAL CAPACITY BUILDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382) is amended by striking "2012" each place it appears in subsections (b)(1) and (c) and inserting "2018".

(d) RESEARCH GRANTS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382) is amended in the first sentence by striking "2012" and inserting "2018".

(2) RESEARCH GRANT REQUIREMENTS.—Section 536(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382) is amended by striking "with at least 1 other land-grant college or university" and all that follows and inserting the following:" with—

"(1) the Agricultural Research Service of the Department of Agriculture; or

"(2) at least 1—

"(A) other land-grant college or university (exclusive of another 1994 Institution);

"(B) non-land-grant college of agriculture (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); or

"(C) cooperating forestry school (as defined in that section).".

**SEC. 7403. RESEARCH FACILITIES ACT.**

Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking "2012" and inserting "2018".

**SEC. 7404. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANT ACT.**

(a) EXTENSION.—Subsection (b)(11)(A) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(11)(A)) is amended, in the matter preceding clause (i), by striking "2012" and inserting "2018".

(b) PRIORITY AREAS.—Subsection (b)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(2)) is amended—

(1) in subparagraph (B)—

(A) in clause (vii), by striking "and" at the end;

(B) in clause (viii), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new clauses:

"(ix) the research and development of surveillance methods, vaccines, vaccination delivery systems, or diagnostic tests for pests and diseases, including—

"(I) epizootic diseases in domestic livestock (including deer, elk, bison, and other animals of the family Cervidae); and

"(II) zoonotic diseases (including bovine brucellosis and bovine tuberculosis) in domestic livestock or wildlife reservoirs that present a potential concern to public health; and

"(x) the identification of animal drug needs and the generation and dissemination of data for safe and effective therapeutic applications of animal drugs for minor species and minor uses of such drugs in major species.";

(2) in subparagraph (D)—

(A) in the heading, by striking "Renewable energy" and inserting "Bioenergy";

(B) by redesignating clauses (iv), (v), and (vi) as clauses (v), (vi), and (vii), respectively; and

(C) by inserting after clause (iii) the following new clause:

"(iv) the effectiveness of conservation practices and technologies designed to address nutrient losses and improve water quality;"; and

(3) in subparagraph (F)—

(A) in the matter preceding clause (i), by inserting "economics," after "trade,";

(B) by redesignating clauses (v) and (vi) as clauses (vi) and (vii), respectively; and

(C) by inserting after clause (iv) the following new clause:

"(v) the economic costs, benefits, and viability of producers adopting conservation practices and technologies designed to improve water quality;".

(c) GENERAL ADMINISTRATION.—Subsection (b)(4) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(4)) is amended—

(1) in subparagraph (D), by striking "and" at the end;

(2) in subparagraph (E), by striking the period at the end and inserting "; and"; and

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

"(F) establish procedures, including timelines, under which an entity established under a commodity promotion law (as such term is defined under section 501(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401(a))) or a State commodity board (or other equivalent State entity) may directly submit to the Secretary for consideration proposals for requests for applications that specifically address particular issues related to the priority areas specified in paragraph (2). ".

(d) SPECIAL CONSIDERATIONS.—Subsection (b)(6) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(6)) is amended—

(1) in subparagraph (C), by striking "and" at the end;

(2) in subparagraph (D), by striking the period at the end and inserting "; and"; and

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

"(E) to eligible entities to carry out the specific proposals submitted under procedures established under para-

graph (4)(F) only if such specific proposals are consistent with a priority area specified in paragraph (2).".

(e) ELIGIBLE ENTITIES.—Subsection (b)(7)(G) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(7)(G)) is amended by striking "or corporations" and inserting ", foundations, or corporations".

(f) SPECIAL CONTRIBUTION REQUIREMENT FOR CERTAIN GRANTS.—Subsection (b)(9) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(9)) (as amended by section 7128(b)(4)) is amended by adding at the end the following new subparagraph:

"(B) CONTRIBUTION REQUIREMENT FOR COMMODITY PROMOTION GRANTS.

"(i) IN GENERAL. Subject to clauses (ii) and (iii), as a condition of funding a grant under paragraph (6)(E), the Secretary shall require that the grant be matched with an equal contribution of funds from the entities described in paragraph (4)(F) submitting proposals under procedures established under such paragraph.

"(ii) AVAILABILITY OF FUNDS.

"(I) IN GENERAL. Contributions required by clause (i) shall be available to the Secretary for obligation and remain available until expended for the purpose of making grants under paragraph (6)(E).

"(II) ADMINISTRATION. Of amounts contributed to the Secretary under clause (i), not more than 4 percent may be retained by the Secretary to pay administrative costs incurred by the Secretary in carrying out this subsection.

"(III) RESTRICTION. Funds contributed to the Secretary by an entity under clause (i) in connection with a proposal submitted by that entity under procedures established under paragraph (4)(F) may only be used to fund grants in connection with that proposal.

"(IV) REMAINING FUNDS. Funds contributed to the Secretary by an entity under clause (i) that remain unobligated at the time of grant closeout shall be returned to that entity.

"(V) INDIRECT COSTS. The indirect cost rate applicable to appropriated funds for a grant funded under paragraph (6)(E) shall apply to amounts contributed by an entity under clause (i).

"(iii) OTHER MATCHING FUNDS REQUIREMENTS. The contribution requirement under clause (i) shall be in addition to any matching funds requirement for grant recipients required by section 1492 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977.".

(g) INTER-REGIONAL RESEARCH PROJECT NUMBER 4.—Subsection (e) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(e)) is amended—

(1) in paragraph (1)(A), by striking "minor use pesticides" and inserting "pesticides for minor agricultural use and for use on specialty crops (as defined in section 3 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note))."; and

(2) in paragraph (4)—

(A) in subparagraph (A), by inserting "and for use on specialty crops" after "minor agricultural use";

(B) in subparagraph (B), by striking "and" at the end;

(C) by redesignating subparagraph (C) as subparagraph (G); and

(D) by inserting after subparagraph (B) the following new subparagraphs:

"(C) prioritize potential pest management technology for minor agricultural use and for use on specialty crops;

"(D) conduct research to develop the data necessary to facilitate pesticide registrations, reregistrations, and associated tolerances;

"(E) assist in removing trade barriers caused by residues of pesticides registered for minor agricultural use and for use on domestically grown specialty crops;

"(F) assist in the registration and reregistration of pest management technologies for minor agricultural use and for use on specialty crops; and".

**SEC. 7405. RENEWABLE RESOURCES EXTENSION ACT OF 1978.**

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended in the first sentence by striking "2012" and inserting "2018".

(b) TERMINATION DATE.—Section 8 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 note; Public Law 95-306) is amended by striking "2012" and inserting "2018".

**SEC. 7406. NATIONAL AQUACULTURE ACT OF 1980.**

Section 10 of the National Aquaculture Act of 1980 (16 U.S.C. 2809) is amended by striking "2012" each place it appears and inserting "2018".

**SEC. 7407. REPEAL OF USE OF REMOTE SENSING DATA.**

Section 892 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 5935) is repealed.

**SEC. 7408. REPEAL OF REPORTS UNDER FARM SECURITY AND RURAL INVESTMENT ACT OF 2002.**

(a) REPEAL OF REPORT ON PRODUCERS AND HANDLERS FOR ORGANIC PRODUCTS.—Section 7409 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925b note; Public Law 107-171) is repealed.

(b) REPEAL OF REPORT ON GENETICALLY MODIFIED PEST-PROTECTED PLANTS.—Section 7410 of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171; 116 Stat. 462) is repealed.

(c) REPEAL OF STUDY ON NUTRIENT BANKING.—Section 7411 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925a note; Public Law 107-171) is repealed.

**SEC. 7409. BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.**

Section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f) is amended—

(1) in subsection (c)—

(A) in paragraph (1), by striking subparagraphs (A) through (R) and inserting the following new subparagraphs:

"(A) basic livestock, forest management, and crop farming practices;

"(B) innovative farm, ranch, and private, nonindustrial forest land transfer strategies;

"(C) entrepreneurship and business training;

"(D) financial and risk management training (including the acquisition and management of agricultural credit);

"(E) natural resource management and planning;

"(F) diversification and marketing strategies;

"(G) curriculum development;

"(H) mentoring, apprenticeships, and internships;

"(I) resources and referral;

"(J) farm financial benchmarking;

"(K) assisting beginning farmers or ranchers in acquiring land from retiring farmers and ranchers;

"(L) agricultural rehabilitation and vocational training for veterans;

"(M) farm safety and awareness; and

"(N) other similar subject areas of use to beginning farmers or ranchers.";

(B) in paragraph (2)(C), by striking "and nongovernmental organization" and inserting "or nongovernmental organization";

(C) in paragraph (7), by striking "and community-based organizations" and inserting ", community-based organizations, and school-based agricultural educational organizations";

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

"(8) SET-ASIDES.

"(A) IN GENERAL. Not less than 5 percent of the funds used to carry out this subsection for a fiscal year shall be used to support programs and services that address the needs of—

"(i) limited resource beginning farmers or ranchers (as defined by the Secretary);

"(ii) socially disadvantaged farmers or ranchers (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)) who are beginning farmers or ranchers; and

"(iii) farmworkers desiring to become farmers or ranchers.

"(B) VETERAN FARMERS AND RANCHERS. Not less than 5 percent of the funds used to carry out this subsection for a fiscal year shall be used to support programs and services that address the needs of veteran farmers and ranch-

ers (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))). "; and

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

"(11) LIMITATION ON INDIRECT COSTS. A recipient of a grant under this subsection may not use more than 10 percent of the funds provided by the grant for the indirect costs of carrying out the initiatives described in paragraph (1).

"(12) COORDINATION PERMITTED. A recipient of a grant under this subsection using the grant as described in paragraph (8)(B) may coordinate with a recipient of a grant under section 1680 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933) in addressing the needs of veteran farmers and ranchers with disabilities.";

(2) in subsection (h)(1)—

(A) in the paragraph heading, by striking "2012" and inserting "2018";

(B) in subparagraph (A), by striking "and" at the end;

(C) in subparagraph (B), by striking the period at the end and inserting "; and"; and

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

"(C) $20,000,000 for each of fiscal years 2014 through 2018, to remain available until expended."; and

(3) in subsection (h)(2)—

(A) in the paragraph heading, by striking "2008 through 2012" and inserting "2014 through 2018"; and

(B) by striking "2008 through 2012" and inserting "2014 through 2018".

**SEC. 7410. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT AMENDMENTS OF 1985.**

Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99-198; 99 Stat. 1556) is amended by striking "2012" and inserting "2018".

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

## PART I—AGRICULTURAL SECURITY

**SEC. 7501. AGRICULTURAL BIOSECURITY COMMUNICATION CENTER.**

Section 14112(c) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8912(c)) is amended to read as follows:

"(c) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to carry out this section—

"(1) such sums as are necessary for each of fiscal years 2008 through 2013; and

"(2) $2,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7502. ASSISTANCE TO BUILD LOCAL CAPACITY IN AGRICULTURAL BIOSECURITY PLANNING, PREPARATION, AND RESPONSE.**

Section 14113 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8913) is amended—

(1) in subsection (a)(2)—

(A) by striking "such sums as may be necessary"; and

(B) by striking "subsection" and all that follows and inserting the following:" subsection—

"(A) such sums as are necessary for each of fiscal years 2008 through 2013; and

"(B) $15,000,000 for each of fiscal years 2014 through 2018."; and

(2) in subsection (b)(2), by striking "is authorized to be appropriated to carry out this subsection" and all that follows and inserting the following:" are authorized to be appropriated to carry out this subsection—

"(A) $25,000,000 for each of fiscal years 2008 through 2013; and

"(B) $15,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7503. RESEARCH AND DEVELOPMENT OF AGRICULTURAL COUNTERMEASURES.**

Section 14121(b) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8921(b)) is amended by striking "is authorized to be appropriated to carry out this section" and all that follows and inserting the following:" are authorized to be appropriated to carry out this section—

"(1) $50,000,000 for each of fiscal years 2008 through 2013; and

"(2) $15,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7504. AGRICULTURAL BIOSECURITY GRANT PROGRAM.**

Section 14122(e) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8922(e)) is amended—

(1) by striking "sums as are necessary"; and

(2) by striking "section" and all that follows and inserting the following:" section—

"(1) such sums as are necessary for each of fiscal years 2008 through 2013, to remain available until expended; and

"(2) $5,000,000 for each of fiscal years 2014 through 2018, to remain available until expended.".

## PART II—MISCELLANEOUS PROVISIONS

**SEC. 7511. [7 U.S.C. 3125a note] ENHANCED USE LEASE AUTHORITY PILOT PROGRAM.**

Section 308 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 3125a) is amended—

(1) in subsection (b)(6)(A), by striking "5 years" and inserting "10 years"; and

(2) in subsection (d)(2), in the matter preceding subparagraph (A), by striking "1, 3, and 5 years" and inserting "6, 8, and 10 years".

**SEC. 7512. GRAZINGLANDS RESEARCH LABORATORY.**

Section 7502 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246; 122 Stat. 2019) is amended by striking "5-year period" and inserting "10-year period".

**SEC. 7513. BUDGET SUBMISSION AND FUNDING.**

Section 7506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7614c) is amended—

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

"(a) DEFINITIONS. In this section:

"(1) COVERED PROGRAM. The term 'covered program' means—

"(A) each research program carried out by the Agricultural Research Service or the Economic Research Service for which annual appropriations are requested in the annual budget submission of the President; and

"(B) each competitive program carried out by the National Institute of Food and Agriculture for which annual appropriations are requested in the annual budget submission of the President.

"(2) REQUEST FOR APPLICATIONS. The term 'request for applications' means a funding announcement published by the National Institute of Food and Agriculture that provides detailed information on funding opportunities at the Institute, including the purpose, eligibility, restriction, focus areas, evaluation criteria, regulatory information, and instructions on how to apply for such opportunities."; and

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

"(e) ADDITIONAL PRESIDENTIAL BUDGET SUBMISSION REQUIREMENT.

"(1) IN GENERAL. Each year, the President shall submit to Congress for each funding request for a covered program—

"(A) in the case of the information described in paragraph (2), such information together with the annual budget submission of the President; and

"(B) in the case of any additional information described in paragraph (3), such additional information within a reasonable period that begins after the date of the annual budget submission of the President.

"(2) INFORMATION DESCRIBED. The information described in this paragraph includes—

"(A) baseline information, including with respect to each covered program—

"(i) the funding level for the program for the fiscal year preceding the year for which the annual budget submission of the President is submitted;

"(ii) the funding level requested in the annual budget submission of the President, including any increase or decrease in the funding level; and

"(iii) an explanation justifying any change from the funding level specified in clause (i) to the level specified in clause (ii);

"(B) with respect to each covered program that is carried out by the Economic Research Service or the Agricultural Research Service, the location and staff years of the program;

"(C) the proposed funding levels to be allocated to, and the expected publication date, scope, and allocation level for, each request for applications to be published under or associated with—

"(i) each priority area specified in subsection (b)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(2));

"(ii) each research and extension project carried out under section 1621(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5811(a));

"(iii) each grant awarded under section 1672B(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b(a));

"(iv) each grant awarded under section 412(d) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632(d)); and

"(v) each grant awarded under section 7405(c)(1) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f(c)(1)); and

"(D) any other information the Secretary determines will increase congressional oversight with respect to covered programs.

"(3) ADDITIONAL INFORMATION DESCRIBED. The additional information described in this paragraph is information that the Secretary, after consulting with the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Subcommittees on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies of the Committee on Appropriations of the House of Representatives and the Senate, determines is a necessary revision or clarification to the information described in paragraph (2).

"(4) PROHIBITION. Unless the President submits the information described in paragraph (2)(C) for a fiscal year, the President may not carry out any program during that fiscal year that is authorized under—

"(A) subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b));

"(B) section 1621 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5811);

"(C) section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b);

"(D) section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632); or

"(E) section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f).

"(f) REPORT OF THE SECRETARY OF AGRICULTURE. Each year on a date that is not later than the date on which the President submits the annual budget, the Secretary shall submit to Congress a report containing a description of the agricultural research, extension, and education activities carried out by the Federal Government during the fiscal year that immediately precedes the year for which the report is submitted, including—

"(1) a review of the extent to which those activities—

"(A) are duplicative or overlap within the Department of Agriculture; or

"(B) are similar to activities carried out by—

"(i) other Federal agencies;

"(ii) the States (including the District of Columbia, the Commonwealth of Puerto Rico and other territories or possessions of the United States);

"(iii) institutions of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)); or

"(iv) the private sector; and

"(2) for each report submitted under this section on or after January 1, 2014, a 5-year projection of national priorities with respect to agricultural research, extension, and education, taking into account domestic needs.

"(g) INTERCHANGEABILITY OF FUNDS. Nothing in this section shall be construed so as to limit the authority of the Secretary under section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257(b)), with respect to the reprogramming or transfer of funds.".

**SEC. 7514. REPEAL OF SEED DISTRIBUTION.**

Section 7523 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 415-1) is repealed.

**SEC. 7515. NATURAL PRODUCTS RESEARCH PROGRAM.**

Section 7525(e) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 5937(e)) is amended to read as follows:

"(e) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to carry out this section $7,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 7516. SUN GRANT PROGRAM.**

(a) IN GENERAL.—Section 7526 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8114) is amended—

(1) in subsection (a)(4)(B), by striking "the Department of Energy" and inserting "other appropriate Federal agencies (as determined by the Secretary)";

(2) in subsection (b)(1)—

(A) in subparagraph (A), by striking "at South Dakota State University";

(B) in subparagraph (B), by striking "at the University of Tennessee at Knoxville";

(C) in subparagraph (C), by striking "at Oklahoma State University";

(D) in subparagraph (D), by striking "at Oregon State University";

(E) in subparagraph (E), by striking "at Cornell University"; and

(F) in subparagraph (F), by striking "at the University of Hawaii";

(3) in subsection (c)(1)—

(A) in subparagraph (B), by striking "multistate" and all that follows through "technology implementation" and inserting "integrated, multistate research, extension, and education programs on technology development and technology implementation";

(B) by striking subparagraph (C); and

(C) by redesignating subparagraph (D) as subparagraph (C);

(4) in subsection (d)—

(A) in paragraph (1)—

(i) by striking "in accordance with paragraph (2)";

(ii) by striking "gasification" and inserting "bioproducts"; and

(iii) by striking "the Department of Energy" and inserting "other appropriate Federal agencies";

(B) by striking paragraph (2); and

(C) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(5) in subsection (g), by striking "2012" and inserting "2018".

(b) CONFORMING AMENDMENT.—Section 7526(f)(1) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8114(f)) is amended by striking "subsection (c)(1)(D)(i)" and inserting "subsection (c)(1)(C)(i)".

**SEC. 7517. REPEAL OF STUDY AND REPORT ON FOOD DESERTS.**

Section 7527 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246; 122 Stat. 2039) is repealed.

**SEC. 7518. REPEAL OF AGRICULTURAL AND RURAL TRANSPORTATION RESEARCH AND EDUCATION.**

Section 7529 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 5938) is repealed.

## Subtitle F—Miscellaneous Provisions

**SEC. 7601. [7 U.S.C. 5939] FOUNDATION FOR FOOD AND AGRICULTURE RESEARCH.**

(a) DEFINITIONS.—In this section:

(1) BOARD.—The term "Board" means the Board of Directors described in subsection (e).

(2) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(3) FOUNDATION.—The term "Foundation" means the Foundation for Food and Agriculture Research established under subsection (b).

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

(b) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary shall establish a nonprofit corporation to be known as the "Foundation for Food and Agriculture Research".

(2) STATUS.—The Foundation shall not be an agency or instrumentality of the United States Government.

(c) PURPOSES.—The purposes of the Foundation shall be—

(1) to advance the research mission of the Department by supporting agricultural research activities focused on addressing key problems of national and international significance including—

(A) plant health, production, and plant products;

(B) animal health, production, and products;

(C) food safety, nutrition, and health;

(D) renewable energy, natural resources, and the environment;

(E) agricultural and food security;

(F) agriculture systems and technology; and

(G) agriculture economics and rural communities; and

(2) to foster collaboration with agricultural researchers from the Federal Government, State (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)) governments, institutions of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)), industry, and nonprofit organizations.

(d) DUTIES.—

(1) IN GENERAL.—The Foundation shall—

(A) award grants to, or enter into contracts, memoranda of understanding, or cooperative agreements with, scientists and entities, which may include agricultural research agencies in the Department, university consortia, public-private partnerships, institutions of higher education, nonprofit organizations, and industry, to efficiently and effectively advance the goals and priorities of the Foundation;

(B) in consultation with the Secretary—

(i) identify existing and proposed Federal intramural and extramural research and development programs relating to the purposes of the Foundation described in subsection (c); and

(ii) coordinate Foundation activities with those programs so as to minimize duplication of existing efforts and to avoid conflicts, specifically at the Department of Agriculture; and

(iii) document the consultation process and include a summary of the results in the annual report required in subsection (f)(3)(B)[2]

(C) identify unmet and emerging agricultural research needs after reviewing the roadmap for agricultural research, education, and extension authorized by section 7504 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7614a);

[2] So in law. There probably should be a semicolon at the end of clause (iii).

(D) facilitate technology transfer and release of information and data gathered from the activities of the Foundation to the agricultural research community and agriculture stakeholders;

(E) promote and encourage the development of the next generation of agricultural research scientists; and

(F) carry out such other activities as the Board determines to be consistent with the purposes of the Foundation.

(2) RELATIONSHIP TO OTHER ACTIVITIES.—The activities described in paragraph (1) shall be supplemental to any other activities at the Department and shall not preempt any authority or responsibility of the Department under another provision of law.

(e) BOARD OF DIRECTORS.—

(1) ESTABLISHMENT.—The Foundation shall be governed by a Board of Directors.

(2) COMPOSITION.—

(A) IN GENERAL.—The Board shall be composed of appointed and ex-officio, nonvoting members.

(B) EX-OFFICIO MEMBERS.—The ex-officio members of the Board shall be the following individuals or designees of such individuals:

(i) The Secretary.

(ii) The Under Secretary of Agriculture for Research, Education, and Economics.

(iii) The Administrator of the Agricultural Research Service.

(iv) The Director of the National Institute of Food and Agriculture.

(v) The Director of the National Science Foundation.

(C) APPOINTED MEMBERS.—

(i) IN GENERAL.—The ex-officio members of the Board (as specified in subparagraph (B)) shall, by majority vote, appoint to the Board 15 individuals, of whom—

(I) 8 shall be selected from a list of candidates to be provided by the National Academy of Sciences; and

(II) 7 shall be selected from lists of candidates provided by industry.

(ii) REQUIREMENTS.—

(I) EXPERTISE.—The ex-officio members shall ensure that a majority of the appointed members of the Board have actual experience in agriculture or agricultural research and, to the extent practicable, represent diverse sectors of agriculture.

(II) LIMITATION.—No employee of the Federal Government may serve as an appointed member of the Board under this subparagraph.

(III) NOT FEDERAL EMPLOYMENT.—Appointment to the Board under this subparagraph shall not constitute Federal employment.

(iii) AUTHORITY.—All appointed members of the Board shall be voting members.

(D) CHAIR.—The Board shall, from among the members of the Board, designate an individual to serve as Chair of the Board.

(3) INITIAL MEETING.—Not later than 60 days after the date of enactment of this Act, the Secretary shall convene a meeting of the ex-officio members of the Board—

(A) to incorporate the Foundation; and

(B) to appoint the members of the Board in accordance with paragraph (2)(C)(i).

(4) DUTIES.—

(A) IN GENERAL.—The Board shall—

(i) establish bylaws for the Foundation that, at a minimum, include—

(I) policies for the selection of future Board members, officers, employees, agents, and contractors of the Foundation;

(II) policies, including ethical standards, for—

(aa) the acceptance, solicitation, and disposition of donations and grants to the Foundation; and

(bb) the disposition of assets of the Foundation, including appropriate limits on the ability of donors to designate, by stipulation or restriction, the use or recipient of donated funds;

(III) policies that would subject all employees, fellows, trainees, and other agents of the Foundation (including members of the Board) to conflict of interest standards in the same manner as Federal employees are subject to the conflict of interest standards under section 208 of title 18, United States Code;

(IV) policies for writing, editing, printing, publishing, and vending of books and other materials;

(V) policies for the conduct of the general operations of the Foundation, including a cap on administrative expenses for recipients of a grant, contract, or cooperative agreement from the Foundation; and

(VI) specific duties for the Executive Director;

(ii) prioritize and provide overall direction for the activities of the Foundation;

(iii) evaluate the performance of the Executive Director;

(iv) actively solicit and accept funds, gifts, grants, devises, or bequests of real or personal property made to the Foundation, including from private entities; and

(v) carry out any other necessary activities regarding the Foundation.

(B) ESTABLISHMENT OF BYLAWS.—In establishing bylaws under subparagraph (A)(i), the Board shall ensure that the bylaws do not—

(i) reflect unfavorably on the ability of the Foundation to carry out the duties of the Foundation in a fair and objective manner; or

(ii) compromise, or appear to compromise, the integrity of any governmental agency or program, or any officer or employee employed by, or involved in, a governmental agency or program.

(5) TERMS AND VACANCIES.—

(A) TERMS.—

(i) IN GENERAL.—The term of each member of the Board appointed under paragraph (2)(C) shall be 5 years, except that of the members initially appointed, 8 of the members shall each be appointed for a term of 3 years and 7 of the members shall each be appointed for a term of 2 years.

(ii) PARTIAL TERMS.—If a member of the Board does not serve the full term applicable under clause (i), the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(iii) TRANSITION.—A member of the Board may continue to serve after the expiration of the term of the member until a successor is appointed.

(B) VACANCIES.—After the initial appointment of the members of the Board under paragraph (2)(C), any vacancy in the membership of the Board shall be filled as provided in the bylaws established under paragraph (4)(A)(i).

(6) COMPENSATION.—Members of the Board may not receive compensation for service on the Board but may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the duties of the Board.

(7) MEETINGS AND QUORUM.—A majority of the members of the Board shall constitute a quorum for purposes of conducting the business of the Board.

(f) ADMINISTRATION.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall hire an Executive Director who shall carry out such duties and responsibilities as the Board may prescribe.

(B) SERVICE.—The Executive Director shall serve at the pleasure of the Board.

(2) ADMINISTRATIVE POWERS.—

(A) IN GENERAL.—In carrying out this section, the Board, acting through the Executive Director, may—

(i) adopt, alter, and use a corporate seal, which shall be judicially noticed;

(ii) hire, promote, compensate, and discharge 1 or more officers, employees, and agents, as may be necessary, and define the duties of the officers, employees, and agents;

(iii) solicit and accept funds, gifts, grants, devises, or bequests of real or personal property made to the Foundation, including such support from private entities;

(iv) prescribe the manner in which—

(I) real or personal property of the Foundation is acquired, held, and transferred;

(II) general operations of the Foundation are to be conducted; and

(III) the privileges granted to the Board by law are exercised and enjoyed;

(v) with the consent of the applicable executive department or independent agency, use the information, services, and facilities of the department or agency in carrying out this section on a reimbursable basis;

(vi) enter into contracts with public and private organizations for the writing, editing, printing, and publishing of books and other material;

(vii) hold, administer, invest, and spend any funds, gifts, grant, devise, or bequest of real or personal property made to the Foundation;

(viii) enter into such contracts, leases, cooperative agreements, and other transactions as the Board considers appropriate to conduct the activities of the Foundation;

(ix) modify or consent to the modification of any contract or agreement to which the Foundation is a party or in which the Foundation has an interest;

(x) take such action as may be necessary to obtain and maintain patents for and to license inventions (as defined in section 201 of title 35, United States Code) developed by the Foundation, employees of the Foundation, or derived from the collaborative efforts of the Foundation;

(xi) sue and be sued in the corporate name of the Foundation, and complain and defend in courts of competent jurisdiction;

(xii) appoint other groups of advisors as may be determined necessary to carry out the functions of the Foundation; and

(xiii) exercise such other incidental powers as are necessary to carry out the duties and functions of the Foundation in accordance with this section.

(B) LIMITATION.—No appointed member of the Board or officer or employee of the Foundation or of any program established by the Foundation (other than ex-officio members of the Board) shall exercise administrative control over any Federal employee.

(3) RECORDS.—

(A) AUDITS.—The Foundation shall—

(i) provide for annual audits of the financial condition of the Foundation; and

(ii) make the audits, and all other records, documents, and other papers of the Foundation, available

to the Secretary and the Comptroller General of the United States for examination or audit.

(B) REPORTS.—

(i) ANNUAL REPORT ON FOUNDATION.—

(I) IN GENERAL.—Not later than 5 months following the end of each fiscal year, the Foundation shall publish and post online a report for the preceding fiscal year that includes—

(aa) a description of Foundation activities, including accomplishments and how those activities align to the challenges identified in the strategic plan under clause (iv);

(bb) a comprehensive statement of the operations and financial condition of the Foundation; and

(cc) a description of available agricultural research programs and priorities for the upcoming fiscal year.

(II) FINANCIAL CONDITION.—Each report under subclause (I) shall include a description of all gifts, grants, devises, or bequests to the Foundation of real or personal property or money, which shall include—

(aa) the source of the gifts, grants, devises, or bequests; and

(bb) any restrictions on the purposes for which the gift, grant, devise, or bequest may be used.

(III) AVAILABILITY.—The Foundation shall—

(aa) make copies of each report submitted under subclause (I) available for public inspection; and

(bb) on request, provide a copy of the report to any individual.

(IV) PUBLIC MEETING.—The Board shall hold an annual public meeting to summarize the activities of the Foundation.

(ii) GRANT REPORTING.—Any recipient of a grant under subsection (d)(1)(A) shall provide the Foundation with a report at the conclusion of any research or studies conducted that describes the results of the research or studies, including any data generated.

(iii) STAKEHOLDER NOTICE.—The Foundation shall publish an annual notice with a description of agricultural research priorities under this section for the upcoming fiscal year, including—

(I) a schedule for funding competitions;

(II) a discussion of how applications for funding will be evaluated; and

(III) how the Foundation will communicate information about funded awards to the public to ensure that grantees and partners understand the objectives of the Foundation.

(iv) STRATEGIC PLAN.—Not later than 1 year after the date of enactment of the Agriculture Improvement Act of 2018, the Foundation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a strategic plan describing a path for the Foundation to become self-sustaining, including—

(I) a forecast of major agricultural challenge opportunities identified by the scientific advisory councils of the Foundation and approved by the Board, including short- and long-term objectives;

(II) an overview of the efforts that the Foundation will take to be transparent in each of the processes of the Foundation, including—

(aa) processes relating to grant awards, including the selection, review, and notification processes;

(bb) communication of past, current, and future research priorities; and

(cc) plans to solicit and respond to public input on the opportunities identified in the strategic plan;

(III) a description of financial goals and benchmarks for the next 10 years, including a detailed plan for—

(aa) raising funds in amounts greater than the amounts required under subsection (g)(1)(B);

(bb) soliciting additional resources pursuant to subsections (e)(4)(A)(iv) and (f)(2)(A)(iii); and

(cc) managing and leveraging such resources pursuant to subsection (f)(2)(A)(vii); and

(IV) other related issues, as determined by the Board.

(4) INTEGRITY.—

(A) IN GENERAL.—To ensure integrity in the operations of the Foundation, the Board shall develop and enforce procedures relating to standards of conduct, financial disclosure statements, conflicts of interest (including recusal and waiver rules), audits, and any other matters determined appropriate by the Board.

(B) FINANCIAL CONFLICTS OF INTEREST.—Any individual who is an officer, employee, or member of the Board is prohibited from any participation in deliberations by the Foundation of a matter that would directly or predictably affect any financial interest of—

(i) the individual;

(ii) a relative (as defined in section 109 of the Ethics in Government Act of 1978 (5 U.S.C. App.)) of that individual; or

(iii) a business organization or other entity in which the individual has an interest, including an organization or other entity with which the individual is negotiating employment.

(5) INTELLECTUAL PROPERTY.—The Board shall adopt written standards to govern the ownership and licensing of any intellectual property rights derived from the collaborative efforts of the Foundation.

(6) LIABILITY.—The United States shall not be liable for any debts, defaults, acts, or omissions of the Foundation nor shall the full faith and credit of the United States extend to any obligations of the Foundation.

(g) FUNDS.—

(1) FUNDING.—

(A) IN GENERAL.—

(i) ESTABLISHMENT FUNDING.—On the date of the enactment of this Act, of the funds of the Commodity Credit Corporation, the Secretary shall transfer to the Foundation to carry out this section $200,000,000, to remain available until expended under the conditions described in subparagraph (B).

(ii) ENHANCED FUNDING.—On the date on which the strategic plan described in subsection (f)(3)(B)(iv) is submitted, of the funds of the Commodity Credit Corporation, the Secretary shall transfer to the Foundation to carry out this section $185,000,000, to remain available until expended.

(B) CONDITIONS ON EXPENDITURE.—

(i) IN GENERAL.—The Foundation may use the funds made available under subparagraph (A) to carry out the purposes, duties, and powers of the Foundation only to the extent that the Foundation secures an equal amount of matching funds from a non-Federal source, including an agricultural commodity promotion, research, and information program.

(ii) EFFECT.—Nothing in this section requires the Foundation to require a matching contribution from an individual grantee as a condition of receiving a grant under this section.

(C) PROHIBITION ON CONSTRUCTION.—None of the funds made available under subparagraph (A) may be used for construction.

(2) SEPARATION OF FUNDS.—The Executive Director shall ensure that any funds received under paragraph (1) are held in separate accounts from funds received from nongovernmental entities as described in subsection (f)(2)(A)(iii).

**SEC. 7602. CONCESSIONS AND AGREEMENTS WITH NONPROFIT ORGANIZATIONS FOR NATIONAL ARBORETUM.**

Section 6 of the Act of March 4, 1927 (20 U.S.C. 196), is amended—

(1) in subsection (a), by striking paragraph (1) and inserting the following new paragraph:

"(1) negotiate concessions and agreements for the National Arboretum with nonprofit scientific or educational organiza-

tions, the interests of which are complementary to the mission of the National Arboretum, or nonprofit organizations that support the purpose of the National Arboretum, except that the net proceeds of the organizations from the concessions or agreements, as applicable, shall be used exclusively for—

"(A) the research and educational work for the benefit of the National Arboretum; and

"(B) the operation and maintenance of the facilities of the National Arboretum, including enhancements, upgrades, restoration, and conservation;"; and

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

"(d) RECOGNITION OF DONORS. A nonprofit organization that entered into a concession or agreement under subsection (a)(1) may recognize donors if that recognition is approved in advance by the Secretary of Agriculture. In considering whether to approve such recognition, the Secretary shall broadly exercise the discretion of the Secretary to the fullest extent allowed under Federal law.".

**SEC. 7603. [7 U.S.C. 3125a-1] AGRICULTURAL AND FOOD LAW RESEARCH, LEGAL TOOLS, AND INFORMATION.**

(a) PARTNERSHIPS.—The Secretary of Agriculture, acting through the National Agricultural Library, shall support the dissemination of objective, scholarly, and authoritative agricultural and food law research, legal tools, and information by entering into cooperative agreements with institutions of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)) that on the date of enactment of this Act are carrying out objective programs for research, legal tools, and information in agricultural and food law.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $5,000,000 for fiscal year 2014 and each fiscal year thereafter.

**SEC. 7604. COTTON DISEASE RESEARCH REPORT.**

Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the fungus Fusarium oxysporum f. sp. vasinfectum race 4 (referred to in this section as "FOV Race 4") and the impact of such fungus on cotton, including—

(1) an overview of the threat FOV Race 4 poses to the cotton industry in the United States;

(2) the status and progress of Federal research initiatives to detect, contain, or eradicate FOV Race 4, including current FOV Race 4-specific research projects; and

(3) a comprehensive strategy to combat FOV Race 4 that establishes—

(A) detection and identification goals;

(B) containment goals;

(C) eradication goals; and

(D) a plan to partner with the cotton industry in the United States to maximize resources, information sharing, and research responsiveness and effectiveness.

**SEC. 7605. [7 U.S.C. 2241a] MISCELLANEOUS TECHNICAL CORRECTIONS.**

Sections 7408 and 7409 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246; 122 Stat. 2013) are both amended by striking "Title III of the Department of Agriculture Reorganization Act of 1994" and inserting "Title III of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994".

**SEC. 7606.[3] [7 U.S.C. 5940] LEGITIMACY OF INDUSTRIAL HEMP RESEARCH.**

(a) DEFINITIONS.—In this section:

(1) AGRICULTURAL PILOT PROGRAM.—The term "agricultural pilot program" means a pilot program to study the growth, cultivation, or marketing of industrial hemp—

(A) in States that permit the growth or cultivation of industrial hemp under the laws of the State; and

(B) in a manner that—

(i) ensures that only institutions of higher education and State departments of agriculture are used to grow or cultivate industrial hemp;

(ii) requires that sites used for growing or cultivating industrial hemp in a State be certified by, and registered with, the State department of agriculture; and

(iii) authorizes State departments of agriculture to promulgate regulations to carry out the pilot program in the States in accordance with the purposes of this section.

(2) INDUSTRIAL HEMP.—The term "industrial hemp" means the plant Cannabis sativa L. and any part of such plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.

(3) STATE.—The term "State" has the meaning given such term in section 297A of the Agricultural Marketing Act of 1946.

(4) STATE DEPARTMENT OF AGRICULTURE.—The term "State department of agriculture" means the agency, commission, or department of a State government responsible for agriculture within the State.

(b) INDUSTRIAL HEMP RESEARCH.—Notwithstanding the Controlled Substances Act (21 U.S.C. 801 et seq.), chapter 81 of title 41, United States Code, or any other Federal law, an institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)) or a State department of agriculture may grow or cultivate industrial hemp if—

(1) the industrial hemp is grown or cultivated for purposes of research conducted under an agricultural pilot program or other agricultural or academic research; and

(2) the growing or cultivating of industrial hemp is allowed under the laws of the State in which such institution of higher

[3] Subsection (b) of section 7605 of Public Law 115–334 states "[e]ffective on January 1, 2022, section 7606 of the Agricultural Act of 2014 (7 U.S.C. 5940) is repealed".

education or State department of agriculture is located and such research occurs.

(c) STUDY AND REPORT.—

(1) IN GENERAL.—The Secretary shall conduct a study of agricultural pilot programs—

(A) to determine the economic viability of the domestic production and sale of industrial hemp; and

(B) that shall include a review of—

(i) each agricultural pilot program; and

(ii) any other agricultural or academic research relating to industrial hemp.

(2) REPORT.—Not later than 12 months after the date of enactment of this subsection, the Secretary shall submit to Congress a report describing the results of the study conducted under paragraph (1).

# TITLE VIII—FORESTRY

## Subtitle A—Repeal of Certain Forestry Programs

**SEC. 8001. FOREST LAND ENHANCEMENT PROGRAM.**

(a) REPEAL.—Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is repealed.

(b) CONFORMING AMENDMENT.—Section 8002 of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171; 16 U.S.C. 2103 note) is amended by striking subsection (a).

**SEC. 8002. WATERSHED FORESTRY ASSISTANCE PROGRAM.**

Section 6 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103b) is repealed.

**SEC. 8003. EXPIRED COOPERATIVE NATIONAL FOREST PRODUCTS MARKETING PROGRAM.**

Section 18 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2112) is repealed.

**SEC. 8004. HISPANIC-SERVING INSTITUTION AGRICULTURAL LAND NATIONAL RESOURCES LEADERSHIP PROGRAM.**

Section 8402 of the Food, Conservation, and Energy Act of 2008 (16 U.S.C. 1649a) is repealed.

**SEC. 8005. TRIBAL WATERSHED FORESTRY ASSISTANCE PROGRAM.**

Section 303 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6542) is repealed.

**SEC. 8006. SEPARATE FOREST SERVICE DECISIONMAKING AND APPEALS PROCESS.**

(a) REPEAL.—Section 322 of the Department of the Interior and Related Agencies Appropriations Act, 1993 (16 U.S.C. 1612 note; Public Law 102-381) is repealed.

(b) FOREST SERVICE PRE-DECISIONAL OBJECTION PROCESS.—Section 428 of division E of the Consolidated Appropriations Act, 2012 (16 U.S.C. 6515 note; Public Law 112-74) shall not apply to any project or activity implementing a land and resource management plan developed under section 6 of the Forest and Rangeland

Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) that is categorically excluded from documentation in an environmental assessment or an environmental impact statement under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

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

**SEC. 8101. STATE-WIDE ASSESSMENT AND STRATEGIES FOR FOREST RESOURCES.**

Section 2A of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101a) is amended—

(1) in subsection (c)—

(A) in paragraph (4), by striking "and";

(B) by redesignating paragraph (5) as paragraph (6); and

(C) by inserting after paragraph (4) the following new paragraph:

"(5) as feasible, appropriate military installations where the voluntary participation and management of private or State-owned or other public forestland is able to support, promote, and contribute to the missions of such installations; and"; and

(2) in subsection (f)(1), by striking "2012" and inserting "2018".

## Subtitle C—Reauthorization of Other Forestry-Related Laws

**SEC. 8201. RURAL REVITALIZATION TECHNOLOGIES.**

Section 2371(d)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6601(d)(2)) is amended by striking "2012" and inserting "2018".

**SEC. 8202. OFFICE OF INTERNATIONAL FORESTRY.**

Section 2405(d) of the Global Climate Change Prevention Act of 1990 (7 U.S.C. 6704(d)) is amended by striking "2012" and inserting "2018".

**SEC. 8203. HEALTHY FORESTS RESERVE PROGRAM.**

(a) DEFINITION OF ACREAGE OWNED BY INDIAN TRIBES.—Section 502(e)(3) of the Healthy Forests Restoration Act (16 U.S.C. 6572(e)(3)) is amended—

(1) in subparagraph (C), by striking "subparagraphs (A) and (B)" and inserting "clauses (i) and (ii)";

(2) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and indenting appropriately; and

(3) by striking "In the case of" and inserting the following:

"(A) DEFINITION OF ACREAGE OWNED BY INDIAN TRIBES. In this paragraph, the term 'acreage owned by Indian tribes' includes—

"(i) land that is held in trust by the United States for Indian tribes or individual Indians;

"(ii) land, the title to which is held by Indian tribes or individual Indians subject to Federal restrictions against alienation or encumbrance;

"(iii) land that is subject to rights of use, occupancy, and benefit of certain Indian tribes;

"(iv) land that is held in fee title by an Indian tribe; or

"(v) land that is owned by a native corporation formed under section 17 of the Act of June 18, 1934 (commonly known as the 'Indian Reorganization Act') (25 U.S.C. 477) or section 8 of the Alaska Native Claims Settlement Act (43 U.S.C. 1607); or

"(vi) a combination of 1 or more types of land described in clauses (i) through (v).

"(B) ENROLLMENT OF ACREAGE. In the case of".

(b) CHANGE IN FUNDING SOURCE FOR HEALTHY FORESTS RESERVE PROGRAM.—Section 508 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6578) is amended—

(1) in subsection (a), by striking "In General" and inserting "Fiscal Years 2009 Through 2013";

(2) by redesignating subsection (b) as subsection (d); and

(3) by inserting after subsection (a) the following:

"(b) FISCAL YEARS 2014 THROUGH 2018. There is authorized to be appropriated to the Secretary of Agriculture to carry out this section $12,000,000 for each of fiscal years 2014 through 2018.

"(c) ADDITIONAL SOURCE OF FUNDS. In addition to funds appropriated pursuant to the authorization of appropriations in subsection (b) for a fiscal year, the Secretary may use such amount of the funds appropriated for that fiscal year to carry out the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a et seq.) as the Secretary determines necessary to cover the cost of technical assistance, management, and enforcement responsibilities for land enrolled in the healthy forests reserve program pursuant to subsections (a) and (b) of section 504.".

**SEC. 8204. INSECT AND DISEASE INFESTATION.**

Title VI of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591 et seq.) is amended by adding at the end the following:

**"SEC. 602. [16 U.S.C. 6591a] DESIGNATION OF TREATMENT AREAS**

"(a) DEFINITION OF DECLINING FOREST HEALTH. In this section, the term 'declining forest health' means a forest that is experiencing—

"(1) substantially increased tree mortality due to insect or disease infestation; or

"(2) dieback due to infestation or defoliation by insects or disease.

"(b) DESIGNATION OF TREATMENT AREAS.

"(1) INITIAL AREAS. Not later than 60 days after the date of enactment of the Agricultural Act of 2014, the Secretary shall, if requested by the Governor of the State, designate as part of an insect and disease treatment program 1 or more landscape-scale areas, such as subwatersheds (sixth-level hy-

drologic units, according to the System of Hydrologic Unit Codes of the United States Geological Survey), in at least 1 national forest in each State that is experiencing an insect or disease epidemic.

"(2) ADDITIONAL AREAS. After the end of the 60-day period described in paragraph (1), the Secretary may designate additional landscape-scale areas under this section as needed to address insect or disease threats.

"(c) REQUIREMENTS. To be designated a landscape-scale area under subsection (b), the area shall be—

"(1) experiencing declining forest health, based on annual forest health surveys conducted by the Secretary;

"(2) at risk of experiencing substantially increased tree mortality over the next 15 years due to insect or disease infestation, based on the most recent National Insect and Disease Risk Map published by the Forest Service; or

"(3) in an area in which the risk of hazard trees poses an imminent risk to public infrastructure, health, or safety.

"(d) TREATMENT OF AREAS.

"(1) IN GENERAL. The Secretary may carry out priority projects on Federal land in the areas designated under subsection (b) to reduce the risk or extent of, or increase the resilience to, insect or disease infestation in the areas.

"(2) AUTHORITY. Any project under paragraph (1) for which a public notice to initiate scoping is issued on or before September 30, 2018, may be carried out in accordance with subsections (b), (c), and (d) of section 102, and sections 104, 105, and 106.

"(3) EFFECT. Projects carried out under this subsection shall be considered authorized hazardous fuel reduction projects for purposes of the authorities described in paragraph (2).

"(4) REPORT.

"(A) IN GENERAL. In accordance with the schedule described in subparagraph (B), the Secretary shall issue 2 reports on actions taken to carry out this subsection, including—

"(i) an evaluation of the progress towards project goals; and

"(ii) recommendations for modifications to the projects and management treatments.

"(B) SCHEDULE. The Secretary shall—

"(i) not earlier than September 30, 2018, issue the initial report under subparagraph (A); and

"(ii) not earlier than September 30, 2024, issue the second report under that subparagraph.

"(e) TREE RETENTION. The Secretary shall carry out projects under subsection (d) in a manner that maximizes the retention of old-growth and large trees, as appropriate for the forest type, to the extent that the trees promote stands that are resilient to insects and disease.

"(f) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated to carry out this section $200,000,000 for each of fiscal years 2014 through 2024.

**"SEC. 603. [16 U.S.C. 6591b] ADMINISTRATIVE REVIEW**

"(a) IN GENERAL. Except as provided in subsection (d), a project described in subsection (b) that is conducted in accordance with section 602(d) may be—

"(1) considered an action categorically excluded from the requirements of Public Law 91-190 (42 U.S.C. 4321 et seq.); and

"(2) exempt from the special administrative review process under section 105.

"(b) COLLABORATIVE RESTORATION PROJECT.

"(1) IN GENERAL. A project referred to in subsection (a) is a project to carry out forest restoration treatments that—

"(A) maximizes the retention of old-growth and large trees, as appropriate for the forest type, to the extent that the trees promote stands that are resilient to insects and disease;

"(B) considers the best available scientific information to maintain or restore the ecological integrity, including maintaining or restoring structure, function, composition, and connectivity; and

"(C) is developed and implemented through a collaborative process that—

"(i) includes multiple interested persons representing diverse interests; and

"(ii)(I) is transparent and nonexclusive; or

"(II) meets the requirements for a resource advisory committee under subsections (c) through (f) of section 205 of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7125).

"(2) INCLUSION. A project under this subsection may carry out part of a proposal that complies with the eligibility requirements of the Collaborative Forest Landscape Restoration Program under section 4003(b) of the Omnibus Public Land Management Act of 2009 (16 U.S.C. 7303(b)).

"(c) LIMITATIONS.

"(1) PROJECT SIZE. A project under this section may not exceed 3000 acres.

"(2) LOCATION. A project under this section shall be limited to areas—

"(A) in the wildland-urban interface; or

"(B) Condition Classes 2 or 3 in Fire Regime Groups I, II, or III, outside the wildland-urban interface.

"(3) ROADS.

"(A) PERMANENT ROADS.

"(i) PROHIBITION ON ESTABLISHMENT. A project under this section shall not include the establishment of permanent roads.

"(ii) EXISTING ROADS. The Secretary may carry out necessary maintenance and repairs on existing permanent roads for the purposes of this section.

"(B) TEMPORARY ROADS. The Secretary shall decommission any temporary road constructed under a project under this section not later than 3 years after the date on which the project is completed.

"(d) EXCLUSIONS. This section does not apply to—

"(1) a component of the National Wilderness Preservation System;

"(2) any Federal land on which, by Act of Congress or Presidential proclamation, the removal of vegetation is restricted or prohibited;

"(3) a congressionally designated wilderness study area; or

"(4) an area in which activities under subsection (a) would be inconsistent with the applicable land and resource management plan.

"(e) FOREST MANAGEMENT PLANS. All projects and activities carried out under this section shall be consistent with the land and resource management plan established under section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) for the unit of the National Forest System containing the projects and activities.

"(f) PUBLIC NOTICE AND SCOPING. The Secretary shall conduct public notice and scoping for any project or action proposed in accordance with this section.

"(g) ACCOUNTABILITY.

"(1) IN GENERAL. The Secretary shall prepare an annual report on the use of categorical exclusions under this section that includes a description of all acres (or other appropriate unit) treated through projects carried out under this section.

"(2) SUBMISSION. Not later than 1 year after the date of enactment of this section, and each year thereafter, the Secretary shall submit the reports required under paragraph (1) to—

"(A) the Committee on Agriculture, Nutrition, and Forestry of the Senate;

"(B) the Committee on Environment and Public Works of the Senate;

"(C) the Committee on Agriculture of the House of Representatives;

"(D) the Committee on Natural Resources of the House of Representatives; and

"(E) the Government Accountability Office.".

**SEC. 8205. STEWARDSHIP END RESULT CONTRACTING PROJECTS.**

(a) IN GENERAL.—Title VI of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591) (as amended by section 8204) is amended by adding at the end the following:

**"SEC. 604. [16 U.S.C. 6591c] STEWARDSHIP END RESULT CONTRACTING PROJECTS**

"(a) DEFINITIONS. In this section:

"(1) CHIEF. The term 'Chief' means the Chief of the Forest Service.

"(2) DIRECTOR. The term 'Director' means the Director of the Bureau of Land Management.

"(b) PROJECTS. The Chief and the Director, via agreement or contract as appropriate, may enter into stewardship contracting projects with private persons or other public or private entities to perform services to achieve land management goals for the national forests and the public lands that meet local and rural community needs.

"(c) LAND MANAGEMENT GOALS. The land management goals of a project under subsection (b) may include any of the following:

"(1) Road and trail maintenance or obliteration to restore or maintain water quality.

"(2) Soil productivity, habitat for wildlife and fisheries, or other resource values.

"(3) Setting of prescribed fires to improve the composition, structure, condition, and health of stands or to improve wildlife habitat.

"(4) Removing vegetation or other activities to promote healthy forest stands, reduce fire hazards, or achieve other land management objectives.

"(5) Watershed restoration and maintenance.

"(6) Restoration and maintenance of wildlife and fish.

"(7) Control of noxious and exotic weeds and reestablishing native plant species.

"(d) AGREEMENTS OR CONTRACTS.

"(1) PROCUREMENT PROCEDURE. A source for performance of an agreement or contract under subsection (b) shall be selected on a best-value basis, including consideration of source under other public and private agreements or contracts.

"(2) CONTRACT FOR SALE OF PROPERTY. A contract entered into under this section may, at the discretion of the Secretary of Agriculture, be considered a contract for the sale of property under such terms as the Secretary may prescribe without regard to any other provision of law.

"(3) TERM.

"(A) IN GENERAL. Except as provided in subparagraph (B), the Chief and the Director may enter into a contract under subsection (b) in accordance with section 3903 of title 41, United States Code.

"(B) MAXIMUM. The period of the contract under subsection (b) may exceed 5 years but may not exceed 10 years.

"(4) OFFSETS.

"(A) IN GENERAL. The Chief and the Director may apply the value of timber or other forest products removed as an offset against the cost of services received under the agreement or contract described in subsection (b).

"(B) METHODS OF APPRAISAL. The value of timber or other forest products used as an offset under subparagraph (A)—

"(i) shall be determined using appropriate methods of appraisal commensurate with the quantity of products to be removed; and

"(ii) may—

"(I) be determined using a unit of measure appropriate to the contracts; and

"(II) may include valuing products on a per-acre basis.

"(5) RELATION TO OTHER LAWS. Notwithstanding subsections (d) and (g) of section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a), the Chief may enter into an agreement or contract under subsection (b).

"(6) CONTRACTING OFFICER. Notwithstanding any other provision of law, the Secretary or the Secretary of the Interior may determine the appropriate contracting officer to enter into and administer an agreement or contract under subsection (b).

"(7) FIRE LIABILITY PROVISIONS. Not later than 90 days after the date of enactment of this section, the Chief and the Director shall issue for use in all contracts and agreements under this section fire liability provisions that are in substantially the same form as the fire liability provisions contained in—

"(A) integrated resource timber contracts, as described in the Forest Service contract numbered 2400-13, part H, section H.4; and

"(B) timber sale contracts conducted pursuant to section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a).

"(e) RECEIPTS.

"(1) IN GENERAL. The Chief and the Director may collect monies from an agreement or contract under subsection (b) if the collection is a secondary objective of negotiating the contract that will best achieve the purposes of this section.

"(2) USE. Monies from an agreement or contract under subsection (b)—

"(A) may be retained by the Chief and the Director; and

"(B) shall be available for expenditure without further appropriation at the project site from which the monies are collected or at another project site.

"(3) RELATION TO OTHER LAWS.

"(A) IN GENERAL. Notwithstanding any other provision of law, the value of services received by the Chief or the Director under a stewardship contract project conducted under this section, and any payments made or resources provided by the contractor, Chief, or Director shall not be considered monies received from the National Forest System or the public lands.

"(B) KNUTSON-VANDERBERG ACT. The Act of June 9, 1930 (commonly known as the 'Knutson-Vanderberg Act') (16 U.S.C. 576 et seq.) shall not apply to any agreement or contract under subsection (b).

"(f) COSTS OF REMOVAL. Notwithstanding the fact that a contractor did not harvest the timber, the Chief may collect deposits from a contractor covering the costs of removal of timber or other forest products under—

"(1) the Act of August 11, 1916 (16 U.S.C. 490); and

"(2) the Act of June 30, 1914 (16 U.S.C. 498).

"(g) PERFORMANCE AND PAYMENT GUARANTEES.

"(1) IN GENERAL. The Chief and the Director may require performance and payment bonds under sections 28.103-2 and 28.103-3 of the Federal Acquisition Regulation, in an amount that the contracting officer considers sufficient to protect the investment in receipts by the Federal Government generated by the contractor from the estimated value of the forest products to be removed under a contract under subsection (b).

"(2) EXCESS OFFSET VALUE. If the offset value of the forest products exceeds the value of the resource improvement treatments, the Chief and the Director may—

"(A) collect any residual receipts under the Act of June 9, 1930 (commonly known as the 'Knutson-Vanderberg Act') (16 U.S.C. 576 et seq.); and

"(B) apply the excess to other authorized stewardship projects.

"(h) MONITORING AND EVALUATION.

"(1) IN GENERAL. The Chief and the Director shall establish a multiparty monitoring and evaluation process that accesses the stewardship contracting projects conducted under this section.

"(2) PARTICIPANTS. Other than the Chief and Director, participants in the process described in paragraph (1) may include—

"(A) any cooperating governmental agencies, including tribal governments; and

"(B) any other interested groups or individuals.

"(i) REPORTING. Not later than 1 year after the date of enactment of this section, and annually thereafter, the Chief and the Director shall report to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives on—

"(1) the status of development, execution, and administration of agreements or contracts under subsection (b);

"(2) the specific accomplishments that have resulted; and

"(3) the role of local communities in the development of agreements or contract plans.".

(b) CONFORMING AMENDMENT.—Section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (16 U.S.C. 2104 note; Public Law 105-277) is repealed.

**SEC. 8206. [16 U.S.C. 2113a] GOOD NEIGHBOR AUTHORITY.**

(a) DEFINITIONS.—In this section:

(1) AUTHORIZED RESTORATION SERVICES.—The term "authorized restoration services" means similar and complementary forest, rangeland, and watershed restoration services carried out—

(A) on Federal land, non-Federal land, and land owned by an Indian tribe; and

(B) by either the Secretary or a Governor or county, as applicable, pursuant to a good neighbor agreement.

(2) COUNTY.—The term "county" means—

(A) the appropriate executive official of an affected county; or

(B) in any case in which multiple counties are affected, the appropriate executive official of a compact of the affected counties.

(3) FEDERAL LAND.—

(A) IN GENERAL.—The term "Federal land" means land that is—

(i) National Forest System land; or

(ii) public land (as defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702)).

(B) EXCLUSIONS.—The term "Federal land" does not include—

(i) a component of the National Wilderness Preservation System;

(ii) Federal land on which the removal of vegetation is prohibited or restricted by Act of Congress or Presidential proclamation (including the applicable implementation plan); or

(iii) a wilderness study area.

(4) FOREST, RANGELAND, AND WATERSHED RESTORATION SERVICES.—

(A) IN GENERAL.—The term "forest, rangeland, and watershed restoration services" means—

(i) activities to treat insect- and disease-infected trees;

(ii) activities to reduce hazardous fuels; and

(iii) any other activities to restore or improve forest, rangeland, and watershed health, including fish and wildlife habitat.

(B) EXCLUSIONS.—The term "forest, rangeland, and watershed restoration services" does not include—

(i) construction, reconstruction, repair, or restoration of paved or permanent roads or parking areas, other than the reconstruction, repair, or restoration of a National Forest System road that is—

(I) necessary to carry out authorized restoration services pursuant to a good neighbor agreement; and

(II) in the case of a National Forest System road that is determined to be unneeded in accordance with section 212.5(b)(2) of title 36, Code of Federal Regulations (as in effect on the date of enactment of the Wildfire Suppression Funding and Forest Management Activities Act), decommissioned in accordance with subparagraph (A)(iii)—

(aa) in a manner that is consistent with the applicable travel management plan; and

(bb) not later than 3 years after the date on which the applicable authorized restoration services project is completed; or

(ii) construction, alteration, repair or replacement of public buildings or works.

(5) GOOD NEIGHBOR AGREEMENT.—The term "good neighbor agreement" means a cooperative agreement or contract (including a sole source contract) entered into between the Secretary and a Governor or county, as applicable, to carry out authorized restoration services under this section.

(6) GOVERNOR.—The term "Governor" means the Governor or any other appropriate executive official of an affected State or Indian tribe or the Commonwealth of Puerto Rico.

(7) INDIAN TRIBE.—The term "Indian tribe" has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304).

(8) NATIONAL FOREST SYSTEM ROAD.—The term "National Forest System road" has the meaning given the term in section 212.1 of title 36, Code of Federal Regulations (as in effect on the date of enactment of the Wildfire Suppression Funding and Forest Management Activities Act).

(9) ROAD.—The term "road" has the meaning given the term in section 212.1 of title 36, Code of Federal Regulations (as in effect on the date of enactment of this Act).

(10) SECRETARY.—The term "Secretary" means—

(A) the Secretary of Agriculture, with respect to National Forest System land; and

(B) the Secretary of the Interior, with respect to Bureau of Land Management land.

(b) GOOD NEIGHBOR AGREEMENTS.—

(1) GOOD NEIGHBOR AGREEMENTS.—

(A) IN GENERAL.—The Secretary may enter into a good neighbor agreement with a Governor or county to carry out authorized restoration services in accordance with this section.

(B) PUBLIC AVAILABILITY.—The Secretary shall make each good neighbor agreement available to the public.

(2) TIMBER SALES.—

(A) IN GENERAL.—Subsections (d) and (g) of section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a(d) and (g)) shall not apply to services performed under a good neighbor agreement.

(B) APPROVAL OF SILVICULTURE PRESCRIPTIONS AND MARKING GUIDES.—The Secretary shall provide or approve all silviculture prescriptions and marking guides to be applied on Federal land in all timber sale projects conducted under this section.

(C) TREATMENT OF REVENUE.—

(i) IN GENERAL.—Funds received from the sale of timber by a Governor of a State under a good neighbor agreement shall be retained and used by the Governor—

(I) to carry out authorized restoration services on Federal land under the good neighbor agreement; and

(II) if there are funds remaining after carrying out subclause (I), to carry out authorized restoration services on Federal land within the State under other good neighbor agreements.

(ii) TERMINATION OF EFFECTIVENESS.—The authority provided by this subparagraph terminates effective October 1, 2023.

(3) RETENTION OF NEPA RESPONSIBILITIES.—Any decision required to be made under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to any authorized restoration services to be provided under this section on Federal land shall not be delegated to a Governor or county.

(4) RECEIPTS.—Notwithstanding any other provision of law, any payment made by a county to the Secretary under a project conducted under a good neighbor agreement shall not be considered to be monies received from National Forest System land or Bureau of Land Management land, as applicable.

## Subtitle D—Miscellaneous Provisions

[Section 8301 was repealed by section 8501 of Public Law 115–334.]

**SEC. 8302. [16 U.S.C. 3851a] FOREST SERVICE PARTICIPATION IN ACES PROGRAM.**

(a) IN GENERAL.—The Secretary, acting through the Chief of the Forest Service, may use funds derived from conservation-related programs executed on National Forest System land to utilize the Agriculture Conservation Experienced Services Program established pursuant to section 1252 of the Food Security Act of 1985 (16 U.S.C. 3851) to provide technical services for conservation-related programs and authorities carried out by the Secretary on National Forest System land.

(b) TERMINATION OF EFFECTIVENESS.—The authority provided to the Secretary to carry out this section terminates effective October 1, 2023.

**SEC. 8303. EXTENSION OF STEWARDSHIP CONTRACTS AUTHORITY REGARDING USE OF DESIGNATION BY PRESCRIPTION TO ALL THINNING SALES UNDER NATIONAL FOREST MANAGEMENT ACT OF 1976.**

Section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a) is amended by striking subsection (g) and inserting the following:

"(g) DESIGNATION AND SUPERVISION OF HARVESTING.

"(1) IN GENERAL. Designation, including marking when necessary, designation by description, or designation by prescription, and supervision of harvesting of trees, portions of trees, or forest products shall be conducted by persons employed by the Secretary of Agriculture.

"(2) REQUIREMENT. Persons employed by the Secretary of Agriculture under paragraph (1)—

"(A) shall have no personal interest in the purchase or harvest of the products; and

"(B) shall not be directly or indirectly in the employment of the purchaser of the products.

"(3) METHODS FOR DESIGNATION. Designation by prescription and designation by description shall be considered valid methods for designation, and may be supervised by use of post-harvest cruise, sample weight scaling, or other methods determined by the Secretary of Agriculture to be appropriate.".

**SEC. 8304. [42 U.S.C. 1856e] REIMBURSEMENT OF FIRE FUNDS.**

(a) DEFINITION OF STATE.—In this section, the term "State" means—

(1) a State; and

(2) the Commonwealth of Puerto Rico.

(b) IN GENERAL.—If a State seeks reimbursement for amounts expended for resources and services provided to another State for the management and suppression of a wildfire, the Secretary, subject to subsections (c) and (d)—

(1) may accept the reimbursement amounts from the other State; and

(2) shall pay those amounts to the State seeking reimbursement.

(c) MUTUAL ASSISTANCE AGREEMENT.—As a condition of seeking and providing reimbursement under subsection (b), the State seeking reimbursement and the State providing reimbursement must each have a mutual assistance agreement with the Forest Service or another Federal agency for providing and receiving wildfire management and suppression resources and services.

(d) TERMS AND CONDITIONS.—The Secretary may prescribe the terms and conditions determined to be necessary to carry out subsection (b).

(e) EFFECT ON PRIOR REIMBURSEMENTS.—Any acceptance of funds or reimbursements made by the Secretary before the date of enactment of this Act that otherwise would have been authorized under this section shall be considered to have been made in accordance with this section.

(f) AMENDMENT.—Section 5(b) of the Act of May 27, 1955 (42 U.S.C. 1856d(b)) is amended in the first sentence by inserting "or Department of Agriculture" after "Department of Defense".

**SEC. 8305. [16 U.S.C. 551c note] FOREST SERVICE LARGE AIRTANKER AND AERIAL ASSET FIREFIGHTING RECAPITALIZATION PILOT PROGRAM.**

(a) IN GENERAL.—Subject to the availability of appropriations, the Secretary, acting through the Chief of the Forest Service, may establish a large airtanker and aerial asset lease program in accordance with this section.

(b) AIRCRAFT REQUIREMENTS.—In carrying out the program described in subsection (a), the Secretary may enter into a multiyear lease contract for up to 5 aircraft that meet the criteria—

(1) described in the Forest Service document entitled "Large Airtanker Modernization Strategy" and dated February 10, 2012, for large airtankers; and

(2) determined by the Secretary, for other aerial assets.

(c) LEASE TERMS.—The term of any individual lease agreement into which the Secretary enters under this section shall be—

(1) up to 5 years, inclusive of any options to renew or extend the initial lease term; and

(2) in accordance with section 3903 of title 41, United States Code.

(d) PROHIBITION.—No lease entered into under this section shall provide for the purchase of the aircraft by, or the transfer of ownership to, the Forest Service.

**SEC. 8306. LAND CONVEYANCE, JEFFERSON NATIONAL FOREST IN WISE COUNTY, VIRGINIA.**

(a) DEFINITIONS.—In this section:

(1) ASSOCIATION.—The term "Association" means the Mullins and Sturgill Cemetery Association of Pound, Virginia.

(2) MAP.—The term "map" means the map titled "Mullins and Sturgill Cemetery" dated March 1, 2013.

(b) CONVEYANCE REQUIRED.—Upon payment by the Association of the consideration under subsection (c) and the costs under subsection (e), the Secretary shall, subject to valid existing rights, convey to the Association all right, title, and interest of the United States in and to a parcel of National Forest System land in the Jefferson National Forest in Wise County, Virginia, consisting of approximately 0.70 acres and containing the Mullins and Sturgill Cemetery and an easement to provide access to the parcel, as generally depicted on the map.

(c) CONSIDERATION.—

(1) FAIR MARKET VALUE.—As consideration for the land conveyed under subsection (b), the Association shall pay to the Secretary cash in an amount equal to the market value of the land, as determined by an appraisal approved by the Secretary and conducted in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions and section 206 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716).

(2) DEPOSIT.—The consideration received by the Secretary under paragraph (1) shall be deposited into the general fund of the Treasury of the United States for the purposes of deficit reduction.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the land to be conveyed under subsection (b) shall be determined by a survey satisfactory to the Secretary.

(e) COSTS.—The Association shall pay to the Secretary at closing the reasonable costs of the survey, the appraisal, and any administrative and environmental analyses required by law.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

# TITLE IX—ENERGY

**SEC. 9001. DEFINITIONS.**

Section 9001 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101) is amended by—

(1) redesignating paragraphs (9), (10), (11), (12), (13), and (14) as paragraphs (10), (11), (12), (13), (15), and (17);

(2) inserting after paragraph (8), the following new paragraph:

"(9) FOREST PRODUCT.

"(A) IN GENERAL. The term 'forest product' means a product made from materials derived from the practice of forestry or the management of growing timber.

"(B) INCLUSIONS. The term 'forest product' includes—

"(i) pulp, paper, paperboard, pellets, lumber, and other wood products; and

"(ii) any recycled products derived from forest materials.";

(3) by inserting after paragraph (13) (as redesignated by paragraph (1) of this section) the following:

"(14) RENEWABLE CHEMICAL. The term 'renewable chemical' means a monomer, polymer, plastic, formulated product, or chemical substance produced from renewable biomass."; and

(4) inserting after paragraph (15) (as so redesignated), the following new paragraph:

"(16) RENEWABLE ENERGY SYSTEM.

"(A) IN GENERAL. Subject to subparagraph (B), the term 'renewable energy system' means a system that—

"(i) produces usable energy from a renewable energy source; and

"(ii) may include distribution components necessary to move energy produced by such system to the initial point of sale.

"(B) LIMITATION. A system described in subparagraph (A) may not include a mechanism for dispensing energy at retail.".

**SEC. 9002. BIOBASED MARKETS PROGRAM.**

(a) IN GENERAL.—Section 9002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102) is amended—

(1) in subsection (a)—

(A) in paragraph (2)(A)(i)—

(i) in subclause (I), by striking "and" at the end;

(ii) in subclause (II)(bb), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following:

"(III) establish a targeted biobased-only procurement requirement under which the procuring agency shall issue a certain number of biobased-only contracts when the procuring agency is purchasing products, or purchasing services that include the use of products, that are included in a biobased product category designated by the Secretary."; and

(B) in paragraph (3)—

(i) in subparagraph (B)—

(I) in clause (v), by inserting "as determined to be necessary by the Secretary based on the availability of data," before "provide information";

(II) by redesignating clauses (v) and (vi) as clauses (vii) and (viii), respectively; and

(III) by inserting after clause (iv) the following:

"(v) require reporting of quantities and types of biobased products purchased by procuring agencies;

"(vi) promote biobased products, including forest products, that apply an innovative approach to growing, harvesting, sourcing, procuring, processing, manufacturing, or application of biobased products regardless of the date of entry into the marketplace;"; and

(ii) by adding at the end the following:

"(F) REQUIRED DESIGNATIONS. Not later than 1 year after the date of enactment of this subparagraph, the Secretary shall begin to designate intermediate ingredients or feedstocks and assembled and finished biobased products in the guidelines issued under this paragraph.";

(2) in subsection (b)—

(A) in paragraph (3)—

(i) by striking "The Secretary" and inserting the following:

"(A) IN GENERAL. The Secretary"; and

(ii) by adding at the end the following:

"(B) AUDITING AND COMPLIANCE. The Secretary may carry out such auditing and compliance activities as the Secretary determines to be necessary to ensure compliance with subparagraph (A)."; and

(B) by adding at the end the following:

"(4) ASSEMBLED AND FINISHED PRODUCTS. Not later than 1 year after the date of enactment of this paragraph, the Secretary shall begin issuing criteria for determining which assembled and finished products may qualify to receive the label under paragraph (1).";

(3) in subsection (g)—

(A) in paragraph (2)—

(i) in the matter preceding subparagraph (A) by striking "The report" and inserting "Each report under paragraph (1)";

(ii) in subparagraph (A), by striking "and" at the end;

(iii) in subparagraph (B)(ii), by striking the period at the end and inserting "; and"; and

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

"(C) the progress made by other Federal agencies in compliance with the biobased procurement requirements, including the quantity of purchases made."; and

(B) by adding at the end the following:

"(3) ECONOMIC IMPACT STUDY AND REPORT.

"(A) IN GENERAL. The Secretary shall conduct a study to assess the economic impact of the biobased products industry, including—

"(i) the quantity of biobased products sold;

"(ii) the value of the biobased products;

"(iii) the quantity of jobs created;

"(iv) the quantity of petroleum displaced;

"(v) other environmental benefits; and

"(vi) areas in which the use or manufacturing of biobased products could be more effectively used, including identifying any technical and economic obstacles and recommending how those obstacles can be overcome.

"(B) REPORT. Not later than 1 year after the date of enactment of this subparagraph, the Secretary shall submit to Congress a report describing the results of the study conducted under subparagraph (A).";

(4) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively;

(5) by inserting after subsection (f) the following new subsection:

"(g) FOREST PRODUCTS LABORATORY COORDINATION. In determining whether products are eligible for the 'USDA Certified Biobased Product' label, the Secretary (acting through the Forest Products Laboratory) shall provide appropriate technical and other assistance to the program and applicants for forest products."; and

(6) in subsection (i) (as redesignated by paragraph (4)), by striking paragraphs (1) and (2) and inserting the following new paragraphs:

"(1) MANDATORY FUNDING. Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $3,000,000 for each of fiscal years 2014 through 2018.

"(2) DISCRETIONARY FUNDING. There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2014 through 2018."; and

(7) by adding at the end the following new subsection:

"(j) BIOBASED PRODUCT INCLUSION. In this section, the term 'biobased product' (as defined in section 9001) includes, with respect to forestry materials, forest products that meet biobased content requirements, notwithstanding the market share the product holds, the age of the product, or whether the market for the product is new or emerging.".

(b) CONFORMING AMENDMENT.—Section 944(c)(2)(A) of the Energy Policy Act of 2005 (42 U.S.C. 16253(c)(2)(A)) is amended by striking "section 9002(h)(1)" and inserting "section 9002(b)".

**SEC. 9003. BIOREFINERY ASSISTANCE.**

(a) PROGRAM ADJUSTMENTS.—Section 9003 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103) is amended—

(1) in the section heading, by inserting ", RENEWABLE CHEMICAL, AND BIOBASED PRODUCT MANUFACTURING" after "BIOREFINERY";

(2) in subsection (a), in the matter preceding paragraph (1), by inserting "renewable chemicals, and biobased product manufacturing" after "advanced biofuels,";

(3) in subsection (b)—

(A) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively; and

(B) by inserting before paragraph (2) (as so redesignated) the following:

"(1) BIOBASED PRODUCT MANUFACTURING. The term 'biobased product manufacturing' means development, construction, and retrofitting of technologically new commercial-scale processing and manufacturing equipment and required facilities that will be used to convert renewable chemicals and other biobased outputs of biorefineries into end-user products on a commercial scale.";

(4) in subsection (c), by striking "to eligible entities" and all that follows through "guarantees for loans" and inserting "to eligible entities guarantees for loans";

(5) by striking subsection (d);

(6) by redesignating subsections (e), (f), (g), and (h) as subsections (d), (e), (f), and (g), respectively; and

(7) in subsection (d) (as so redesignated)—

(A) in paragraph (1), by adding at the end the following new subparagraph:

"(D) PROJECT DIVERSITY. In approving loan guarantee applications, the Secretary shall ensure that, to the extent practicable, there is diversity in the types of projects approved for loan guarantees to ensure that as wide a range as possible of technologies, products, and approaches are assisted.".

(B) by striking "subsection (c)(2)" each place it appears and inserting "subsection (c)"; and

(C) in paragraph (2)(C), by striking "subsection (h)" and inserting "subsection (g)".

(b) FUNDING.—Subsection (g) of section 9003 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103) (as redesignated by paragraph (6)) is amended—

(1) by striking paragraph (1) and inserting the following: "(1) MANDATORY FUNDING.

"(A) IN GENERAL. Subject to subparagraph (B), of the funds of the Commodity Credit Corporation, the Secretary shall use for the cost of loan guarantees under this section, to remain available until expended—

"(i) $100,000,000 for fiscal year 2014; and

"(ii) $50,000,000 for each of fiscal years 2015 and 2016.

"(B) BIOBASED PRODUCT MANUFACTURING. Of the total amount of funds made available for fiscal years 2014 and 2015 under subparagraph (A), the Secretary may use for the cost of loan guarantees under this section not more than 15 percent of such funds to promote biobased product manufacturing."; and

(2) in paragraph (2), by striking "$150,000,000 for each of fiscal years 2009 through 2013" and inserting "$75,000,000 for each of fiscal years 2014 through 2018".

**SEC. 9004. REPOWERING ASSISTANCE PROGRAM.**

Section 9004(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8104(d)) is amended—

(1) in paragraph (1), by striking "$35,000,000 for fiscal year 2009" and inserting "$12,000,000 for fiscal year 2014"; and

(2) in paragraph (2), by striking "$15,000,000 for each of fiscal years 2009 through 2013" and inserting "$10,000,000 for each of fiscal years 2014 through 2018".

**SEC. 9005. BIOENERGY PROGRAM FOR ADVANCED BIOFUELS.**

Section 9005(g) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8105(g)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (C), by striking "; and" and inserting a semicolon;

(B) in subparagraph (D), by striking the period and inserting "; and"; and

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

"(E) $15,000,000 for each of fiscal years 2014 through 2018."; and

(2) in paragraph (2), by striking "$25,000,000 for each of fiscal years 2009 through 2013" and inserting "$20,000,000 for each of fiscal years 2014 through 2018".

**SEC. 9006. BIODIESEL FUEL EDUCATION PROGRAM.**

Section 9006(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106(d)) is amended—

(1) in paragraph (1)—

(A) in the heading, by striking "Fiscal years 2009 through 2012" and inserting "Mandatory funding"; and

(B) by striking "2012" and inserting "2018"; and

(2) in paragraph (2)—

(A) in the heading, by striking "Authorization of appropriations" and inserting "Discretionary funding"; and

(B) by striking "fiscal year 2013" and inserting "each of fiscal years 2014 through 2018".

**SEC. 9007. RURAL ENERGY FOR AMERICA PROGRAM.**

(a) PROGRAM ADJUSTMENTS.—Section 9007 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107) is amended—

(1) in subsection (b)(2)—

(A) in subparagraph (C), by striking "and" at the end;

(B) by redesignating subparagraph (D) as subparagraph (E); and

(C) by inserting after subparagraph (C) the following:

"(D) a council (as defined in section 1528 of the Agriculture and Food Act of 1981 (16 U.S.C. 3451)); and"; and

(2) in subsection (c)—

(A) by striking paragraph (3);

(B) by redesignating paragraph (4) as paragraph (3); and

(C) by adding at the end the following:

"(4) TIERED APPLICATION PROCESS.

"(A) IN GENERAL. In providing loan guarantees and grants under this subsection, the Secretary shall use a 3-tiered application process that reflects the size of proposed projects in accordance with this paragraph.

"(B) TIER 1. The Secretary shall establish a separate application process for projects for which the cost of the activity funded under this subsection is not more than $80,000.

"(C) TIER 2. The Secretary shall establish a separate application process for projects for which the cost of the activity funded under this subsection is greater than $80,000 but less than $200,000.

"(D) TIER 3. The Secretary shall establish a separate application process for projects for which the cost of the ac-

tivity funded under this subsection is equal to or greater than $200,000.

"(E) APPLICATION PROCESS. The Secretary shall establish an application, evaluation, and oversight process that is the most simplified for tier I projects and more comprehensive for each subsequent tier.".

(b) FUNDING.—Section 9007(g) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107(g)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (C), by striking "; and" and inserting a semicolon;

(B) in subparagraph (D), by striking the period and inserting "; and"; and

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

"(E) $50,000,000 for fiscal year 2014 and each fiscal year thereafter."; and

(2) in paragraph (3), by striking "$25,000,000 for each of fiscal years 2009 through 2013" and inserting "$20,000,000 for each of fiscal years 2014 through 2018".

**SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT.**

Section 9008(h) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8108(h)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (C), by striking "; and" and inserting a semicolon;

(B) in subparagraph (D), by striking the period and inserting "; and"; and

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

"(E) $3,000,000 for each of fiscal years 2014 through 2017."; and

(2) in paragraph (2), by striking "$35,000,000 for each of fiscal years 2009 through 2013" and inserting "$20,000,000 for each of fiscal years 2014 through 2018".

**SEC. 9009. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIOENERGY PRODUCERS.**

Section 9010(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8110(b)) is amended—

(1) in paragraph (1)(A), by striking "2013" and inserting "2018"; and

(2) in paragraph (2)(A), by striking "2013" and inserting "2018".

**SEC. 9010. BIOMASS CROP ASSISTANCE PROGRAM.**

Section 9011 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8111) is amended to read as follows:

**"SEC. 9011. BIOMASS CROP ASSISTANCE PROGRAM**

"(a) DEFINITIONS. In this section:

"(1) BCAP. The term 'BCAP' means the Biomass Crop Assistance Program established under this section.

"(2) BCAP PROJECT AREA. The term 'BCAP project area' means an area that—

"(A) has specified boundaries that are submitted to the Secretary by the project sponsor and subsequently approved by the Secretary;

"(B) includes producers with contract acreage that will supply a portion of the renewable biomass needed by a biomass conversion facility; and

"(C) is physically located within an economically practicable distance from the biomass conversion facility.

"(3) CONTRACT ACREAGE. The term 'contract acreage' means eligible land that is covered by a BCAP contract entered into with the Secretary.

"(4) ELIGIBLE CROP.

"(A) IN GENERAL. The term 'eligible crop' means a crop of renewable biomass.

"(B) EXCLUSIONS. The term 'eligible crop' does not include—

"(i) any crop that is eligible to receive payments under title I of the Agricultural Act of 2014 or an amendment made by that title; or

"(ii) any plant that is invasive or noxious or species or varieties of plants that credible risk assessment tools or other credible sources determine are potentially invasive, as determined by the Secretary in consultation with other appropriate Federal or State departments and agencies.

"(5) ELIGIBLE LAND.

"(A) IN GENERAL. The term 'eligible land' includes—

"(i) agricultural and nonindustrial private forest lands (as defined in section 5(c) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103a(c)); and

"(ii) land enrolled in the conservation reserve program established under subchapter B of chapter I of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.), or the Agricultural Conservation Easement Program established under subtitle H of title XII of that Act, under a contract that will expire at the end of the current fiscal year.

"(B) EXCLUSIONS. The term 'eligible land' does not include—

"(i) Federal- or State-owned land;

"(ii) land that is native sod, as of the date of enactment of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8701 et seq.);

"(iii) land enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.), other than land described in subparagraph (A)(ii); or

"(iv) land enrolled in the Agricultural Conservation Easement Program established under subtitle H of title XII of that Act, other than land described in subparagraph (A)(ii).

"(6) ELIGIBLE MATERIAL.

"(A) IN GENERAL. The term 'eligible material' means renewable biomass harvested directly from the land, including crop residue from any crop that is eligible to receive payments under title I of the Agricultural Act of 2014 or an amendment made by that title.

"(B) INCLUSIONS. The term 'eligible material' shall only include—

"(i) eligible material that is collected or harvested by the eligible material owner—

"(I) directly from—

"(aa) National Forest System;

"(bb) Bureau of Land Management land;

"(cc) non-Federal land; or

"(dd) land owned by an individual Indian or Indian tribe that is held in trust by the United States for the benefit of the individual Indian or Indian tribe or subject to a restriction against alienation imposed by the United States;

"(II) in a manner that is consistent with—

"(aa) a conservation plan;

"(bb) a forest stewardship plan; or

"(cc) a plan that the Secretary determines is equivalent to a plan described in item (aa) or (bb) and consistent with Executive Order 13112 (42 U.S.C. 4321 note; relating to invasive species);

"(ii) if woody eligible material, woody eligible material that is produced on land other than contract acreage that—

"(I) is a byproduct of a preventative treatment that is removed to reduce hazardous fuel or to reduce or contain disease or insect infestation; and

"(II) if harvested from Federal land, is harvested in accordance with section 102(e) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6512(e)); and

"(iii) eligible material that is delivered to a qualified biomass conversion facility to be used for heat, power, biobased products, research, or advanced biofuels.

"(C) EXCLUSIONS. The term 'eligible material' does not include—

"(i) material that is whole grain from any crop that is eligible to receive payments under title I of the Agricultural Act of 2014 or an amendment made by that title, including—

"(I) barley, corn, grain sorghum, oats, rice, or wheat;

"(II) honey;

"(III) mohair;

"(IV) oilseeds, including canola, crambe, flaxseed, mustard seed, rapeseed, safflower seed, soybeans, sesame seed, and sunflower seed;

"(V) peanuts;
"(VI) pulse;
"(VII) chickpeas, lentils, and dry peas;
"(VIII) dairy products;
"(IX) sugar; and
"(X) wool and cotton boll fiber;
"(ii) animal waste and byproducts, including fat, oil, grease, and manure;
"(iii) food waste and yard waste;
"(iv) algae;
"(v) woody eligible material that—
"(I) is removed outside contract acreage; and
"(II) is not a byproduct of a preventative treatment to reduce hazardous fuel or to reduce or contain disease or insect infestation;
"(vi) any woody eligible material collected or harvested outside contract acreage that would otherwise be used for existing market products; or
"(vii) bagasse.

"(7) PRODUCER. The term 'producer' means an owner or operator of contract acreage that is physically located within a BCAP project area.

"(8) PROJECT SPONSOR. The term 'project sponsor' means—
"(A) a group of producers; or
"(B) a biomass conversion facility.

"(9) SOCIALLY DISADVANTAGED FARMER OR RANCHER. The term 'socially disadvantaged farmer or rancher' has the meaning given the term in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)).

"(b) ESTABLISHMENT AND PURPOSE. The Secretary shall establish and administer a Biomass Crop Assistance Program to—

"(1) support the establishment and production of eligible crops for conversion to bioenergy in selected BCAP project areas; and

"(2) assist agricultural and forest land owners and operators with the collection, harvest, storage, and transportation of eligible material for use in a biomass conversion facility.

"(c) BCAP PROJECT AREA.

"(1) IN GENERAL. The Secretary shall provide financial assistance to a producer of an eligible crop in a BCAP project area.

"(2) SELECTION OF PROJECT AREAS.

"(A) IN GENERAL. To be considered for selection as a BCAP project area, a project sponsor shall submit to the Secretary a proposal that, at a minimum, includes—
"(i) a description of the eligible land and eligible crops of each producer that will participate in the proposed BCAP project area;
"(ii) a letter of commitment from a biomass conversion facility that the facility will use the eligible crops intended to be produced in the proposed BCAP project area;
"(iii) evidence that the biomass conversion facility has sufficient equity available, as determined by the

Secretary, if the biomass conversion facility is not operational at the time the proposal is submitted to the Secretary; and

"(iv) any other information about the biomass conversion facility or proposed biomass conversion facility that the Secretary determines necessary for the Secretary to be reasonably assured that the plant will be in operation by the date on which the eligible crops are ready for harvest.

"(B) BCAP PROJECT AREA SELECTION CRITERIA. In selecting BCAP project areas, the Secretary shall consider—

"(i) the volume of the eligible crops proposed to be produced in the proposed BCAP project area and the probability that those crops will be used for the purposes of the BCAP;

"(ii) the volume of renewable biomass projected to be available from sources other than the eligible crops grown on contract acres;

"(iii) the anticipated economic impact in the proposed BCAP project area;

"(iv) the opportunity for producers and local investors to participate in the ownership of the biomass conversion facility in the proposed BCAP project area;

"(v) the participation rate by—

"(I) beginning farmers or ranchers (as defined in accordance with section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a))); or

"(II) socially disadvantaged farmers or ranchers;

"(vi) the impact on soil, water, and related resources;

"(vii) the variety in biomass production approaches within a project area, including (as appropriate)—

"(I) agronomic conditions;

"(II) harvest and postharvest practices; and

"(III) monoculture and polyculture crop mixes;

"(viii) the range of eligible crops among project areas;

"(ix) existing project areas that have received funding under this section and the continuation of funding of such project areas to advance the maturity of such project areas; and

"(x) any additional information that the Secretary determines to be necessary.

"(3) CONTRACT.

"(A) IN GENERAL. On approval of a BCAP project area by the Secretary, each producer in the BCAP project area shall enter into a contract directly with the Secretary.

"(B) MINIMUM TERMS. At a minimum, a contract under this subsection shall include terms that cover—

"(i) an agreement to make available to the Secretary, or to an institution of higher education or other

entity designated by the Secretary, such information as the Secretary considers to be appropriate to promote the production of eligible crops and the development of biomass conversion technology;

"(ii) compliance with the highly erodible land conservation requirements of subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and the wetland conservation requirements of subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);

"(iii) the implementation of (as determined by the Secretary)—

"(I) a conservation plan;

"(II) a forest stewardship plan; or

"(III) a plan that is equivalent to a conservation or forest stewardship plan; and

"(iv) any additional requirements that Secretary determines to be necessary.

"(C) DURATION. A contract under this subsection shall have a term of not more than—

"(i) 5 years for annual and perennial crops; or

"(ii) 15 years for woody biomass.

"(4) RELATIONSHIP TO OTHER PROGRAMS. In carrying out this subsection, the Secretary shall provide for the preservation of cropland base and yield history applicable to the land enrolled in a BCAP contract.

"(5) PAYMENTS.

"(A) IN GENERAL. The Secretary shall make establishment and annual payments directly to producers to support the establishment and production of eligible crops on contract acreage.

"(B) AMOUNT OF ESTABLISHMENT PAYMENTS.

"(i) IN GENERAL. Subject to clause (ii), the amount of an establishment payment under this subsection shall be not more than 50 percent of the costs of establishing an eligible perennial crop covered by the contract but not to exceed $500 per acre, including—

"(I) the cost of seeds and stock for perennials;

"(II) the cost of planting the perennial crop, as determined by the Secretary; and

"(III) in the case of nonindustrial private forestland, the costs of site preparation and tree planting.

"(ii) SOCIALLY DISADVANTAGED FARMERS OR RANCHERS. In the case of socially disadvantaged farmers or ranchers, the costs of establishment may not exceed $750 per acre.

"(C) AMOUNT OF ANNUAL PAYMENTS.

"(i) IN GENERAL. Subject to clause (ii), the amount of an annual payment under this subsection shall be determined by the Secretary.

"(ii) REDUCTION. The Secretary shall reduce an annual payment by an amount determined to be appropriate by the Secretary, if—

"(I) an eligible crop is used for purposes other than the production of energy at the biomass conversion facility;

"(II) an eligible crop is delivered to the biomass conversion facility;

"(III) the producer receives a payment under subsection (d);

"(IV) the producer violates a term of the contract; or

"(V) the Secretary determines a reduction is necessary to carry out this section.

"(D) EXCLUSION. The Secretary shall not make any BCAP payments on land for which payments are received under the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) or the agricultural conservation easement program established under subtitle H of title XII of that Act.

"(d) ASSISTANCE WITH COLLECTION, HARVEST, STORAGE, AND TRANSPORTATION.

"(1) IN GENERAL. The Secretary shall make a payment for the delivery of eligible material to a biomass conversion facility to—

"(A) a producer of an eligible crop that is produced on BCAP contract acreage; or

"(B) a person with the right to collect or harvest eligible material, regardless of whether the eligible material is produced on contract acreage.

"(2) PAYMENTS.

"(A) COSTS COVERED. A payment under this subsection shall be in an amount described in subparagraph (B) for—

"(i) collection;

"(ii) harvest;

"(iii) storage; and

"(iv) transportation to a biomass conversion facility.

"(B) AMOUNT. Subject to paragraph (3), the Secretary may provide matching payments at a rate of up to $1 for each $1 per ton provided by the biomass conversion facility, in an amount not to exceed $20 per dry ton for a period of 2 years.

"(3) LIMITATION ON ASSISTANCE FOR BCAP CONTRACT ACREAGE. As a condition of the receipt of an annual payment under subsection (c), a producer receiving a payment under this subsection for collection, harvest, storage, or transportation of an eligible crop produced on BCAP acreage shall agree to a reduction in the annual payment.

"(e) REPORT. Not later than 4 years after the date of enactment of the Agricultural Act of 2014, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the dissemination by the Secretary of the best practice data and information gathered from participants receiving assistance under this section.

"(f) FUNDING.

"(1) IN GENERAL. Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $25,000,000 for each of fiscal years 2014 through 2018.

"(2) COLLECTION, HARVEST, STORAGE, AND TRANSPORTATION PAYMENTS. Of the amount made available under paragraph (1) for each fiscal year, the Secretary shall use not less than 10 percent, nor more than 50 percent, of the amount to make collection, harvest, transportation, and storage payments under subsection (d)(2).

"(3) TECHNICAL ASSISTANCE.

"(A) IN GENERAL. Effective for fiscal year 2014 and each subsequent fiscal year, funds made available under this subsection shall be available for the provision of technical assistance with respect to activities authorized under this section.

"(B) RELATIONSHIP TO OTHER LAWS. To the extent funds obligated or expended under subparagraph (A) include funds of the Commodity Credit Corporation, such funds shall not be considered an allotment or fund transfer from the Commodity Credit Corporation for purposes of the limit on expenditures for technical assistance imposed by section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i).".

**SEC. 9011. REPEAL OF FOREST BIOMASS FOR ENERGY.**

Section 9012 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8112) is repealed.

**SEC. 9012. COMMUNITY WOOD ENERGY PROGRAM.**

(a) DEFINITION OF BIOMASS CONSUMER COOPERATIVE.—Section 9013(a) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8113(a)) is amended—

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

(2) by inserting before paragraph (2) (as so redesignated) the following:

"(1) BIOMASS CONSUMER COOPERATIVE. The term 'biomass consumer cooperative' means a consumer membership organization the purpose of which is to provide members with services or discounts relating to the purchase of biomass heating products or biomass heating systems.".

(b) GRANT PROGRAM.—Section 9013(b)(1) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8113(b)(1)) is amended—

(1) in subparagraph (A), by striking "and" after the semicolon at the end;

(2) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(C) grants of up to $50,000 to biomass consumer cooperatives for the purpose of establishing or expanding biomass consumer cooperatives that will provide consumers with services or discounts relating to—

"(i) the purchase of biomass heating systems;

"(ii) biomass heating products, including wood chips, wood pellets, and advanced biofuels; or

"(iii) the delivery and storage of biomass of heating products.".

(c) MATCHING FUNDS.—Section 9013(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8113(d)) is amended—

(1) by striking "A State or local government that receives a grant under subsection (b)" and inserting the following:

"(1) STATE AND LOCAL GOVERNMENTS. A State or local government that receives a grant under subparagraph (A) or (B) of subsection (b)(1)"; and

(2) by adding at the end the following:

"(2) BIOMASS CONSUMER COOPERATIVES. A biomass consumer cooperative that receives a grant under subsection (b)(1)(C) shall contribute an amount of non-Federal funds (which may include State, local, and nonprofit funds and membership dues) toward the establishment or expansion of a biomass consumer cooperative that is at least equal to 50 percent of the amount of Federal funds received for that purpose.".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 9013(e) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8113(e)) is amended by striking "2013" and inserting "2018".

**SEC. 9013. REPEAL OF BIOFUELS INFRASTRUCTURE STUDY.**

Section 9002 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246; 122 Stat. 2095) is repealed.

**SEC. 9014. REPEAL OF RENEWABLE FERTILIZER STUDY.**

Section 9003 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246; 122 Stat. 2096) is repealed.

**SEC. 9015. ENERGY EFFICIENCY REPORT FOR USDA FACILITIES.**

(a) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on energy use and energy efficiency projects at the Washington, District of Columbia, headquarters and the major regional facilities of the Department of Agriculture.

(b) CONTENTS.—The report required by subsection (a) shall include the following:

(1) An analysis of energy use by the Department of Agriculture headquarters and major regional facilities.

(2) A list of energy audits that have been conducted at such facilities.

(3) A list of energy efficiency projects that have been conducted at such facilities.

(4) A list of energy savings projects that could be achieved with enacting a consistent, timely, and proper mechanical insulation maintenance program and upgrading mechanical insulation at such facilities.

# TITLE X—HORTICULTURE

**SEC. 10001. SPECIALTY CROPS MARKET NEWS ALLOCATION.**

Section 10107(b) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 1622b(b)) is amended by striking "2012" and inserting "2018".

**SEC. 10002. [7 U.S.C. 1622c note] REPEAL OF GRANT PROGRAM TO IMPROVE MOVEMENT OF SPECIALTY CROPS.**

Effective October 1, 2013, section 10403 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 1622c) is repealed.

**SEC. 10003. FARMERS' MARKET AND LOCAL FOOD PROMOTION PROGRAM.**

Section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005) is amended—

(1) in the section heading, by inserting "AND LOCAL FOOD" after "FARMERS' MARKET";

(2) in subsection (a)—

(A) by inserting "and Local Food" after "Farmers' Market";

(B) by striking "farmers' markets and to promote"; and

(C) by striking the period and inserting "and assist in the development of local food business enterprises.";

(3) by striking subsection (b) and inserting the following:

"(b) PROGRAM PURPOSES. The purposes of the Program are to increase domestic consumption of and access to locally and regionally produced agricultural products, and to develop new market opportunities for farm and ranch operations serving local markets, by developing, improving, expanding, and providing outreach, training, and technical assistance to, or assisting in the development, improvement and expansion of—

"(1) domestic farmers' markets, roadside stands, community-supported agriculture programs, agritourism activities, and other direct producer-to-consumer market opportunities; and

"(2) local and regional food business enterprises (including those that are not direct producer-to-consumer markets) that process, distribute, aggregate, or store locally or regionally produced food products.";

(4) in subsection (c)(1)—

(A) by inserting "or other agricultural business entity" after "cooperative"; and

(B) by inserting ", including a community supported agriculture network or association" after "association";

(5) by redesignating subsection (e) as subsection (g);

(6) by inserting after subsection (d) the following:

"(e) PRIORITIES. In providing grants under the Program, priority shall be given to applications that include projects that benefit underserved communities, including communities that—

"(1) are located in areas of concentrated poverty with limited access to fresh locally or regionally grown foods; and

"(2) have not received benefits from the Program in the recent past.

"(f) FUNDS REQUIREMENTS FOR ELIGIBLE ENTITIES.

"(1) MATCHING FUNDS. An entity receiving a grant under this section for a project to carry out a purpose described in subsection (b)(2) shall provide matching funds in the form of cash or an in-kind contribution in an amount equal to 25 percent of the total cost of the project.

"(2) LIMITATION ON USE OF FUNDS. An eligible entity may not use a grant or other assistance provided under this section for the purchase, construction, or rehabilitation of a building or structure."; and

(7) in subsection (g) (as redesignated by paragraph (5))—

(A) in paragraph (1)—

(i) in the paragraph heading, by striking "Fiscal years 2008 through 2012" and inserting "Mandatory funding";

(ii) in subparagraph (B), by striking "and" at the end;

(iii) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following:

"(D) $30,000,000 for each of fiscal years 2014 through 2018.";

(B) by striking paragraphs (3) and (5);

(C) by redesignating paragraph (4) as paragraph (6); and

(D) by inserting after paragraph (2) the following:

"(3) AUTHORIZATION OF APPROPRIATIONS. There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2014 through 2018.

"(4) USE OF FUNDS. Of the funds made available to carry out this section for a fiscal year—

"(A) 50 percent of the funds shall be used for the purposes described in subsection (b)(1); and

"(B) 50 percent of the funds shall be used for the purposes described in subsection (b)(2).

"(5) LIMITATION ON ADMINISTRATIVE EXPENSES. Not more than 4 percent of the total amount made available to carry out this section for a fiscal year may be used for administrative expenses.".

**SEC. 10004. ORGANIC AGRICULTURE.**

(a) ORGANIC PRODUCTION AND MARKET DATA INITIATIVES.—Section 7407 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925c) is amended—

(1) in subsection (c)—

(A) in the matter preceding paragraph (1), by inserting "and annually thereafter" after "this subsection";

(B) in paragraph (1), by striking "and" at the end;

(C) by redesignating paragraph (2) as paragraph (3); and

(D) by inserting after paragraph (1) the following:

"(2) describes how data collection agencies (such as the Agricultural Marketing Service and the National Agricultural Statistics Service) are coordinating with data user agencies (such as the Risk Management Agency) to ensure that data col-

lected under this section can be used by data user agencies, including by the Risk Management Agency to offer price elections for all organic crops; and"; and

(2) in subsection (d)—

(A) by striking paragraph (3);

(B) by redesignating paragraph (2) as paragraph (3);

(C) by inserting after paragraph (1) the following:

"(2) MANDATORY FUNDING. In addition to any funds made available under paragraph (1), of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $5,000,000, to remain available until expended."; and

(D) in paragraph (3) (as redesignated by subparagraph (B))—

(i) in the paragraph heading, by striking "for fiscal years 2008 through 2012";

(ii) by striking "paragraph (1)" and inserting "paragraphs (1) and (2)"; and

(iii) by striking "2012" and inserting "2018".

(b) MODERNIZATION AND TECHNOLOGY UPGRADE FOR NATIONAL ORGANIC PROGRAM.—Section 2123 of the Organic Foods Production Act of 1990 (7 U.S.C. 6522) is amended—

(1) in subsection (b)—

(A) in paragraph (5), by striking "and" at the end;

(B) by redesignating paragraph (6) as paragraph (7); and

(C) by inserting after paragraph (5) the following:

"(6) $15,000,000 for each of fiscal years 2014 through 2018; and"; and

(2) by adding at the end the following:

"(c) MODERNIZATION AND TECHNOLOGY UPGRADE FOR NATIONAL ORGANIC PROGRAM.

"(1) IN GENERAL. The Secretary shall modernize database and technology systems of the national organic program.

"(2) FUNDING. Of the funds of the Commodity Credit Corporation and in addition to any other funds made available for that purpose, the Secretary shall make available to carry out this subsection $5,000,000 for fiscal year 2014, to remain available until expended.".

(c) NATIONAL ORGANIC CERTIFICATION COST-SHARE PROGRAM.—Section 10606(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523(d)) is amended by striking paragraph (1) and inserting the following:

"(1) MANDATORY FUNDING FOR FISCAL YEARS 2014 THROUGH 2018. Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section $11,500,000 for each of fiscal years 2014 through 2018, to remain available until expended.".

(d) EXEMPTION OF CERTIFIED ORGANIC PRODUCTS FROM PROMOTION ORDER ASSESSMENTS.—Section 501 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401) is amended by striking subsection (e) and inserting the following;

"(e) EXEMPTION OF CERTIFIED ORGANIC PRODUCTS FROM PROMOTION ORDER ASSESSMENTS.

"(1) IN GENERAL. Notwithstanding any provision of a commodity promotion law, a person that produces, handles, markets, or imports organic products may be exempt from the payment of an assessment under a commodity promotion law with respect to any agricultural commodity that is certified as 'organic' or '100 percent organic' (as defined in part 205 of title 7, Code of Federal Regulations (or a successor regulation)).

"(2) SPLIT OPERATIONS. The exemption described in paragraph (1) shall apply to the certified 'organic' or '100 percent organic' (as defined in part 205 of title 7 of the Code of Federal Regulations (or a successor regulation)) products of a producer, handler, or marketer regardless of whether the agricultural commodity subject to the exemption is produced, handled, or marketed by a person that also produces, handles, or markets conventional or nonorganic agricultural products, including conventional or nonorganic agricultural products of the same agricultural commodity as that for which the exemption is claimed.

"(3) APPROVAL. The Secretary shall approve the exemption of a person under this subsection if the person maintains a valid organic certificate issued under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

"(4) TERMINATION OF EFFECTIVENESS. This subsection shall be effective until the date on which the Secretary issues an organic commodity promotion order in accordance with subsection (f).

"(5) REGULATIONS. The Secretary shall promulgate regulations concerning eligibility and compliance for an exemption under paragraph (1).".

(e) ORGANIC COMMODITY PROMOTION ORDER.—Section 501 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401) is amended by adding at the end the following:

"(f) ORGANIC COMMODITY PROMOTION ORDER.

"(1) DEFINITIONS. In this subsection:

"(A) CERTIFIED ORGANIC FARM. The term 'certified organic farm' has the meaning given the term in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502).

"(B) COVERED PERSON. The term 'covered person' means a producer, handler, marketer, or importer of an organic agricultural commodity.

"(C) DUAL-COVERED AGRICULTURAL COMMODITY. The term 'dual-covered agricultural commodity' means an agricultural commodity that—

"(i) is produced on a certified organic farm; and

"(ii) is covered under both—

"(I) an organic commodity promotion order issued pursuant to paragraph (2); and

"(II) any other agricultural commodity promotion order issued under section 514.

"(2) AUTHORIZATION. The Secretary may issue an organic commodity promotion order under section 514 that includes any agricultural commodity that—

"(A) is produced or handled (as defined in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502)) and that is certified to be sold or labeled as 'organic' or '100 percent organic' (as defined in part 205 of title 7, Code of Federal Regulations (or a successor regulation)); or

"(B) is imported with a valid organic certificate (as defined in that part).

"(3) ELECTION. If the Secretary issues an organic commodity promotion order described in paragraph (2), a covered person may elect, for applicable dual-covered agricultural commodities and in the sole discretion of the covered person, whether to be assessed under the organic commodity promotion order or another applicable agricultural commodity promotion order.

"(4) REGULATIONS. The Secretary shall promulgate regulations concerning eligibility and compliance for an exemption under paragraph (1).".

(f) DEFINITION OF AGRICULTURAL COMMODITY.—Section 513(1) of the Commodity Promotion, Research, and Information Act of 1996 (7 U.S.C. 7412(1)) is amended—

(1) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(2) by inserting after subparagraph (D) the following:

"(E) products, as a class, that are—

"(i) produced on a certified organic farm (as defined in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502)); and

"(ii) certified to be sold or labeled as 'organic' or '100 percent organic' (as defined in part 205 of title 7, Code of Federal Regulations (or a successor regulation));".

**SEC. 10005. INVESTIGATIONS AND ENFORCEMENT OF THE ORGANIC FOODS PRODUCTION ACT OF 1990.**

(a) RECORDKEEPING BY CERTIFIED OPERATIONS.—Section 2112 of the Organic Foods Production Act of 1990 (7 U.S.C. 6511) is amended by striking subsection (d).

(b) RECORDKEEPING BY CERTIFYING AGENTS.—

(1) IN GENERAL.—Section 2116 of the Organic Foods Production Act of 1990 (7 U.S.C. 6515) is amended—

(A) by striking subsection (c);

(B) by redesignating subsections (d) through (j) as subsections (c) through (i), respectively; and

(C) in subsection (d) (as so redesignated), in the matter preceding paragraph (1), by striking "subsection (d)" and inserting "subsection (c)".

(2) CONFORMING AMENDMENT.—Section 2107(a)(8) of the Organic Foods Production Act of 1990 (7 U.S.C. 6506(a)(8)) is amended by striking "section 2116(h)" and inserting "section 2116(g)".

(c) RECORDKEEPING, INVESTIGATIONS, AND ENFORCEMENT.—Section 2120 of the Organic Foods Production Act of 1990 (7 U.S.C. 6519) is amended to read as follows:

**"SEC. 2120. RECORDKEEPING, INVESTIGATIONS, AND ENFORCEMENT**

"(a) RECORDKEEPING.

"(1) IN GENERAL. Except as otherwise provided in this title, each person who sells, labels, or represents any agricultural product as having been produced or handled using organic methods shall make available to the Secretary or the applicable governing State official, on request by the Secretary or official, all records associated with the agricultural product.

"(2) CERTIFIED OPERATIONS. Each producer that operates a certified organic farm or certified organic handling operation under this title shall maintain, for a period of not less than 5 years, all records concerning the production or handling of any agricultural product sold or labeled as organically produced under this title, including—

"(A) a detailed history of substances applied to fields or agricultural products;

"(B) the name and address of each person who applied such a substance; and

"(C) the date, rate, and method of application of each such substance.

"(3) CERTIFYING AGENTS.

"(A) MAINTENANCE OF RECORDS. A certifying agent shall maintain all records concerning the activities of the certifying agent under this title for a period of not less than 10 years.

"(B) ACCESS FOR SECRETARY. A certifying agent shall provide to the Secretary and the applicable governing State official (or a representative) access to all records concerning the activities of the certifying agent under this title.

"(C) TRANSFERENCE OF RECORDS. If a private person that was certified under this title is dissolved or loses accreditation, all records and copies of records concerning the activities of the person under this title shall be—

"(i) transferred to the Secretary; and

"(ii) made available to the applicable governing State official.

"(4) UNLAWFUL ACT. It shall be unlawful and a violation of this title for any person covered by this title to fail or refuse to provide accurate information (including a delay in the timely delivery of such information) required by the Secretary under this title.

"(5) CONFIDENTIALITY. Except as provided in section 2107(a)(9), or as otherwise directed by the Secretary or the Attorney General for enforcement purposes, no officer, employee, or agent of the United States shall make available to the public any information, statistic, or document obtained from, or made available by, any person under this title, other than in a manner that ensures that confidentiality is preserved regarding—

"(A) the identity of all relevant persons (including parties to a contract); and

"(B) proprietary business information.

"(b) INVESTIGATIONS.

"(1) IN GENERAL. The Secretary may take such investigative actions as the Secretary considers to be necessary—

"(A) to verify the accuracy of any information reported or made available under this title; and

"(B) to determine whether a person covered by this title has committed a violation of any provision of this title, including an order or regulation promulgated by the Secretary pursuant to this title.

"(2) SPECIFIC INVESTIGATIVE POWERS. In carrying out this title, the Secretary may—

"(A) administer oaths and affirmations;

"(B) subpoena witnesses;

"(C) compel attendance of witnesses;

"(D) take evidence; and

"(E) require the production of any records required to be maintained under this title that are relevant to an investigation.

"(c) VIOLATIONS OF TITLE.

"(1) MISUSE OF LABEL. Any person who knowingly sells or labels a product as organic, except in accordance with this title, shall be subject to a civil penalty of not more than $10,000.

"(2) FALSE STATEMENT. Any person who makes a false statement under this title to the Secretary, a governing State official, or a certifying agent shall be punished in accordance with section 1001 of title 18, United States Code.

"(3) INELIGIBILITY.

"(A) IN GENERAL. Except as provided in subparagraph (C), any person that carries out an activity described in subparagraph (B), after notice and an opportunity to be heard, shall not be eligible, for the 5-year period beginning on the date of the occurrence, to receive a certification under this title with respect to any farm or handling operation in which the person has an interest.

"(B) DESCRIPTION OF ACTIVITIES. An activity referred to in subparagraph (A) is—

"(i) making a false statement;

"(ii) attempting to have a label indicating that an agricultural product is organically produced affixed to an agricultural product that a person knows, or should have reason to know, to have been produced or handled in a manner that is not in accordance with this title; or

"(iii) otherwise violating the purposes of the applicable organic certification program, as determined by the Secretary.

"(C) WAIVER. Notwithstanding subparagraph (A), the Secretary may modify or waive a period of ineligibility under this paragraph if the Secretary determines that the modification or waiver is in the best interests of the applicable organic certification program established under this title.

"(4) REPORTING OF VIOLATIONS. A certifying agent shall immediately report any violation of this title to the Secretary or the applicable governing State official.

"(5) VIOLATIONS BY CERTIFYING AGENT. A certifying agent that is a private person that violates the provisions of this title or falsely or negligently certifies any farming or handling operation that does not meet the terms and conditions of the applicable organic certification program as an organic operation, as determined by the Secretary or the applicable governing State official shall, after notice and an opportunity to be heard—

"(A) lose accreditation as a certifying agent under this title; and

"(B) be ineligible to be accredited as a certifying agent under this title for a period of not less than 3 years, beginning on the date of the determination.

"(6) EFFECT ON OTHER LAW. Nothing in this title alters—

"(A) the authority of the Secretary concerning meat, poultry and egg products under—

"(i) the Federal Meat Inspection Act (21 U.S.C. 601 et seq.);

"(ii) the Poultry Products Inspection Act (21 U.S.C. 451 et seq.); or

"(iii) the Egg Products Inspection Act (21 U.S.C. 1031 et seq.);

"(B) the authority of the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.); or

"(C) the authority of the Administrator of the Environmental Protection Agency under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.).".

**SEC. 10006. FOOD SAFETY EDUCATION INITIATIVES.**

Section 10105(c) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7655a(c)) is amended by striking "2012" and inserting "2018".

**SEC. 10007. CONSOLIDATION OF PLANT PEST AND DISEASE MANAGEMENT AND DISASTER PREVENTION PROGRAMS.**

(a) RELOCATION OF LEGISLATIVE LANGUAGE RELATING TO NATIONAL CLEAN PLANT NETWORK.—Section 420 of the Plant Protection Act (7 U.S.C. 7721) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following:

"(e) NATIONAL CLEAN PLANT NETWORK.

"(1) IN GENERAL. The Secretary shall establish a program to be known as the 'National Clean Plant Network' (referred to in this subsection as the 'Program').

"(2) REQUIREMENTS. Under the Program, the Secretary shall establish a network of clean plant centers for diagnostic and pathogen elimination services—

"(A) to produce clean propagative plant material; and

"(B) to maintain blocks of pathogen-tested plant material in sites located throughout the United States.

"(3) AVAILABILITY OF CLEAN PLANT SOURCE MATERIAL. Clean plant source material may be made available to—

"(A) a State for a certified plant program of the State; and

"(B) private nurseries and producers.

"(4) CONSULTATION AND COLLABORATION. In carrying out the Program, the Secretary shall—

"(A) consult with—

"(i) State departments of agriculture; and

"(ii) land-grant colleges and universities and NLGCA Institutions (as those terms are defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); and

"(B) to the extent practicable and with input from the appropriate State officials and industry representatives, use existing Federal or State facilities to serve as clean plant centers.

"(5) FUNDING FOR FISCAL YEAR 2013. There is authorized to be appropriated to carry out the Program $5,000,000 for fiscal year 2013.".

(b) FUNDING.—Subsection (f) of section 420 of the Plant Protection Act (7 U.S.C. 7721) (as so redesignated) is amended—

(1) in paragraph (3), by striking "and" at the end;

(2) in paragraph (4), by striking "and each fiscal year thereafter." and inserting a semicolon; and

(3) by adding at the end the following:

"(5) $62,500,000 for each of fiscal years 2014 through 2017; and

"(6) $75,000,000 for fiscal year 2018 and each fiscal year thereafter.".

(c) REPEAL OF EXISTING PROVISION.—Section 10202 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7761) is repealed.

(d) USE OF FUNDS FOR CLEAN PLANT NETWORK.—Section 420 of the Plant Protection Act (7 U.S.C. 7721) (as amended by subsection (a)), is amended by adding at the end the following:

"(g) USE OF FUNDS FOR CLEAN PLANT NETWORK. Of the funds made available under subsection (f) to carry out this section for a fiscal year, not less than $5,000,000 shall be available to carry out the National Clean Plant Network under subsection (e).

"(h) LIMITATION ON INDIRECT COSTS FOR THE CONSOLIDATION OF PLANT PEST AND DISEASE MANAGEMENT AND DISASTER PREVENTION PROGRAMS. Indirect costs charged against a cooperative agreement under this section shall not exceed the lesser of—

"(1) 15 percent of the total Federal funds provided under the cooperative agreement, as determined by the Secretary; and

"(2) the indirect cost rate applicable to the recipient as otherwise established by law.".

**SEC. 10008. IMPORTATION OF SEED.**

Section 17(c) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136o(c)) is amended—

(1) by striking "The Secretary" and inserting the following:

"(1) IN GENERAL. The Secretary"; and

(2) by adding at the end the following:

"(2) IMPORTATION OF SEED. Notwithstanding any other provision of law, no person is required to notify the Administrator

of the arrival of a plant-incorporated protectant (as defined in section 174.3 of title 40, Code of Federal Regulations (or any successor regulation)) that is contained in a seed, if—

"(A) that plant-incorporated protectant is registered under section 3;

"(B) the Administrator has issued an experimental use permit for that plant-incorporated protectant under section 5; or

"(C) the seed is covered by a permit (as defined in part 340 of title 7, Code of Federal Regulations (or any successor regulation)) or a notification.

"(3) COOPERATION.

"(A) IN GENERAL. In response to a request from the Administrator, the Secretary of Agriculture shall provide to the Administrator a list of seed containing plant-incorporated protectants (as defined in section 174.3 of title 40, Code of Federal Regulations (or any successor regulation)) if the importation of that seed into the United States has been approved under a permit or notification referred to in paragraph (2).

"(B) CONTENTS. The list under subparagraph (A) shall be provided in a form and at such intervals as may be agreed to by the Secretary and the Administrator.

"(4) APPLICABILITY. Nothing in this subsection precludes or limits the authority of the Secretary of Agriculture with respect to the importation or movement of plants, plant products, or seeds under—

"(A) the Plant Protection Act (7 U.S.C. 7701 et seq.); and

"(B) the Federal Seed Act (7 U.S.C. 1551 et seq.).".

**SEC. 10009. BULK SHIPMENTS OF APPLES TO CANADA.**

(a) BULK SHIPMENT OF APPLES TO CANADA.—Section 4 of the Export Apple Act (7 U.S.C. 584) is amended—

(1) by striking "Sec. 4. Apples in" and inserting the following:

**"SEC. 4. EXEMPTIONS**

"(a) IN GENERAL. Apples in"; and

(2) by adding at the end the following:

"(b) BULK CONTAINERS. Apples may be shipped to Canada in bulk containers without complying with the provisions of this Act.".

(b) DEFINITION OF BULK CONTAINER.—Section 9 of the Export Apple Act (7 U.S.C. 589) is amended by adding at the end the following:

"(5) The term 'bulk container' means a container that contains a quantity of apples weighing more than 100 pounds.".

(c) REGULATIONS.—Not later than 60 days after the date of enactment of this Act, the Secretary shall issue regulations to carry out the amendments made by this section.

**SEC. 10010. SPECIALTY CROP BLOCK GRANTS.**

Section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108-465) is amended—

(1) in subsection (a)—

(A) by striking "subsection (j)" and inserting "subsection (l)"; and

(B) by striking "2012" and inserting "2018";

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

"(b) GRANTS BASED ON VALUE AND ACREAGE. Subject to subsection (c), for each State whose application for a grant for a fiscal year that is accepted by the Secretary under subsection (f), the amount of the grant for that fiscal year to the State under this section shall bear the same ratio to the total amount made available under subsection (l)(1) for that fiscal year as—

"(1) the average of the most recent available value of specialty crop production in the State and the acreage of specialty crop production in the State, as demonstrated in the most recent Census of Agriculture data; bears to

"(2) the average of the most recent available value of specialty crop production in all States and the acreage of specialty crop production in all States, as demonstrated in the most recent Census of Agriculture data.";

(3) by redesignating subsection (j) as subsection (l);

(4) by inserting after subsection (i) the following:

"(j) MULTISTATE PROJECTS. Not later than 180 days after the effective date of the Agricultural Act of 2014, the Secretary of Agriculture shall issue guidance for the purpose of making grants to multistate projects under this section for projects involving—

"(1) food safety;

"(2) plant pests and disease;

"(3) research;

"(4) crop-specific projects addressing common issues; and

"(5) any other area that furthers the purposes of this section, as determined by the Secretary.

"(k) ADMINISTRATION.

"(1) DEPARTMENT. The Secretary of Agriculture may not use more than 3 percent of the funds made available to carry out this section for a fiscal year for administrative expenses.

"(2) STATES. A State receiving a grant under this section may not use more than 8 percent of the funds received under the grant for a fiscal year for administrative expenses."; and

(5) in subsection (l) (as redesignated by paragraph (3))—

(A) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively, and indenting appropriately;

(B) by striking "Of the funds" and inserting the following:

"(1) IN GENERAL. Of the funds";

(C) in paragraph (1) (as so designated)—

(i) in subparagraph (B) (as redesignated by subparagraph (A)), by striking "and" at the end;

(ii) in subparagraph (C) (as redesignated by subparagraph (A)), by striking the period at the end and inserting a semicolon; and

(iii) by adding at the end the following:

"(D) $72,500,000 for each of fiscal years 2014 through 2017; and

"(E) $85,000,000 for fiscal year 2018 and each fiscal year thereafter."; and

(D) by adding at the end the following:

"(2) MULTISTATE PROJECTS. Of the funds made available under paragraph (1), the Secretary may use to carry out subsection (j), to remain available until expended—

"(A) $1,000,000 for fiscal year 2014;

"(B) $2,000,000 for fiscal year 2015;

"(C) $3,000,000 for fiscal year 2016;

"(D) $4,000,000 for fiscal year 2017; and

"(E) $5,000,000 for fiscal year 2018.".

**SEC. 10011. DEPARTMENT OF AGRICULTURE CONSULTATION REGARDING ENFORCEMENT OF CERTAIN LABOR LAW PROVISIONS.**

(a) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary shall consult with the Secretary of Labor regarding the restraining of shipments of agricultural commodities, or the confiscation of agricultural commodities, by the Department of Labor for actual or suspected labor law violations in order to consider—

(1) the perishable nature of the commodities;

(2) the impact of the restraining or confiscation on the economic viability of farming operations; and

(3) the competitiveness of specialty crops through grants awarded to States under section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108-465).

(b) REPORT.—The Secretary of Labor shall submit to the Committees on Agriculture and Education and Workforce of the House of Representative and the Committees on Agriculture, Nutrition, and Forestry and Health, Education, Labor, and Pensions of the Senate a report that describes the number of instances during the period of fiscal years 2008 through 2013 that the Department of Labor has contacted a purchaser of perishable agricultural commodities to notify that purchaser of an investigation or pending enforcement action against a producer from whom the purchaser has purchased perishable agricultural commodities.

**SEC. 10012. REPORT ON HONEY.**

(a) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary, in consultation with persons affected by the potential establishment of a Federal standard for the identity of honey, shall submit to the Commissioner of Food and Drugs a report describing how an appropriate Federal standard for the identity of honey would be in the interest of consumers, the honey industry, and United States agriculture.

(b) CONSIDERATIONS.—In preparing the report required under subsection (a), the Secretary shall take into consideration the March 2006, Standard of Identity citizens petition filed with the Food and Drug Administration, including any current industry amendments or clarifications necessary to update that petition.

**SEC. 10013. REPORTS TO CONGRESS.**

(a) IN GENERAL.—Not later than 180 days and 1 year after the date of enactment of this Act, the Administrator of the Environ-

mental Protection Agency and Secretaries of Commerce, Agriculture and the Interior shall submit to the Committees on Agriculture and Natural Resources of the House of Representatives and the Committees on Agriculture, Nutrition, and Forestry and Environment and Public Works of the Senate, 2 reports that describe approaches and actions taken by the Environmental Protection Agency, the United States Fish and Wildlife Service, and the National Marine Fisheries Service—

(1) to implement recommendations, including an analysis of how any identified delays to implementation will be overcome, of the 2013 Expert Report authored by the National Research Council of the National Academies entitled "Assessing Risks to Endangered and Threatened Species from Pesticides";

(2) to otherwise minimize delays in integrating—

(A) the pesticide registration and registration review requirements of sections 3 and 33 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a, 136w-8); and

(B) the species and habitat protection processes described in sections 7 and 10 of the Endangered Species Act of 1973 (16 U.S.C. 1536, 1539); and

(3) to ensure public participation and transparency during the development, implementation, and evaluation of the approaches to implement the recommendations contained in the report described in paragraph (1).

(b) REQUIREMENT FOR FINAL REPORT.—In addition to the requirements of subsection (a), the final report submitted to Congress under that subsection shall—

(1) inform Congress of specific actions that have been and will be taken to address the recommendations identified in subsection (a)(1), including an evaluation to establish that—

(A) the approaches utilize the best available science;

(B) reasonable and prudent alternatives within biological opinions are technologically and economically feasible;

(C) reasonable and prudent measures are necessary and appropriate; and

(D) the agencies ensure public participation and transparency in the development of reasonable and prudent alternatives and reasonable and prudent measures; and

(2) update the study and report required by subsections (b) and (c) of section 1010 of Public Law 100-478 (7 U.S.C. 136a note).

**SEC. 10014. STAY OF REGULATIONS.**

Not later than 60 days after the date of enactment of this Act, the Secretary shall lift the administrative stay imposed under the rule of the Secretary entitled "Christmas Tree Promotion, Research, and Information Order; Stay of Regulations" and published by the Department of Agriculture on November 17, 2011 (76 Fed. Reg. 71241), on the regulations in subpart A of part 1214 of title 7, Code of Federal Regulations, establishing an industry-funded promotion, research, and information program for fresh-cut Christmas trees.

**SEC. 10015. [21 U.S.C. 346a note] REGULATION OF SULFURYL FLUORIDE.**

Notwithstanding any other provision of law, the Administrator of the Environmental Protection Agency shall exclude nonpesticideal sources of fluoride from any aggregate exposure assessment required under section 408 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a) when assessing tolerances associated with residues from the pesticide.

**SEC. 10016. [7 U.S.C. 2204h] LOCAL FOOD PRODUCTION AND PROGRAM EVALUATION.**

(a) IN GENERAL.—The Secretary shall—

(1) collect data on—

(A) the production and marketing of locally or regionally produced agricultural food products; and

(B) direct and indirect regulatory compliance costs affecting the production and marketing of locally or regionally produced agricultural food products;

(2) facilitate interagency collaboration and data sharing on programs relating to local and regional food systems;

(3) monitor—

(A) the effectiveness of programs designed to expand or facilitate local food systems; and

(B) barriers to local and regional market access due to Federal regulation of small-scale production; and

(4) evaluate the manner in which local food systems—

(A) contribute to improving community food security; and

(B) assist populations with limited access to healthy food.

(b) REQUIREMENTS.—In carrying out this section, the Secretary shall, at a minimum—

(1) collect and distribute comprehensive reporting of prices and volume of locally or regionally produced agricultural food products;

(2) conduct surveys and analysis and publish reports relating to the production, handling, distribution, retail sales, and trend studies (including consumer purchasing patterns) of or on locally or regionally produced agricultural food products;

(3) evaluate the effectiveness of existing programs in growing local and regional food systems, including—

(A) the impact of local food systems on job creation and economic development;

(B) the level of participation in the Local Agriculture Market Program established under section 210A of the Agricultural Marketing Act of 1946, including the percentage of projects funded in comparison to applicants and the types of eligible entities receiving funds;

(C) the ability of participants to leverage private capital and a synopsis of the places from which non-Federal funds are derived; and

(D) any additional resources required to aid in the development or expansion of local and regional food systems;

(4) evaluate the impact that Federal regulation of small commercial producers of agricultural food products intended for local and regional consumption may have on—

(A) local job creation and economic development;

(B) access to local and regional fruit and vegetable markets, including for new and beginning small commercial producers; and

(C) participation in—

(i) supplier networks;

(ii) high volume distribution systems; and

(iii) retail sales outlets;

(5) expand the Agricultural Resource Management Survey of the Department to include questions on locally or regionally produced agricultural food products; and

(6) seek to establish or expand private-public partnerships to facilitate, to the maximum extent practicable, the collection of data on locally or regionally produced agricultural food products, including the development of a nationally coordinated and regionally balanced evaluation of the redevelopment of locally or regionally produced food systems.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act and annually thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the progress that has been made in implementing this section and identifying any additional needs and barriers related to developing local and regional food systems.

**SEC. 10017. [15 U.S.C. 714i note] CLARIFICATION OF USE OF FUNDS FOR TECHNICAL ASSISTANCE.**

In the case of each program established or amended by this title that is authorized or required to be carried out using funds of the Commodity Credit Corporation, the use of those funds to provide technical assistance shall not be considered an allotment or fund transfer from the Commodity Credit Corporation for purposes of the limit on expenditures for technical assistance imposed by section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i).

# TITLE XI—CROP INSURANCE

**SEC. 11001. INFORMATION SHARING.**

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

"(4) INFORMATION.

"(A) REQUEST. Subject to subparagraph (B), the Farm Service Agency shall, in a timely manner, provide to an agent or an approved insurance provider authorized by the producer any information (including Farm Service Agency Form 578s (or any successor form)) or maps (or any corrections to those forms or maps) that may assist the agent or approved insurance provider in insuring the producer under a policy or plan of insurance under this subtitle.

"(B) PRIVACY. Except as provided in subparagraph (C), an agent or approved insurance provider that receives the information of a producer pursuant to subparagraph (A) shall treat the information in accordance with paragraph (1).

"(C) SHARING. Nothing in this section prohibits the sharing of the information of a producer pursuant to subparagraph (A) between the agent and the approved insurance provider of the producer.".

**SEC. 11002. PUBLICATION OF INFORMATION ON VIOLATIONS OF PROHIBITION ON PREMIUM ADJUSTMENTS.**

Section 508(a)(9) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(9)) is amended by adding at the end the following:

"(C) PUBLICATION OF VIOLATIONS.

"(i) PUBLICATION REQUIRED. Subject to clause (ii), the Corporation shall publish in a timely manner on the website of the Risk Management Agency information regarding each violation of this paragraph, including any sanctions imposed in response to the violation, in sufficient detail so that the information may serve as effective guidance to approved insurance providers, agents, and producers.

"(ii) PROTECTION OF PRIVACY. In providing information under clause (i) regarding violations of this paragraph, the Corporation shall redact the identity of the persons and entities committing the violations in order to protect the privacy of those persons and entities.".

**SEC. 11003. SUPPLEMENTAL COVERAGE OPTION.**

(a) AVAILABILITY OF SUPPLEMENTAL COVERAGE OPTION.—Section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amended by striking paragraph (3) and inserting the following:

"(3) YIELD AND LOSS BASIS OPTIONS. A producer shall have the option of purchasing additional coverage based on—

"(A)(i) an individual yield and loss basis; or

"(ii) an area yield and loss basis; or

"(B) an individual yield and loss basis, supplemented with coverage based on an area yield and loss basis to cover a part of the deductible under the individual yield and loss policy, as described in paragraph (4)(C).".

(b) LEVEL OF COVERAGE.—Section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amended by striking paragraph (4) and inserting the following:

"(4) LEVEL OF COVERAGE.

"(A) DOLLAR DENOMINATION AND PERCENTAGE OF YIELD. Except as provided in subparagraph (C), the level of coverage—

"(i) shall be dollar denominated; and

"(ii) may be purchased at any level not to exceed 85 percent of the individual yield or 95 percent of the area yield (as determined by the Corporation).

"(B) INFORMATION. The Corporation shall provide producers with information on catastrophic risk and addi-

tional coverage in terms of dollar coverage (within the allowable limits of coverage provided in this paragraph).

"(C) SUPPLEMENTAL COVERAGE OPTION.

"(i) IN GENERAL. Notwithstanding subparagraph (A), in the case of the supplemental coverage option described in paragraph (3)(B), the Corporation shall offer producers the opportunity to purchase coverage in combination with a policy or plan of insurance offered under this subtitle that would allow indemnities to be paid to a producer equal to a part of the deductible under the policy or plan of insurance—

"(I) at a county-wide level to the fullest extent practicable; or

"(II) in counties that lack sufficient data, on the basis of such larger geographical area as the Corporation determines to provide sufficient data for purposes of providing the coverage.

"(ii) TRIGGER. Coverage offered under paragraph (3)(B) and clause (i) shall be triggered only if the losses in the area exceed 14 percent of normal levels (as determined by the Corporation).

"(iii) COVERAGE. Subject to the trigger described in clause (ii), coverage offered under paragraph (3)(B) and clause (i) shall not exceed the difference between—

"(I) 86 percent; and

"(II) the coverage level selected by the producer for the underlying policy or plan of insurance.

"(iv) INELIGIBLE CROPS AND ACRES. Crops for which the producer has elected under section 1116 of the Agricultural Act of 2014 to receive agriculture risk coverage and acres that are enrolled in the stacked income protection plan under section 508B shall not be eligible for supplemental coverage under this subparagraph.

"(v) CALCULATION OF PREMIUM. Notwithstanding subsection (d), the premium for coverage offered under paragraph (3)(B) and clause (i) shall—

"(I) be sufficient to cover anticipated losses and a reasonable reserve; and

"(II) include an amount for operating and administrative expenses established in accordance with subsection (k)(4)(F).".

(c) PAYMENT OF PORTION OF PREMIUM BY CORPORATION.—Section 508(e)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)) is amended by adding at the end the following:

"(H) In the case of the supplemental coverage option authorized in subsection (c)(4)(C), the amount shall be equal to the sum of—

"(i) 65 percent of the additional premium associated with the coverage; and

"(ii) the amount determined under subsection (c)(4)(C)(v)(II), subject to subsection (k)(4)(F), for the

coverage to cover operating and administrative expenses.".

(d) [7 U.S.C. 1508 note] APPLICATION DATE.—The Federal Crop Insurance Corporation shall begin to provide additional coverage based on an individual yield and loss basis, supplemented with coverage based on an area yield and loss basis, as described in the amendments made by this section, not later than for the 2015 crop year.

**SEC. 11004. CROP MARGIN COVERAGE OPTION.**

Section 508(c)(3) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)(3)) (as amended by section 11003) is amended—

(1) in subparagraph (A)(ii), by striking "or" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(C) a margin basis alone or in combination with the coverages available under subparagraph (A) or (B).".

**SEC. 11005. PREMIUM AMOUNTS FOR CATASTROPHIC RISK PROTECTION.**

Section 508(d)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(d)(2)) is amended by striking subparagraph (A) and inserting the following:

"(A) In the case of catastrophic risk protection, the amount of the premium established by the Corporation for each crop for which catastrophic risk protection is available shall be reduced by the percentage equal to the difference between the average loss ratio for the crop and 100 percent, plus a reasonable reserve, as determined by the Corporation.".

**SEC. 11006. PERMANENT ENTERPRISE UNIT SUBSIDY.**

Section 508(e)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(5)) is amended by striking subparagraph (A) and inserting the following:

"(A) IN GENERAL. The Corporation may pay a portion of the premiums for plans or policies of insurance for which the insurable unit is defined on a whole farm or enterprise unit basis that is higher than would otherwise be paid in accordance with paragraph (2).".

**SEC. 11007. ENTERPRISE UNITS FOR IRRIGATED AND NONIRRIGATED CROPS.**

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

"(D) NONIRRIGATED CROPS. Beginning with the 2015 crop year, the Corporation shall make available separate enterprise units for irrigated and nonirrigated acreage of crops in counties.".

**SEC. 11008. DATA COLLECTION.**

Section 508(g)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(g)(2)) is amended by adding at the end the following:

"(E) SOURCES OF YIELD DATA. To determine yields under this paragraph, the Corporation—

"(i) shall use county data collected by the Risk Management Agency, the National Agricultural Statistics Service, or both; or

"(ii) if sufficient county data is not available, may use other data considered appropriate by the Secretary.".

**SEC. 11009. ADJUSTMENT IN ACTUAL PRODUCTION HISTORY TO ESTABLISH INSURABLE YIELDS.**

Section 508(g) of the Federal Crop Insurance Act (7 U.S.C. 1508(g)) (as amended by section 11008) is amended—

(1) in paragraph (2)(A), by inserting "and paragraph (4)(C)" after "(B)"; and

(2) in paragraph (4)—

(A) by redesignating subparagraph (C) as subparagraph (D);

(B) in subparagraph (D) (as so redesignated), by inserting "or (C)" after "(B)"; and

(C) by inserting after subparagraph (B) the following:

"(C) ELECTION TO EXCLUDE CERTAIN HISTORY.

"(i) IN GENERAL. Notwithstanding paragraph (2), with respect to 1 or more of the crop years used to establish the actual production history of an agricultural commodity of the producer, the producer may elect to exclude any recorded or appraised yield for any crop year in which the per planted acre yield of the agricultural commodity in the county of the producer was at least 50 percent below the simple average of the per planted acre yield of the agricultural commodity in the county during the previous 10 consecutive crop years.

"(ii) CONTIGUOUS COUNTIES. In any crop year that a producer in a county is eligible to make an election to exclude a yield under clause (i), a producer in a contiguous county is eligible to make such an election.

"(iii) IRRIGATION PRACTICE. For purposes of determining whether the per planted acre yield of the agricultural commodity in the county of the producer was at least 50 percent below the simple average of the per planted acre yield of the agricultural commodity in the county during the previous 10 consecutive crop years, the Corporation shall make a separate determination for irrigated and nonirrigated acreage.".

**SEC. 11010. SUBMISSION OF POLICIES AND BOARD REVIEW AND APPROVAL.**

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

(1) in paragraph (1)—

(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and indenting appropriately;

(B) by striking "(1) In general.—In addition" and inserting the following:

"(1) AUTHORITY TO SUBMIT.

"(A) IN GENERAL. In addition"; and

(C) by adding at the end the following:

"(B) REVIEW AND SUBMISSION BY CORPORATION. The Corporation shall review any policy developed under section 522(c) or any pilot program developed under section 523 and submit the policy or program to the Board under this subsection if the Corporation, at the sole discretion of the Corporation, finds that the policy or program—

"(i) will likely result in a viable and marketable policy consistent with this subsection;

"(ii) would provide crop insurance coverage in a significantly improved form; and

"(iii) adequately protects the interests of producers."; and

(2) by striking paragraph (3) and inserting the following:

"(3) REVIEW AND APPROVAL BY THE BOARD.

"(A) IN GENERAL. A policy, plan of insurance, or other material submitted to the Board under this subsection shall be reviewed by the Board and shall be approved by the Board for reinsurance and for sale by approved insurance providers to producers at actuarially appropriate rates and under appropriate terms and conditions if the Board determines that—

"(i) the interests of producers are adequately protected;

"(ii) the proposed policy or plan of insurance will—

"(I) provide a new kind of coverage that is likely to be viable and marketable;

"(II) provide crop insurance coverage in a manner that addresses a clear and identifiable flaw or problem in an existing policy; or

"(III) provide a new kind of coverage for a commodity that previously had no available crop insurance, or has demonstrated a low level of participation or coverage level under existing coverage; and

"(iii) the proposed policy or plan of insurance will not have a significant adverse impact on the crop insurance delivery system.

"(B) CONSIDERATION. In approving policies or plans of insurance, the Board shall in a timely manner—

"(i) first, consider policies or plans of insurance that address underserved commodities, including commodities for which there is no insurance;

"(ii) second, consider existing policies or plans of insurance for which there is inadequate coverage or there exists low levels of participation; and

"(iii) last, consider all policies or plans of insurance submitted to the Board that do not meet the criteria described in clause (i) or (ii).

"(C) SPECIFIED REVIEW AND APPROVAL PRIORITIES. In reviewing policies and other materials submitted to the Board under this subsection for approval, the Board—

"(i) shall make the development and approval of a revenue policy for peanut producers a priority so that

a revenue policy is available to peanut producers in time for the 2015 crop year;

"(ii) shall make the development and approval of a margin coverage policy for rice producers a priority so that a margin coverage policy is available to rice producers in time for the 2015 crop year; and

"(iii) may approve a submission that is made pursuant to this subsection that would, beginning with the 2015 crop year, allow producers that purchase policies in accordance with subsection (e)(5)(A) to separate enterprise units by risk rating for acreage of crops in counties.".

(b) APPROVAL OF COSTS FOR RESEARCH AND DEVELOPMENT.—Section 522(b)(2) of the Federal Crop Insurance Act (7 U.S.C. 1522(b)(2)) is amended by striking subparagraph (E) and inserting the following:

"(E) APPROVAL.

"(i) IN GENERAL. The Board may approve up to 50 percent of the projected total research and development costs to be paid in advance to an applicant, in accordance with the procedures developed by the Board for the making of the payments, if, after consideration of the reviewer reports described in subparagraph (D) and such other information as the Board determines appropriate, the Board determines that—

"(I) the concept, in good faith, will likely result in a viable and marketable policy consistent with section 508(h);

"(II) at the sole discretion of the Board, the concept, if developed into a policy and approved by the Board, would provide crop insurance coverage—

"(aa) in a significantly improved form;

"(bb) to a crop or region not traditionally served by the Federal crop insurance program; or

"(cc) in a form that addresses a recognized flaw or problem in the program;

"(III) the applicant agrees to provide such reports as the Corporation determines are necessary to monitor the development effort;

"(IV) the proposed budget and timetable are reasonable, as determined by the Board; and

"(V) the concept proposal meets any other requirements that the Board determines appropriate.

"(ii) WAIVER. The Board may waive the 50-percent limitation and, upon request of the submitter after the submitter has begun research and development activities, the Board may approve an additional 25 percent advance payment to the submitter for research and development costs, if, at the sole discretion of the Board, the Board determines that—

"(I) the intended policy or plan of insurance developed by the submitter will provide coverage for a region or crop that is underserved by the Federal crop insurance program, including specialty crops; and

"(II) the submitter is making satisfactory progress towards developing a viable and marketable policy or plan of insurance consistent with section 508(h).".

**SEC. 11011. CONSULTATION.**

Section 508(h)(4) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)(4)) is amended by adding at the end the following:

"(E) CONSULTATION.

"(i) REQUIREMENT. As part of the feasibility and research associated with the development of a policy or other material for fruits and vegetables, tree nuts, dried fruits, and horticulture and nursery crops (including floriculture), the submitter prior to making a submission under this subsection shall consult with groups representing producers of those agricultural commodities in all major producing areas for the commodities to be served or potentially impacted, either directly or indirectly.

"(ii) SUBMISSION TO THE BOARD. Any submission made to the Board under this subsection shall contain a summary and analysis of the feasibility and research findings from the impacted groups described in clause (i), including a summary assessment of the support for or against development of the policy and an assessment on the impact of the proposed policy to the general marketing and production of the crop from both a regional and national perspective.

"(iii) EVALUATION BY THE BOARD. In evaluating whether the interests of producers are adequately protected pursuant to paragraph (3) with respect to a submission made under this subsection, the Board shall review the information provided pursuant to clause (ii) to determine if the submission will create adverse market distortions with respect to the production of commodities that are the subject of the submission.".

**SEC. 11012. BUDGET LIMITATIONS ON RENEGOTIATION OF THE STANDARD REINSURANCE AGREEMENT.**

Section 508(k)(8) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(8)) is amended by adding at the end the following:

"(F) BUDGET.

"(i) IN GENERAL. The Board shall ensure that any Standard Reinsurance Agreement negotiated under subparagraph (A)(ii) shall—

"(I) to the maximum extent practicable, be estimated as budget neutral with respect to the total amount of payments described in paragraph (9) as compared to the total amount of such payments estimated to be made under the imme-

diately preceding Standard Reinsurance Agreement if that Agreement were extended over the same period of time;

"(II) comply with the applicable provisions of this Act establishing the rates of reimbursement for administrative and operating costs for approved insurance providers and agents, except that, to the maximum extent practicable, the estimated total amount of reimbursement for those costs shall not be less than the total amount of the payments to be made under the immediately preceding Standard Reinsurance Agreement if that Agreement were extended over the same period of time, as estimated on the date of enactment of the Agricultural Act of 2014; and

"(III) in no event significantly depart from budget neutrality unless otherwise required by this Act.

"(ii) USE OF SAVINGS. To the extent that any budget savings are realized in the renegotiation of a Standard Reinsurance Agreement under subparagraph (A)(ii), and the savings are determined not to be a significant departure from budget neutrality under clause (i), the savings shall be used to increase reimbursements or payments described under paragraphs (4) and (9).".

**SEC. 11013. TEST WEIGHT FOR CORN.**

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

"(6) TEST WEIGHT FOR CORN.

"(A) IN GENERAL. The Corporation shall establish procedures to allow insured producers not more than 120 days to settle claims, in accordance with procedures established by the Secretary, involving corn that is determined to have low test weight.

"(B) IMPLEMENTATION. As soon as practicable after the date of enactment of this paragraph, the Corporation shall implement subparagraph (A) on a regional basis based on market conditions and the interests of producers.

"(C) TERMINATION OF EFFECTIVENESS. The authority provided by this paragraph terminates effective on the date that is 5 years after the date on which subparagraph (A) is implemented.".

**SEC. 11014. CROP PRODUCTION ON NATIVE SOD.**

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

(1) in paragraph (1)(B), by inserting ", or the producer cannot substantiate that the ground has ever been tilled," after "tilled";

(2) in paragraph (2)—

(A) in the paragraph heading, by striking "Ineligibility for" and inserting "Reduction in";

(B) by striking subparagraph (A) and inserting the following:

"(A) IN GENERAL. During the first 4 crop years of planting, as determined by the Secretary, native sod acreage that has been tilled for the production of an annual crop after the date of enactment of the Agricultural Act of 2014 shall be subject to a reduction in benefits under this subtitle as described in this paragraph."; and

(C) by adding at the end the following:

"(C) ADMINISTRATION.

"(i) REDUCTION. For purposes of the reduction in benefits for the acreage described in subparagraph (A)—

"(I) the crop insurance guarantee shall be determined by using a yield equal to 65 percent of the transitional yield of the producer; and

"(II) the crop insurance premium subsidy provided for the producer under this subtitle, except for coverage authorized pursuant to subsection (b)(1), shall be 50 percentage points less than the premium subsidy that would otherwise apply.

"(ii) YIELD SUBSTITUTION. During the period native sod acreage is covered by this subsection, a producer may not substitute yields for the native sod.";

(3) by striking paragraph (3) and inserting the following:

"(3) APPLICATION. This subsection shall only apply to native sod acreage in the States of Minnesota, Iowa, North Dakota, South Dakota, Montana, and Nebraska.".

(b) NONINSURED CROP DISASTER ASSISTANCE.—Section 196(a)(4) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(a)(4)) is amended—

(1) in the paragraph heading, by striking "ineligibility" and inserting "reduction in benefits";

(2) in subparagraph (A)(ii), by inserting ", or the producer cannot substantiate that the ground has ever been tilled," after "tilled";

(3) in subparagraph (B)—

(A) in the subparagraph heading, by striking "Ineligibility for" and inserting "Reduction in";

(B) by striking clause (i) and inserting the following:

"(i) IN GENERAL. During the first 4 crop years of planting, as determined by the Secretary, native sod acreage that has been tilled for the production of an annual crop after the date of enactment of the Agricultural Act of 2014 shall be subject to a reduction in benefits under this section as described in this subparagraph."; and

(C) by adding at the end the following:

"(iii) REDUCTION. For purposes of the reduction in benefits for the acreage described in clause (i)—

"(I) the approved yield shall be determined by using a yield equal to 65 percent of the transitional yield of the producer; and

"(II) the service fees or premiums for crops planted on native sod shall be equal to 200 percent of the amount determined in subsections (*l*)(2) or (k), as applicable, but in no case shall exceed the amount determined in subsection (*l*)(2)(B)(ii).";; and

(4) by striking subparagraph (C) and inserting the following:

"(C) APPLICATION. This paragraph shall only apply to native sod acreage in the States of Minnesota, Iowa, North Dakota, South Dakota, Montana, and Nebraska.".

**SEC. 11015. COVERAGE LEVELS BY PRACTICE.**

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

"(p) COVERAGE LEVELS BY PRACTICE. Beginning with the 2015 crop year, a producer that produces an agricultural commodity on both dry land and irrigated land may elect a different coverage level for each production practice.".

**SEC. 11016. BEGINNING FARMER AND RANCHER PROVISIONS.**

(a) DEFINITION.—Section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)) is amended—

(1) by redesignating paragraphs (3) through (9) as paragraphs (4) through (10), respectively; and

(2) by inserting after paragraph (2) the following:

"(3) BEGINNING FARMER OR RANCHER. The term 'beginning farmer or rancher' means a farmer or rancher who has not actively operated and managed a farm or ranch with a bona fide insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 5 crop years, as determined by the Secretary.".

(b) PREMIUM ADJUSTMENTS.—Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) in subsection (b)(5)(E), by inserting "and beginning farmers or ranchers" after "limited resource farmers";

(2) in subsection (e), by adding at the end the following:

"(8) PREMIUM FOR BEGINNING FARMERS OR RANCHERS. Notwithstanding any other provision of this subsection regarding payment of a portion of premiums, a beginning farmer or rancher shall receive premium assistance that is 10 percentage points greater than premium assistance that would otherwise be available under paragraphs (2) (except for subparagraph (A) of that paragraph), (5), (6), and (7) for the applicable policy, plan of insurance, and coverage level selected by the beginning farmer or rancher."; and

(3) in subsection (g)—

(A) in paragraph (2)(B)—

(i) in clause (i), by striking "or" at the end;

(ii) in clause (ii)(III), by striking the period at the end and inserting "; or"; and

(iii) by adding at the end the following:

"(iii) if the producer is a beginning farmer or rancher who was previously involved in a farming or ranching operation, including involvement in the deci-

sionmaking or physical involvement in the production of the crop or livestock on the farm, for any acreage obtained by the beginning farmer or rancher, a yield that is the higher of—

"(I) the actual production history of the previous producer of the crop or livestock on the acreage determined under subparagraph (A); or

"(II) a yield of the producer, as determined in clause (i).";; and

(B) in paragraph (4)(B)(ii)—

(i) by inserting "(I)" after "(ii)";

(ii) by striking the period at the end and inserting "; or"; and

(iii) by adding at the end the following:

"(II) in the case of beginning farmers or ranchers, replace each excluded yield with a yield equal to 80 percent of the applicable transitional yield.".

**SEC. 11017. STACKED INCOME PROTECTION PLAN FOR PRODUCERS OF UPLAND COTTON.**

(a) AVAILABILITY OF STACKED INCOME PROTECTION PLAN FOR PRODUCERS OF UPLAND COTTON.—The Federal Crop Insurance Act is amended by inserting after section 508A (7 U.S.C. 1508a) the following:

**"SEC. 508B. [7 U.S.C. 1508b] STACKED INCOME PROTECTION PLAN FOR PRODUCERS OF UPLAND COTTON**

"(a) AVAILABILITY. Beginning not later than the 2015 crop of upland cotton, the Corporation shall make available to producers of upland cotton an additional policy (to be known as the 'Stacked Income Protection Plan'), which shall provide coverage consistent with the Group Risk Income Protection Plan (and the associated Harvest Revenue Option Endorsement) offered by the Corporation for the 2011 crop year.

"(b) REQUIRED TERMS. The Corporation may modify the Stacked Income Protection Plan on a program-wide basis, except that the Stacked Income Protection Plan shall comply with the following requirements:

"(1) Provide coverage for revenue loss of not less than 10 percent and not more than 30 percent of expected county revenue, specified in increments of 5 percent. The deductible shall be the minimum percent of revenue loss at which indemnities are triggered under the plan, not to be less than 10 percent of the expected county revenue.

"(2) Be offered to producers of upland cotton in all counties with upland cotton production—

"(A) at a county-wide level to the fullest extent practicable; or

"(B) in counties that lack sufficient data, on the basis of such larger geographical area as the Corporation determines to provide sufficient data for purposes of providing the coverage.

"(3) Be purchased in addition to any other individual or area coverage in effect on the producer's acreage or as a standalone policy, except that if a producer has an individual or area

coverage for the same acreage, the maximum coverage available under the Stacked Income Protection Plan shall not exceed the deductible for the individual or area coverage.

"(4) Establish coverage based on—

"(A) the expected price established under existing Group Risk Income Protection or area wide policy offered by the Corporation for the applicable county (or area) and crop year; and

"(B) an expected county yield that is the higher of—

"(i) the expected county yield established for the existing area-wide plans offered by the Corporation for the applicable county (or area) and crop year (or, in geographic areas where area-wide plans are not offered, an expected yield determined in a manner consistent with those of area-wide plans); or

"(ii) the average of the applicable yield data for the county (or area) for the most recent 5 years, excluding the highest and lowest observations, from the Risk Management Agency or the National Agricultural Statistics Service (or both) or, if sufficient county data is not available, such other data considered appropriate by the Secretary.

"(5) Use a multiplier factor to establish maximum protection per acre (referred to as a 'protection factor') of not less than the higher of the level established on a program wide basis or 120 percent.

"(6) Pay an indemnity based on the amount that the expected county revenue exceeds the actual county revenue, as applied to the individual coverage of the producer. Indemnities under the Stacked Income Protection Plan shall not include or overlap the amount of the deductible selected under paragraph (1).

"(7) In all counties for which data are available, establish separate coverage levels for irrigated and nonirrigated practices.

"(c) PREMIUM. Notwithstanding section 508(d), the premium for the Stacked Income Protection Plan shall—

"(1) be sufficient to cover anticipated losses and a reasonable reserve; and

"(2) include an amount for operating and administrative expenses established in accordance with section 508(k)(4)(F).

"(d) PAYMENT OF PORTION OF PREMIUM BY CORPORATION. Subject to section 508(e)(4), the amount of premium paid by the Corporation for all qualifying coverage levels of the Stacked Income Protection Plan shall be—

"(1) 80 percent of the amount of the premium established under subsection (c) for the coverage level selected; and

"(2) the amount determined under subsection (c)(2), subject to section 508(k)(4)(F), for the coverage to cover administrative and operating expenses.

"(e) RELATION TO OTHER COVERAGES. The Stacked Income Protection Plan is in addition to all other coverages available to producers of upland cotton.".

(b) CONFORMING AMENDMENT.—Section 508(k)(4)(F) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(F)) is amended by inserting "or authorized under subsection (c)(4)(C) or section 508B" after "of this subparagraph".

**SEC. 11018. PEANUT REVENUE CROP INSURANCE.**

The Federal Crop Insurance Act is amended by inserting after section 508B (as added by section 11017), the following:

**"SEC. 508C. [7 U.S.C. 1508c] PEANUT REVENUE CROP INSURANCE**

"(a) IN GENERAL. Effective beginning with the 2015 crop year, the Risk Management Agency and the Corporation shall make available to producers of peanuts a revenue crop insurance program for peanuts.

"(b) EFFECTIVE PRICE. Subject to subsection (c), for purposes of the revenue crop insurance program and the multiperil crop insurance program under this Act, the effective price for peanuts shall be equal to the Rotterdam price index for peanuts or other appropriate price as determined by the Secretary, as adjusted to reflect the farmer stock price of peanuts in the United States.

"(c) ADJUSTMENTS.

"(1) IN GENERAL. The effective price for peanuts established under subsection (b) may be adjusted by the Risk Management Agency and the Corporation to correct distortions.

"(2) ADMINISTRATION. If an adjustment is made under paragraph (1), the Risk Management Agency and the Corporation shall—

"(A) make the adjustment in an open and transparent manner; and

"(B) submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the reasons for the adjustment.".

**SEC. 11019. AUTHORITY TO CORRECT ERRORS.**

Section 515(c) of the Federal Crop Insurance Act (7 U.S.C. 1515(c)) is amended—

(1) in the first sentence, by striking "The Secretary" and inserting the following:

"(1) IN GENERAL. The Secretary";

(2) in the second sentence, by striking "Beginning with" and inserting the following:

"(2) FREQUENCY. Beginning with"; and

(3) by adding at the end the following:

"(3) CORRECTIONS.

"(A) IN GENERAL. In addition to the corrections permitted by the Corporation as of the day before the date of enactment of the Agricultural Act of 2014, the Corporation shall establish procedures that allow an agent or an approved insurance provider, subject to subparagraph (B)—

"(i) within a reasonable amount of time following the applicable sales closing date, to correct errors in information that is provided by a producer for the purpose of obtaining coverage under any policy or plan of insurance made available under this subtitle to ensure that the eligibility information is correct and con-

sistent with information reported by the producer for other programs administered by the Secretary;

"(ii) within a reasonable amount of time following—

"(I) the acreage reporting date, to reconcile errors in the information reported by the producer with correct information determined from any other program administered by the Secretary; or

"(II) the date of any subsequent correction of data by the Farm Service Agency made as a result of the verification of information, to make conforming corrections; and

"(iii) at any time, to correct electronic transmission errors that were made by an agent or approved insurance provider, or such errors made by the Farm Service Agency or any other agency of the Department of Agriculture in transmitting the information provided by the producer for purposes of other programs of the Department to the extent an agent or approved insurance provider relied upon the erroneous information for crop insurance purposes.

"(B) LIMITATION. In accordance with the procedures of the Corporation, correction to the information described in clauses (i) and (ii) of subparagraph (A) may only be made if the corrections do not allow the producer—

"(i) to avoid ineligibility requirements for insurance or obtain a disproportionate benefit under the crop insurance program or any related program administered by the Secretary;

"(ii) to obtain, enhance, or increase an insurance guarantee or indemnity if a cause of loss exists or has occurred before any correction has been made, or avoid premium owed if no loss is likely to occur; or

"(iii) to avoid an obligation or requirement under any Federal or State law.

"(C) EXCEPTION TO LATE FILING SANCTIONS. Any corrections made within a reasonable amount of time, in accordance with established procedures, pursuant to this paragraph shall not be subject to any late filing sanctions authorized in the reinsurance agreement with the Corporation.

"(D) LATE PAYMENT OF DEBT. In the case of a producer that has inadvertently failed to pay a debt due as specified by regulations of the Corporation and has been determined to be ineligible for crop insurance pursuant to the terms of the policy as a result of that failure, the Corporation may determine to allow the producer to pay the debt and purchase the crop insurance after the sales closing date, in accordance with procedures and limitations established by the Corporation.".

**SEC. 11020. IMPLEMENTATION.**

Section 515 of the Federal Crop Insurance Act (7 U.S.C. 1515) is amended—

(1) in subsection (j), by striking paragraph (1) and inserting the following:

"(1) SYSTEMS MAINTENANCE AND UPGRADES.

"(A) IN GENERAL. The Secretary shall maintain and upgrade the information management systems of the Corporation used in the administration and enforcement of this subtitle.

"(B) REQUIREMENT.

"(i) IN GENERAL. In maintaining and upgrading the systems, the Secretary shall ensure that new hardware and software are compatible with the hardware and software used by other agencies of the Department to maximize data sharing and promote the purposes of this section.

"(ii) ACREAGE REPORT STREAMLINING INITIATIVE PROJECT. As soon as practicable, the Secretary shall develop and implement an acreage report streamlining initiative project to allow producers to report acreage and other information directly to the Department."; and

(2) in subsection (k), by striking paragraph (1) and inserting the following:

"(1) INFORMATION TECHNOLOGY.

"(A) IN GENERAL. For purposes of subsection (j)(1), the Corporation may use, from amounts made available from the insurance fund established under section 516(c), not more than—

"(i)(I) for fiscal year 2014, $14,000,000; and

"(II) for each of fiscal years 2015 through 2018, $9,000,000; or

"(ii) if the Acreage Crop Reporting Streamlining Initiative (ACRSI) project is substantially completed by September 30, 2015, not more than $14,000,000 for each of the fiscal years 2015 through 2018.

"(B) NOTIFICATION. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the substantial completion of the Acreage Crop Reporting Streamlining Initiative (ACRSI) project not later than July 1, 2015.".

**SEC. 11021. CROP INSURANCE FRAUD.**

Section 516(b)(2) of the Federal Crop Insurance Act (7 U.S.C. 1516(b)(2)) is amended by adding at the end the following:

"(C) REVIEWS, COMPLIANCE, AND INTEGRITY.

"(i) IN GENERAL. For each of the 2014 and subsequent reinsurance years, the Corporation may use the insurance fund established under subsection (c), but not to exceed $9,000,000 for each fiscal year, to pay costs—

"(I) to reimburse expenses incurred for the operations and review of policies, plans of insurance, and related materials (including actuarial and related information); and

"(II) to assist the Corporation in maintaining program actuarial soundness and financial integrity.

"(ii) SECRETARIAL ACTION. For the purposes described in clause (i), the Secretary may, without further appropriation—

"(I) merge some or all of the funds made available under this subparagraph into the accounts of the Risk Management Agency; and

"(II) obligate those funds.

"(iii) MAINTENANCE OF FUNDING. Funds made available under this subparagraph shall be in addition to other funds made available for costs incurred by the Corporation or the Risk Management Agency.".

**SEC. 11022. RESEARCH AND DEVELOPMENT PRIORITIES.**

(a) AUTHORITY TO CONDUCT RESEARCH AND DEVELOPMENT, PRIORITIES.—Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)) is amended—

(1) in the subsection heading, by striking "Contracting";

(2) in paragraph (1), in the matter preceding subparagraph (A), by striking "may enter into contracts to carry out research and development to" and inserting "may conduct activities or enter into contracts to carry out research and development to maintain or improve existing policies or develop new policies to";

(3) in paragraph (2)—

(A) in subparagraph (A), by inserting "conduct research and development or" after "The Corporation may"; and

(B) in subparagraph (B), by inserting "conducting research and development or" after "Before";

(4) in paragraph (5), by inserting "after expert review in accordance with section 505(e)" after "approved by the Board";

(5) in paragraph (6), by striking "a pasture, range, and forage program" and inserting "policies that increase participation by producers of underserved agricultural commodities, including sweet sorghum, biomass sorghum, rice, peanuts, sugarcane, alfalfa, pennycress, dedicated energy crops, and specialty crops";

(6) by redesignating paragraph (17) as paragraph (25); and

(7) by inserting after paragraph (16), the following:

"(17) MARGIN COVERAGE FOR CATFISH.

"(A) IN GENERAL. The Corporation shall offer to enter into a contract with a qualified entity to conduct research and development regarding a policy to insure producers against reduction in the margin between the market value of catfish and selected costs incurred in the production of catfish.

"(B) ELIGIBILITY. Eligibility for the policy described in subparagraph (A) shall be limited to freshwater species of catfish that are propagated and reared in controlled or selected environments.

"(C) IMPLEMENTATION. The Board shall review the policy described in subparagraph (B) under section 508(h) and approve the policy if the Board finds that the policy—

"(i) will likely result in a viable and marketable policy consistent with this subsection;

"(ii) would provide crop insurance coverage in a significantly improved form;

"(iii) adequately protects the interests of producers; and

"(iv) meets other requirements of this subtitle determined appropriate by the Board.

"(18) BIOMASS AND SWEET SORGHUM ENERGY CROP INSURANCE POLICIES.

"(A) IN GENERAL. The Corporation shall offer to enter into 1 or more contracts with qualified entities to carry out research and development regarding—

"(i) a policy to insure biomass sorghum that is grown expressly for the purpose of producing a feedstock for renewable biofuel, renewable electricity, or biobased products; and

"(ii) a policy to insure sweet sorghum that is grown for a purpose described in clause (i).

"(B) RESEARCH AND DEVELOPMENT. Research and development with respect to each of the policies required in subparagraph (A) shall evaluate the effectiveness of risk management tools for the production of biomass sorghum or sweet sorghum, including policies and plans of insurance that—

"(i) are based on market prices and yields;

"(ii) to the extent that insufficient data exist to develop a policy based on market prices and yields, evaluate the policies and plans of insurance based on the use of weather indices, including excessive or inadequate rainfall, to protect the interest of crop producers; and

"(iii) provide protection for production or revenue losses, or both.

"(19) STUDY ON SWINE CATASTROPHIC DISEASE PROGRAM.

"(A) IN GENERAL. The Corporation shall contract with 1 or more qualified entities to conduct a study to determine the feasibility of insuring swine producers for a catastrophic event.

"(B) REPORT. Not later than 1 year after the date of the enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).

"(20) WHOLE FARM DIVERSIFIED RISK MANAGEMENT INSURANCE PLAN.

"(A) IN GENERAL. Unless the Corporation approves a whole farm insurance plan, similar to the plan described in this paragraph, to be available to producers for the 2016 reinsurance year, the Corporation shall conduct activities

or enter into contracts to carry out research and development to develop a whole farm risk management insurance plan, with a liability limitation of $1,500,000, that allows a diversified crop or livestock producer the option to qualify for an indemnity if actual gross farm revenue is below 85 percent of the average gross farm revenue or the expected gross farm revenue that can reasonably be expected of the producer, as determined by the Corporation.

"(B) ELIGIBLE PRODUCERS. The Corporation shall permit producers (including direct-to-consumer marketers and producers servicing local and regional and farm identity-preserved markets) who produce multiple agricultural commodities, including specialty crops, industrial crops, livestock, and aquaculture products, to participate in the plan developed under subparagraph (A) in lieu of any other plan under this subtitle.

"(C) DIVERSIFICATION. The Corporation may provide diversification-based additional coverage payment rates, premium discounts, or other enhanced benefits in recognition of the risk management benefits of crop and livestock diversification strategies for producers that—

"(i) grow multiple crops; or

"(ii) may have income from the production of livestock that uses a crop grown on the farm.

"(D) MARKET READINESS. The Corporation may include coverage for the value of any packing, packaging, or any other similar on-farm activity the Corporation determines to be the minimum required in order to remove the commodity from the field.

"(21) STUDY ON POULTRY CATASTROPHIC DISEASE PROGRAM.

"(A) IN GENERAL. The Corporation shall contract with a qualified person to conduct a study to determine the feasibility of insuring poultry producers for a catastrophic event.

"(B) REPORT. Not later than 1 year after the date of the enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).

"(22) POULTRY BUSINESS INTERRUPTION INSURANCE POLICY.

"(A) DEFINITIONS. In this paragraph, the terms 'poultry' and 'poultry grower' have the meanings given those terms in section 2(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182(a)).

"(B) AUTHORITY. The Corporation shall offer to enter into a contract or cooperative agreement with an institution of higher education or other legal entity to carry out research and development regarding a policy to insure the commercial production of poultry against business interruptions caused by integrator bankruptcy.

"(C) RESEARCH AND DEVELOPMENT. As part of the research and development conducted pursuant to a contract

or cooperative agreement entered into under subparagraph (B), the entity shall—

"(i) evaluate the market place for business interruption insurance that is available to poultry growers;

"(ii) determine what statutory authority would be necessary to implement a business interruption insurance through the Corporation;

"(iii) assess the feasibility of a policy or plan of insurance offered under this subtitle to insure against a portion of losses due to business interruption or to the bankruptcy of an business integrator; and

"(iv) analyze the costs to the Federal Government of a Federal business interruption insurance program for poultry growers or producers.

"(D) DEADLINE FOR CONTRACT OR COOPERATIVE AGREEMENT. Not later than 180 days after the date of enactment of this paragraph, the Corporation shall offer to enter into the contract or cooperative agreement required by subparagraph (B).

"(E) DEADLINE FOR COMPLETION OF RESEARCH AND DEVELOPMENT. Not later than 1 year after the date of enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the research and development conducted pursuant to the contract or cooperative agreement entered into under subparagraph (B).]

"(23) STUDY OF FOOD SAFETY INSURANCE.

"(A) IN GENERAL. The Corporation shall offer to enter into a contract with 1 or more qualified entities to conduct a study to determine whether offering policies that provide coverage for specialty crops from food safety and contamination issues would benefit agricultural producers.

"(B) SUBJECT. The study described in subparagraph (A) shall evaluate policies and plans of insurance coverage that provide protection for production or revenue impacted by food safety concerns including, at a minimum, government, retail, or national consumer group announcements of a health advisory, removal, or recall related to a contamination concern.

"(C) REPORT. Not later than 1 year after the date of enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).".

"(24) ALFALFA CROP INSURANCE POLICY.

"(A) IN GENERAL. The Corporation shall offer to enter into 1 or more contracts with qualified entities to carry out research and development regarding a policy to insure alfalfa.

"(B) REPORT. Not later than 1 year after the date of enactment of this paragraph, the Corporation shall submit

to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).".

(b) FUNDING.—Section 522(e) of the Federal Crop Insurance Act (7 U.S.C. 1522(e)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

(i) in the subparagraph heading, by striking "Authority.—" and inserting "Conducting and contracting for research and development.—"; and

(ii) by inserting "conduct research and development and" after "the Corporation may use to"; and

(B) in subparagraph (B), by inserting "conduct research and development and" after "for the fiscal year to";

(2) in paragraph (3), in the matter preceding subparagraph (A), by striking "to provide either reimbursement payments or contract payments"; and

(3) by striking paragraph (4).

**SEC. 11023. CROP INSURANCE FOR ORGANIC CROPS.**

(a) IN GENERAL.—Section 508(c)(6) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)(6)) is amended by adding at the end the following:

"(D) ORGANIC CROPS.

"(i) IN GENERAL. As soon as possible, but not later than the 2015 reinsurance year, the Corporation shall offer producers of organic crops price elections for all organic crops produced in compliance with standards issued by the Department of Agriculture under the national organic program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.) that reflect the actual retail or wholesale prices, as appropriate, received by producers for organic crops, as determined by the Secretary using all relevant sources of information.

"(ii) ANNUAL REPORT. The Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report on progress made in developing and improving Federal crop insurance for organic crops, including—

"(I) the numbers and varieties of organic crops insured;

"(II) the progress of implementing the price elections required under this subparagraph, including the rate at which additional price elections are adopted for organic crops;

"(III) the development of new insurance approaches relevant to organic producers; and

"(IV) any recommendations the Corporation considers appropriate to improve Federal crop insurance coverage for organic crops.".

(b) CONFORMING AMENDMENT.—Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)) (as amended by section 11022) is amended—

(1) by striking paragraph (10); and

(2) by redesignating paragraphs (11) through (25) as paragraphs (10) through (24), respectively.

**SEC. 11024. PROGRAM COMPLIANCE PARTNERSHIPS.**

(a) IN GENERAL.—Section 522(d) of the Federal Crop Insurance Act (7 U.S.C. 1522(d)) is amended by striking paragraph (1) and inserting the following:

"(1) PURPOSE. The purpose of this subsection is to authorize the Corporation to enter into partnerships with public and private entities for the purpose of either—

"(A) increasing the availability of loss mitigation, financial, and other risk management tools for producers, with a priority given to risk management tools for producers of agricultural commodities covered by section 196 of the Agricultural Market Transition Act (7 U.S.C. 7333), specialty crops, and underserved agricultural commodities; or

"(B) improving analysis tools and technology regarding compliance or identifying and using innovative compliance strategies.".

(b) OBJECTIVES.—Section 522(d)(3) of the Federal Crop Insurance Act (7 U.S.C. 1522(d)(3)) is amended—

(1) in subparagraph (F), by striking "and" at the end;

(2) by redesignating subparagraph (G) as subparagraph (H); and

(3) by inserting after subparagraph (F) the following:

"(G) to improve analysis tools and technology regarding compliance or identifying and using innovative compliance strategies; and".

**SEC. 11025. PILOT PROGRAMS.**

Section 523(a) of the Federal Crop Insurance Act (7 U.S.C. 1523(a)) is amended—

(1) in paragraph (1), by inserting ", at the sole discretion of the Corporation," after "may"; and

(2) by striking paragraph (5).

**SEC. 11026. INDEX-BASED WEATHER INSURANCE PILOT PROGRAM.**

Section 523 of the Federal Crop Insurance Act (7 U.S.C. 1523) is amended by adding at the end the following:

"(i) UNDERSERVED CROPS AND REGIONS PILOT PROGRAMS.

"(1) DEFINITION OF LIVESTOCK COMMODITY. In this subsection, the term 'livestock commodity' includes cattle, sheep, swine, goats, and poultry, including pasture, rangeland, and forage as a source of feed for that livestock.

"(2) AUTHORIZATION. Notwithstanding subsection (a)(2), the Corporation may conduct 2 or more pilot programs to provide producers of underserved specialty crops and livestock commodities with index-based weather insurance, subject to the requirements of this section.

"(3) REVIEW AND APPROVAL OF SUBMISSIONS.

"(A) IN GENERAL. The Board shall approve 2 or more proposed policies or plans of insurance from approved insurance providers if the Board determines that the policies or plans provide coverage as specified in paragraph (2), and meet the conditions described in this paragraph

"(B) REQUIREMENTS. To be eligible for approval under this subsection, the approved insurance provider shall have—

"(i) adequate experience underwriting and administering policies or plans of insurance that are comparable to the proposed policy or plan of insurance;

"(ii) sufficient assets or reinsurance to satisfy the underwriting obligations of the approved insurance provider, and possess a sufficient insurance credit rating from an appropriate credit rating bureau, in accordance with Board procedures; and

"(iii) applicable authority and approval from each State in which the approved insurance provider intends to sell the insurance product.

"(C) REVIEW REQUIREMENTS. In reviewing applications under this subsection, the Board shall conduct the review in a manner consistent with the standards, rules, and procedures for policies or plans of insurance submitted under section 508(h) and the actuarial soundness requirements applied to other policies and plans of insurance made available under this subtitle.

"(D) PRIORITIZATION. The Board shall prioritize applications that provide a new kind of coverage for specialty crops and livestock commodities that previously had no available crop insurance, or has demonstrated a low level of participation under existing coverage.

"(4) PAYMENT OF PREMIUM SUPPORT.

"(A) IN GENERAL. The Corporation shall pay a portion of the premium for producers that purchase a policy or plan of insurance approved pursuant to this subsection.

"(B) AMOUNT. The premium subsidy shall provide a similar dollar amount of premium subsidy per acre that the Corporation pays for comparable policies or plans of insurance reinsured under this subtitle, except that in no case shall the premium subsidy exceed 60 percent of total premium, as determined by the Corporation.

"(C) CALCULATION. The premium subsidy, as determined by the Corporation, shall be calculated as—

"(i) a percentage of premium;

"(ii) a percentage of expected loss determined pursuant to a reasonable actuarial methodology; or

"(iii) a fixed dollar amount per acre.

"(D) PAYMENT. Subject to subparagraphs (B) and (C), the premium subsidy under this subsection shall be paid by the Corporation in the same manner and under the same terms and conditions as premium subsidy for other policies and plans of insurance.

"(E) OPERATING AND ADMINISTRATIVE EXPENSE PAYMENTS.

"(i) IN GENERAL. Subject to clause (ii), operating and administrative expense payments may be made for policies and plans of insurance approved under this subsection in an amount that is commensurate with similar policies and plans of insurance reinsured under this subtitle, on the condition that the operating and administrative expenses are not included in premiums.

"(ii) LIMITATION. Subject to subparagraph (F)(i), Federal reinsurance, research and development costs, other reimbursements, or maintenance fees shall not be provided or collected for policies and plans of insurance approved under this subsection.

"(F) APPROVED INSURANCE PROVIDERS. Any policy or plan of insurance approved under this subsection may be sold only by the approved insurance provider that submits the application and by any additional approved insurance provider that—

"(i) agrees to pay maintenance fees or other payments to the approved insurance provider that submitted the application in an amount agreed to by the applicant and the additional approved insurance provider, on the condition that the fees or payments shall be reasonable and appropriate to ensure that the policies or plans of insurance may be made available by additional approved insurance providers; and

"(ii) meets the eligibility criteria of paragraph (3)(B), as determined by the Board.

"(G) RELATIONSHIP TO OTHER PROVISIONS. The requirements of this paragraph shall apply notwithstanding paragraph (6).

"(5) OVERSIGHT. The Corporation shall develop and publish procedures to administer policies or plans of insurance approved under this subsection that—

"(A) require each approved insurance provider to report sales, acreage and claim data, and any other data that the Corporation determines to be appropriate, to allow the Corporation to evaluate sales and performance of the product; and

"(B) contain such other requirements as the Corporation determines necessary to ensure that the products—

"(i) do not have a significant adverse impact on the crop insurance delivery system;

"(ii) are in the best interests of producers; and

"(iii) do not result in a reduction of program integrity.

"(6) CONFIDENTIALITY.

"(A) IN GENERAL. All reports required under paragraph (5) and all other proprietary information and data generated or derived from applicants under this subsection shall be considered to be confidential commercial or financial information for the purposes of section 552(b)(4) of title 5, United States Code.

"(B) STANDARD. If information concerning a proposal could be withheld by the Secretary under the standard for privileged or confidential information pertaining to trade secrets and commercial or financial information under section 552(b)(4) of title 5, United States Code, the information shall not be released to the public.

"(7) INELIGIBLE PURPOSES. In no case shall a policy or plan of insurance made available under this subsection provide coverage substantially similar to privately available hail insurance.

"(8) FUNDING.

"(A) LIMITATION ON EXPENDITURES. Notwithstanding any other provision in this subsection, of the funds of the Corporation, the Corporation shall use to carry out this section not more than $12,500,000 for each of fiscal years 2015 through 2018, to remain available until expended.

"(B) RELATION TO OTHER PROGRAMS. The amount of funds made available under this section shall be in addition to amounts made available under other provisions of this subtitle, including amounts made available under subsection (b).".

**SEC. 11027. ENHANCING PRODUCER SELF-HELP THROUGH FARM FINANCIAL BENCHMARKING.**

(a) DEFINITION.—Section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)) (as amended by section 11016(a)(1)) is amended—

(1) by redesignating paragraphs (7) through (10) as paragraphs (8) through (11), respectively; and

(2) by inserting after paragraph (6) the following:

"(7) FARM FINANCIAL BENCHMARKING. The term 'farm financial benchmarking' means—

"(A) the process of comparing the performance of an agricultural enterprise against the performance of other similar enterprises, through the use of comparable and reliable data, in order to identify business management strengths, weaknesses, and steps necessary to improve management performance and business profitability; and

"(B) benchmarking of the type conducted by farm management and producer associations consistent with the activities described in or funded pursuant to section 1672D of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925f).".

(b) PARTNERSHIPS FOR RISK MANAGEMENT FOR PRODUCERS OF SPECIALTY CROPS AND UNDERSERVED AGRICULTURAL COMMODITIES.—Section 522(d)(3)(F) of the Federal Crop Insurance Act (7 U.S.C. 1522(d)(3)(F)) is amended by inserting "farm financial benchmarking," after "management,".

(c) CROP INSURANCE EDUCATION AND RISK MANAGEMENT ASSISTANCE.—Section 524(a) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)) is amended—

(1) in paragraph (3)(A), by inserting "farm financial benchmarking," after "risk reduction,"; and

(2) in paragraph (4), in the matter preceding subparagraph (A), by inserting "(including farm financial benchmarking)" after "management strategies".

**SEC. 11028. TECHNICAL AMENDMENTS.**

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

(1) in subsection (b)—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8) through (11) as paragraphs (7) through (10), respectively;

(2) in subsection (e)(2), in the matter preceding subparagraph (A), by striking "paragraph (3)" and inserting "paragraphs (3), (6), and (7)"; and

(3) in subsection (k)(8)(C), by striking "subparagraph (A)(iii)" and inserting "subparagraph (A)(ii)".

(b) Section 522 of the Federal Crop Insurance Act (7 U.S.C. 1522) is amended—

(1) in subsection (b)(4)(A), by striking "paragraphs (1)" and inserting "paragraph (1)"; and

(2) in subsection (e)(1), by adding a period at the end.

(c) Section 531(d)(3)(A) of the Federal Crop Insurance Act (7 U.S.C. 1531(d)(3)(A)) is amended—

(1) by striking "(A) Eligible losses.—" and all that follows through "An eligible" in clause (i) and inserting the following:

"(A) ELIGIBLE LOSSES. An eligible";

(2) by striking clause (ii); and

(3) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively, and indenting appropriately.

(d) Section 901(d)(3)(A) of the Trade Act of 1974 (19 U.S.C. 2497(d)(3)(A)) is amended—

(1) by striking "(A) Eligible losses.—" and all that follows through "An eligible" in clause (i) and inserting the following:

"(A) ELIGIBLE LOSSES. An eligible";

(2) by striking clause (ii); and

(3) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively, and indenting appropriately.

# TITLE XII—MISCELLANEOUS

## Subtitle A—Livestock

**SEC. 12101. [7 U.S.C. 8304 note] TRICHINAE CERTIFICATION PROGRAM.**

(a) ALTERNATIVE CERTIFICATION PROCESS.—The Secretary of Agriculture shall amend the rule made under paragraph (2) of section 11010(a) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8304(a)) to implement the voluntary trichinae certification program established under paragraph (1) of such section, to include a requirement to establish an alternative trichinae certification process based on surveillance or other methods consistent with international standards for categorizing compartments as having negligible risk for trichinae.

(b) FINAL REGULATIONS.—Not later than one year after the date on which the international standards referred to in subsection (a) are adopted, the Secretary shall finalize the rule amended under such subsection.

(c) REAUTHORIZATION.—Section 10405(d)(1) of the Animal Health Protection Act (7 U.S.C. 8304(d)(1)) is amended in subparagraphs (A) and (B) by striking "2012" each place it appears and inserting "2018".

**SEC. 12102. SHEEP PRODUCTION AND MARKETING GRANT PROGRAM.**

(a) IN GENERAL.—Subtitle A of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) is amended by adding at the end the following:

**"SEC. 209. [7 U.S.C. 1627a] SHEEP PRODUCTION AND MARKETING GRANT PROGRAM**

"(a) ESTABLISHMENT. The Secretary of Agriculture, acting through the Administrator of the Agricultural Marketing Service, shall establish a competitive grant program for the purposes of strengthening and enhancing the production and marketing of sheep and sheep products in the United States, including through—

"(1) the improvement of—

"(A) infrastructure;

"(B) business; and

"(C) resource development; and

"(2) the development of innovative approaches to solve long-term needs.

"(b) ELIGIBILITY. The Secretary shall make grants under this section to at least one national entity, the mission of which is consistent with the purpose of the grant program.

"(c) FUNDING. Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $1,500,000 for fiscal year 2014, to remain available until expended.".

(b) CONFORMING AMENDMENT.—Section 375 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008j) (as in existence on the day before the date of the enactment of this Act) is—

(1) amended in subsection (e)—

(A) in paragraph (3)(D), by striking "3 percent" and inserting "10 percent"; and

(B) by striking paragraph (6);

(2) [7 U.S.C. 1627b] redesignated as section 210 of the Agricultural Marketing Act of 1946; and

(3) moved so as to appear at the end of subtitle A of that Act (as amended by subsection (a)).

**SEC. 12103. NATIONAL AQUATIC ANIMAL HEALTH PLAN.**

Section 11013(d) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8322(d)) is amended by striking "2012" and inserting "2018".

**SEC. 12104. COUNTRY OF ORIGIN LABELING.**

(a) ECONOMIC ANALYSIS.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture, acting through the Office of the Chief Economist, shall conduct an

economic analysis of the final rule entitled "Mandatory Country of Origin Labeling of Beef, Pork, Lamb, Chicken, Goat Meat, Wild and Farm-raised Fish and Shellfish, Perishable Agricultural Commodities, Peanuts, Pecans, Ginseng and Macadamia Nuts" published by the Department of Agriculture on May 24, 2013 (78 Fed. Reg. 31367) that makes certain amendments to parts 60 and 65 of title 7, Code of Federal Regulations.

(2) CONTENTS.—The economic analysis described in subsection (a) shall include, with respect to the labeling of beef, pork, and chicken, an analysis of the impact on consumers, producers, and packers in the United States of—

(A) the implementation of subtitle D of the Agricultural Marketing Act of 1946 (7 U.S.C. 1638 et seq.); and

(B) the final rule referred to in subsection (a).

(b) APPLYING COUNTRY OF ORIGIN LABELING REQUIREMENTS TO VENISON.—

(1) DEFINITION OF COVERED COMMODITY.—Section 281(2)(A) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1638(2)(A)) is amended—

(A) in clause (i), by striking "and pork" and inserting "pork, and venison"; and

(B) in clause (ii), by striking "and ground pork" and inserting "ground pork, and ground venison".

(2) NOTICE OF COUNTRY OF ORIGIN.—Section 282(a)(2) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1638a(a)(2)) is amended—

(A) in the heading, by striking "and goat" and inserting "goat, and venison";

(B) by striking "or goat" and inserting "goat, or venison" each place it appears in subparagraphs (A), (B), (C), and (D); and

(C) in subparagraph (E)—

(i) in the heading, by striking "and goat" and inserting "goat, and venison"; and

(ii) by striking "or ground goat" each place it appears and inserting "ground goat, or ground venison".

**SEC. 12105. NATIONAL ANIMAL HEALTH LABORATORY NETWORK.**

The Animal Health Protection Act is amended by inserting after section 10409 (7 U.S.C. 8308) the following new section:

**"SEC. 10409A. NATIONAL ANIMAL HEALTH LABORATORY NETWORK**

"(a) DEFINITION OF ELIGIBLE LABORATORY. In this section, the term 'eligible laboratory' means a diagnostic laboratory that meets specific criteria developed by the Secretary, in consultation with State animal health officials, State veterinary diagnostic laboratories, and veterinary diagnostic laboratories at institutions of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)).

"(b) IN GENERAL. The Secretary, in consultation with State veterinarians, shall offer to enter into contracts, grants, cooperative agreements, or other legal instruments with eligible laboratories for any of the following purposes:

"(1) To enhance the capability of the Secretary to respond in a timely manner to emerging or existing bioterrorist threats to animal health.

"(2) To provide the capacity and capability for standardized—

"(A) test procedures, reference materials, and equipment;

"(B) laboratory biosafety and biosecurity levels;

"(C) quality management system requirements;

"(D) interconnected electronic reporting and transmission of data; and

"(E) evaluation for emergency preparedness.

"(3) To coordinate the development, implementation, and enhancement of national veterinary diagnostic laboratory capabilities, with special emphasis on surveillance planning and vulnerability analysis, technology development and validation, training, and outreach.

"(c) PRIORITY. To the extent practicable and to the extent capacity and specialized expertise may be necessary, the Secretary shall give priority to existing Federal facilities, State facilities, and facilities at institutions of higher education.

"(d) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 12106. FOOD SAFETY INSPECTION.**

(a) INSPECTIONS.—

(1) IN GENERAL.—Section 1(w) of the Federal Meat Inspection Act (21 U.S.C. 601(w)) is amended by striking paragraph (2) and inserting the following:

"(2) all fish of the order Siluriformes; and".

(2) CONDITIONS.—Section 6 of the Federal Meat Inspection Act (21 U.S.C. 606) is amended by striking subsection (b) and inserting the following:

"(b) CERTAIN FISH. In the case of an examination and inspection under subsection (a) of a meat food product derived from any fish described in section 1(w)(2), the Secretary shall take into account the conditions under which the fish is raised and transported to a processing establishment.".

(3) INAPPLICABILITY.—Section 25 of the Federal Meat Inspection Act (21 U.S.C. 625) is amended by striking "not apply" and all that follows and inserting "not apply to any fish described in section 1(w)(2).".

(4) CONFORMING AMENDMENT.—Section 203(n) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622(n)) is amended by striking paragraph (1) and inserting the following:

"(1) all fish of the order Siluriformes; and".

(b) [21 U.S.C. 601 note] IMPLEMENTATION.—

(1) IN GENERAL.—The Secretary shall—

(A) not later than 60 days after the date of enactment of this Act, issue final regulations to carry out the amendments made by section 11016(b)(1) of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246; 122

Stat. 2130), as further clarified by the amendments made by this section; and

(B) not later than 1 year after the date of enactment of this Act, implement the amendments described in subparagraph (A).

(2) NOTIFICATION.—Beginning 30 days after the date of enactment of this Act and every 30 days thereafter until the date of full implementation of the amendments described in paragraph (1)(A), the Secretary shall submit a report describing the status of implementation to—

(A) the Committee on Agriculture of the House of Representatives;

(B) the Committee on Agriculture, Nutrition and Forestry of the Senate;

(C) the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies of the Committee on Appropriations of the House of Representatives; and

(D) the Subcommittee on Agriculture, Rural Development, and Related Agencies of the Committee on Appropriations of the Senate.

(3) PROCEDURE.—Section 1601(c)(2) applies to the promulgation of the regulations and administration of this section and the amendments made by this section.

(4) [21 U.S.C. 601 note] CONFORMING AMENDMENT.—Section 11016(b) of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246; 122 Stat. 2130) is amended by striking paragraph (2) and inserting the following:

"(2) IMPLEMENTATION.

"(A) REGULATIONS. Not later than 60 days after the date of enactment of the Agricultural Act of 2014, the Secretary, in consultation with the Commissioner of Food and Drugs, shall issue final regulations to carry out the amendments made by paragraph (1) and section 12106 of that Act in a manner that ensures that there is no duplication in inspection activities.

"(B) INTERAGENCY COORDINATION. Not later than 60 days after the date of enactment of the Agricultural Act of 2014, the Secretary shall execute a memorandum of understanding with the Commissioner of Food and Drugs for the following purposes:

"(i) To improve interagency cooperation on food safety and fraud prevention, building upon any other prior agreements, including provisions, performance metrics, and timelines as appropriate.

"(ii) To maximize the effectiveness of limited personnel and resources by ensuring that—

"(I) inspections conducted by the Department satisfy requirements under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.);

"(II) inspections of shipments and processing facilities for fish of the order Siluriformes by the Department and the Food and Drug Administration are not duplicative; and

"(III) any information resulting from examination, testing, and inspections conducted is considered in making risk-based determinations, including the establishment of inspection priorities.".

(c) [21 U.S.C. 601 note] EFFECTIVE DATE.—This section and the amendments made by this section shall take effect as if enacted as part of section 11016(b) of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246; 122 Stat. 2130).

**SEC. 12107. [7 U.S.C. 8308 note] NATIONAL POULTRY IMPROVEMENT PLAN.**

The Secretary of Agriculture shall ensure that the Department of Agriculture continues to administer the diagnostic surveillance program for H5/H7 low pathogenic avian influenza with respect to commercial poultry under section 146.14 of title 9, Code of Federal Regulations (or a successor regulation), without amending the regulations in section 147.43 of title 9, Code of Federal Regulations (as in effect on the date of the enactment of this Act), with respect to the governance of the General Conference Committee established under such section. The Secretary of Agriculture shall maintain—

(1) the operations of the General Conference Committee—

(A) in the physical location at which the Committee was located on the date of the enactment of this Act; and

(B) with the organizational structure within the Department of Agriculture in effect as of such date; and

(2) the funding levels for the National Poultry Improvement Plan for Commercial Poultry (established under part 146 of title 9, Code of Federal Regulations, or a successor regulation) at the fiscal year 2013 funding levels for the Plan.

**SEC. 12108. SENSE OF CONGRESS REGARDING FERAL SWINE ERADICATION.**

It is the sense of the Congress that—

(1) the Secretary of Agriculture should recognize the threat feral swine pose to the domestic swine population and the entire agriculture industry; and

(2) feral swine eradication is a high priority that the Secretary should carry out under the authorities of the Animal Health Protection Act (7 U.S.C. 8301 et seq.).

## Subtitle B—Socially Disadvantaged Producers and Limited Resource Producers

**SEC. 12201. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS AND VETERAN FARMERS AND RANCHERS.**

(a) OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS AND VETERAN FARMERS AND RANCHERS.—Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended—

(1) in the section heading, by inserting "AND VETERAN FARMERS AND RANCHERS" after "RANCHERS";

(2) in subsection (a)—

(A) in paragraph (1), in the matter preceding subparagraph (A), by inserting "and veteran farmers or ranchers" after "ranchers";

(B) in paragraph (2)(B)(i), by inserting "and veteran farmers or ranchers" after "ranchers"; and

(C) in paragraph (4)—

(i) in subparagraph (A)—

(I) in the subparagraph heading, by striking "2012" and inserting "2018";

(II) in clause (i), by striking "and" at the end;

(III) in clause (ii), by striking the period at the end and inserting "; and"; and

(IV) by adding at the end the following new clause:

"(iii) $10,000,000 for each of fiscal years 2014 through 2018."; and

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

"(E) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2014 through 2018.";

(3) in subsection (b)(2), by inserting "or veteran farmers and ranchers" after "socially disadvantaged farmers and ranchers";

(4) in subsection (c)—

(A) in paragraph (1)(A), by inserting "veteran farmers or ranchers and" before "members"; and

(B) in paragraph (2)(A), by inserting "veteran farmers or ranchers and" before "members"; and

(5) in subsection (e)(5)(A)—

(A) in clause (i), by inserting "and veteran farmers or ranchers" after "ranchers"; and

(B) in clause (ii), by inserting "and veteran farmers or ranchers" after "ranchers".

(b) DEFINITION OF VETERAN FARMER OR RANCHER.—Section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)) is amended by adding at the end the following new paragraph:

"(7) VETERAN FARMER OR RANCHER. The term 'veteran farmer or rancher' means a farmer or rancher who has served in the Armed Forces (as defined in section 101(10) of title 38 United States Code) and who—

"(A) has not operated a farm or ranch; or

"(B) has operated a farm or ranch for not more than 10 years.".

**SEC. 12202. OFFICE OF ADVOCACY AND OUTREACH.**

Paragraph (3) of section 226B(f) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6934(f)) is amended to read as follows:

"(3) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to carry out this subsection—

"(A) such sums as are necessary for each of fiscal years 2009 through 2013; and

"(B) $2,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 12203. SOCIALLY DISADVANTAGED FARMERS AND RANCHERS POLICY RESEARCH CENTER.**

Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), as amended by section 12201, is amended by adding at the end the following new subsection:

"(i) SOCIALLY DISADVANTAGED FARMERS AND RANCHERS POLICY RESEARCH CENTER. The Secretary shall award a grant to a college or university eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, to establish a policy research center to be known as the 'Socially Disadvantaged Farmers and Ranchers Policy Research Center' for the purpose of developing policy recommendations for the protection and promotion of the interests of socially disadvantaged farmers and ranchers.".

**SEC. 12204. RECEIPT FOR SERVICE OR DENIAL OF SERVICE FROM CERTAIN DEPARTMENT OF AGRICULTURE AGENCIES.**

Section 2501A(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279-1(e)) is amended by striking "and, at the time of the request, also requests a receipt".

# Subtitle C—Other Miscellaneous Provisions

**SEC. 12301. GRANTS TO IMPROVE SUPPLY, STABILITY, SAFETY, AND TRAINING OF AGRICULTURAL LABOR FORCE.**

Subsection (d) of section 14204 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 2008q-1) is amended to read as follows:

"(d) AUTHORIZATION OF APPROPRIATIONS. There are authorized to be appropriated to carry out this section—

"(1) such sums as are necessary for each of fiscal years 2008 through 2013; and

"(2) $10,000,000 for each of fiscal years 2014 through 2018.".

**SEC. 12302. PROGRAM BENEFIT ELIGIBILITY STATUS FOR PARTICIPANTS IN HIGH PLAINS WATER STUDY.**

Section 2901 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246; 122 Stat. 1818) is amended by striking "this Act or an amendment made by this Act" and inserting "this Act, an amendment made by this Act, the Agricultural Act of 2014, or an amendment made by the Agricultural Act of 2014".

**SEC. 12303. OFFICE OF TRIBAL RELATIONS.**

Title III of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 is amended by adding after section 308 (7 U.S.C. 3125a note; Public Law 103-354) the following new section:

**"SEC. 309. [7 U.S.C. 6921] OFFICE OF TRIBAL RELATIONS**

"The Secretary shall maintain in the Office of the Secretary an Office of Tribal Relations, which shall advise the Secretary on poli-

cies related to Indian tribes and carry out such other functions as the Secretary considers appropriate.".

**SEC. 12304. MILITARY VETERANS AGRICULTURAL LIAISON.**

Subtitle A of the Department of Agriculture Reorganization Act of 1994 is amended by inserting after section 218 (7 U.S.C. 6918) the following new section:

**"SEC. 219. [7 U.S.C. 6919] MILITARY VETERANS AGRICULTURAL LIAISON**

"(a) AUTHORIZATION. The Secretary shall establish in the Department the position of Military Veterans Agricultural Liaison.

"(b) DUTIES. The Military Veterans Agricultural Liaison shall—

"(1) provide information to returning veterans about, and connect returning veterans with, beginning farmer training and agricultural vocational and rehabilitation programs appropriate to the needs and interests of returning veterans, including assisting veterans in using Federal veterans educational benefits for purposes relating to beginning a farming or ranching career;

"(2) provide information to veterans concerning the availability of, and eligibility requirements for, participation in agricultural programs, with particular emphasis on beginning farmer and rancher programs;

"(3) serve as a resource for assisting veteran farmers and ranchers, and potential farmers and ranchers, in applying for participation in agricultural programs; and

"(4) advocate on behalf of veterans in interactions with employees of the Department.

"(c) CONTRACTS AND COOPERATIVE AGREEMENTS. For purposes of carrying out the duties under subsection (b), the Military Veterans Agricultural Liaison may enter into contracts or cooperative agreements with the research centers of the Agricultural Research Service, institutions of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)), or nonprofit organizations for—

"(1) the conduct of regional research on the profitability of small farms;

"(2) the development of educational materials;

"(3) the conduct of workshops, courses, and certified vocational training;

"(4) the conduct of mentoring activities; or

"(5) the provision of internship opportunities.".

**SEC. 12305. NONINSURED CROP ASSISTANCE PROGRAM.**

(a) IN GENERAL.—Section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333) is amended—

(1) in subsection (a)—

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

"(1) IN GENERAL.

"(A) COVERAGES. In the case of an eligible crop described in paragraph (2), the Secretary of Agriculture shall operate a noninsured crop disaster assistance program to provide coverages based on individual yields (other than for value-loss crops) equivalent to—

"(i) catastrophic risk protection available under section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)); or

"(ii) except in the case of crops and grasses used for grazing, additional coverage available under subsections (c) and (h) of section 508 of that Act (7 U.S.C. 1508) that does not exceed 65 percent, as described in subsection (l).

"(B) ADMINISTRATION. The Secretary shall carry out this section through the Farm Service Agency (referred to in this section as the 'Agency').."; and

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (i), by striking "and" after the semicolon at the end;

(II) by redesignating clause (ii) as clause (iii); and

(III) by inserting after clause (i) the following:

"(ii) for which additional coverage under subsections (c) and (h) of section 508 of that Act (7 U.S.C. 1508) is not available; and"; and

(ii) in subparagraph (B), by striking "and industrial crops" and inserting "sweet sorghum, biomass sorghum, and industrial crops (including those grown expressly for the purpose of producing a feedstock for renewable biofuel, renewable electricity, or biobased products)";

(2) in subsection (i)(2), by striking "$100,000" and inserting "$125,000";

(3) in subsection (k)(2), by striking "limited resource farmer" and inserting "limited resource, beginning, or socially disadvantaged farmer"; and

(4) by adding at the end the following:

"(l) PAYMENT EQUIVALENT TO ADDITIONAL COVERAGE.

"(1) IN GENERAL. The Secretary shall make available noninsured assistance under this subsection (other than for crops and grasses used for grazing) at a payment amount that is equivalent to an indemnity for additional coverage under subsections (c) and (h) of section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) and equal to the product obtained by multiplying—

"(A) the amount that—

"(i) the additional coverage yield, which shall be equal to the product obtained by multiplying—

"(I) an amount not less than 50 percent nor more than 65 percent, as elected by the producer and specified in 5-percent increments; and

"(II) the approved yield for the crop, as determined by the Secretary; exceeds

"(ii) the actual yield;

"(B) 100 percent of the average market price for the crop, as determined by the Secretary; and

"(C) a payment rate for the type of crop, as determined by the Secretary, that reflects—

"(i) in the case of a crop that is produced with a significant and variable harvesting expense, the decreasing cost incurred in the production cycle for the crop that is, as applicable—

"(I) harvested;

"(II) planted but not harvested; or

"(III) prevented from being planted because of drought, flood, or other natural disaster, as determined by the Secretary; or

"(ii) in the case of a crop that is produced without a significant and variable harvesting expense, such rate as shall be determined by the Secretary.

"(2) SERVICE FEE AND PREMIUM. To be eligible to receive a payment under this subsection, a producer shall pay—

"(A) the service fee required by subsection (k); and

"(B) the lesser of—

"(i) the sum of the premiums for each eligible crop, with the premium for each eligible crop obtained by multiplying—

"(I) the number of acres devoted to the eligible crop;

"(II) the yield, as determined by the Secretary under subsection (e);

"(III) the coverage level elected by the producer;

"(IV) the average market price, as determined by the Secretary; and

"(V) a 5.25-percent premium fee; or

"(ii) the product obtained by multiplying—

"(I) a 5.25-percent premium fee; and

"(II) the applicable payment limit.

"(3) ADDITIONAL AVAILABILITY.

"(A) IN GENERAL. As soon as practicable after October 1, 2013, the Secretary shall make assistance available to producers of an otherwise eligible crop described in subsection (a)(2) that suffered losses—

"(i) to a 2012 annual fruit crop grown on a bush or tree; and

"(ii) in a county covered by a declaration by the Secretary of a natural disaster for production losses due to a freeze or frost.

"(B) ASSISTANCE. The Secretary shall make assistance available under subparagraph (A) in an amount equivalent to assistance available under paragraph (1), less any fees not previously paid under paragraph (2).

"(4) LIMITED RESOURCE, BEGINNING, AND SOCIALLY DISADVANTAGED FARMERS. The coverage made available under this subsection shall be available to limited resource, beginning, and socially disadvantaged farmers, as determined by the Secretary, in exchange for a premium that is 50 percent of the premium determined under paragraph (2).

"(5) EFFECTIVE DATE. Except as provided in paragraph (3)(A), additional coverage under this subsection shall be available for each of the 2015 through 2018 crop years.".

(b) PROHIBITION ON CATASTROPHIC RISK PROTECTION.—Section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)) is amended by striking paragraph (1) and inserting the following:

"(1) COVERAGE AVAILABILITY.

"(A) IN GENERAL. Except as provided in subparagraph (B), the Corporation shall offer a catastrophic risk protection plan to indemnify producers for crop loss due to loss of yield or prevented planting, if provided by the Corporation, when the producer is unable, because of drought, flood, or other natural disaster (as determined by the Secretary), to plant other crops for harvest on the acreage for the crop year.

"(B) EXCEPTION. Coverage described in subparagraph (A) shall not be available for crops and grasses used for grazing.".

**SEC. 12306. [7 U.S.C. 1632c] ACER ACCESS AND DEVELOPMENT PROGRAM.**

(a) GRANTS AUTHORIZED.—The Secretary of Agriculture may make competitive grants to States, tribal governments, and research institutions to support the efforts of such States, tribal governments, and research institutions to promote the domestic maple syrup industry through the following activities:

(1) Promotion of research and education related to maple syrup production.

(2) Promotion of natural resource sustainability in the maple syrup industry.

(3) Market promotion for maple syrup and maple-sap products.

(4) Encouragement of owners and operators of privately held land containing species of trees in the genus Acer—

(A) to initiate or expand maple-sugaring activities on the land; or

(B) to voluntarily make the land available, including by lease or other means, for access by the public for maple-sugaring activities.

(b) APPLICATION.—In submitting an application for a competitive grant under this section, a State, tribal government, or research institution shall include—

(1) a description of the activities to be supported using the grant funds;

(2) a description of the benefits that the State, tribal government, or research institution intends to achieve as a result of engaging in such activities; and

(3) an estimate of the increase in maple-sugaring activities or maple syrup production that the State, tribal government, or research institution anticipates will occur as a result of engaging in such activities.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed so as to preempt a State or tribal government law, including a State or tribal government liability law.

(d) DEFINITION OF MAPLE-SUGARING.—In this section, the term "maple-sugaring" means the collection of sap from any species of tree in the genus Acer for the purpose of boiling to produce food.

(e) REGULATIONS.—The Secretary of Agriculture shall promulgate such regulations as are necessary to carry out this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2014 through 2023.

**SEC. 12307. SCIENCE ADVISORY BOARD.**

Section 8 of the Environmental Research, Development, and Demonstration Authorization Act of 1978 (42 U.S.C. 4365) is amended—

(1) by striking subsection (e) and inserting the following:

"(e) COMMITTEES.

"(1) MEMBER COMMITTEES.

"(A) IN GENERAL. The Board is authorized to establish such member committees and investigative panels as the Administrator and the Board determine to be necessary to carry out this section.

"(B) CHAIRMANSHIP. Each member committee or investigative panel established under this subsection shall be chaired by a member of the Board.

"(2) AGRICULTURE-RELATED COMMITTEES.

"(A) IN GENERAL. The Administrator and the Board—

"(i) shall establish a standing agriculture-related committee; and

"(ii) may establish such additional agriculture-related committees and investigative panels as the Administrator and the Board determines to be necessary to carry out the duties under subparagraph (C).

"(B) MEMBERSHIP. The standing committee and each agriculture-related committee or investigative panel established under subparagraph (A) shall be—

"(i) composed of—

"(I) such quantity of members as the Administrator and the Board determines to be necessary; and

"(II) individuals who are not members of the Board on the date of appointment to the committee or investigative panel; and

"(ii) appointed by the Administrator and the Board, in consultation with the Secretary of Agriculture.

"(C) DUTIES. The agriculture-related standing committee and each additional committee and investigative panel established under subparagraph (A) shall provide scientific and technical advice to the Board relating to matters referred to the Board that the Administrator and the Board determines, in consultation with the Secretary of Agriculture, to have a significant direct impact on enterprises that are engaged in the business of the production of food and fiber, ranching and raising livestock, aquaculture, and all other farming- and agriculture-related industries."; and

(2) by adding at the end the following:

"(h) PUBLIC PARTICIPATION AND TRANSPARENCY. The Board shall make every effort, consistent with applicable law, including section 552 of title 5, United States Code (commonly known as the 'Freedom of Information Act') and section 552a of title 5, United States Code (commonly known as the 'Privacy Act'), to maximize public participation and transparency, including making the scientific and technical advice of the Board and any committees or investigative panels of the Board publically available in electronic form on the website of the Environmental Protection Agency.

"(i) REPORT TO CONGRESS. The Administrator shall annually report to the Committees on Environment and Public Works and Agriculture of the Senate and the Committees on Transportation and Infrastructure, Energy and Commerce, and Agriculture of the House of Representatives regarding the membership and activities of the standing agriculture-related committee established pursuant to subsection (e)(2)(A)(i).".

**SEC. 12308. AMENDMENTS TO ANIMAL WELFARE ACT.**

(a) LICENSING OF DEALERS AND EXHIBITORS.—

(1) DEFINITION.—Section 2 of the Animal Welfare Act (7 U.S.C. 2132) is amended—

(A) in the matter preceding subsection (a), by striking "When used in this Act—" and inserting "In this Act:";

(B) in subsection (f), by striking "(2) any dog for hunting, security, or breeding purposes" and all that follows through the semicolon at the end and inserting "(2) any dog for hunting, security, or breeding purposes. Such term does not include a retail pet store (other than a retail pet store which sells any animals to a research facility, an exhibitor, or another dealer).";

(C) in each of subsections (a), (b), (d), (e), (g), (h), (i), (j), (k), and (m), by striking the semicolon at the end and inserting a period; and

(D) in subsection (n), by striking "; and" at the end and inserting a period.

(2) LICENSING.—Section 3 of the Animal Welfare Act (7 U.S.C. 2133) is amended by striking ": Provided, however, That any retail pet store" and all that follows through "under this Act." and inserting the following ": Provided, however, That a dealer or exhibitor shall not be required to obtain a license as a dealer or exhibitor under this Act if the size of the business is determined by the Secretary to be de minimis.".

(b) PROHIBITION ON ATTENDING AN ANIMAL FIGHT OR CAUSING AN INDIVIDUAL WHO HAS NOT ATTAINED THE AGE OF 16 TO ATTEND AN ANIMAL FIGHT; ENFORCEMENT OF ANIMAL FIGHTING PROVISIONS.—

(1) PROHIBITION ON ATTENDING AN ANIMAL FIGHT OR CAUSING AN INDIVIDUAL WHO HAS NOT ATTAINED THE AGE OF 16 TO ATTEND AN ANIMAL FIGHT.—Section 26(a) of the Animal Welfare Act (7 U.S.C. 2156(a)) is amended—

(A) in the heading, by striking "Sponsoring or Exhibiting an Animal in" and inserting "Sponsoring or Exhibiting an Animal in, Attending, or Causing an Individual Who Has Not Attained the Age of 16 To Attend,"; and

(B) in paragraph (1)—

(i) in the heading, by striking "In General" and inserting "Sponsoring or Exhibiting"; and

(ii) by striking "paragraph (2)" and inserting "paragraph (3)";

(iii) by redesignating paragraph (2) as paragraph (3); and

(iv) by inserting after paragraph (1) the following:

"(2) ATTENDING OR CAUSING AN INDIVIDUAL WHO HAS NOT ATTAINED THE AGE OF 16 TO ATTEND. It shall be unlawful for any person to—

"(A) knowingly attend an animal fighting venture; or

"(B) knowingly cause an individual who has not attained the age of 16 to attend an animal fighting venture.".

(2) ENFORCEMENT OF ANIMAL FIGHTING PROHIBITIONS.—Section 49 of title 18, United States Code, is amended—

(A) by striking "Whoever" and inserting "(a) In General.—Whoever";

(B) in subsection (a), as designated by subparagraph (A), by striking "subsection (a)," and inserting "subsection (a)(1),"; and

(C) by adding at the end the following:

"(b) ATTENDING AN ANIMAL FIGHTING VENTURE. Whoever violates subsection (a)(2)(A) of section 26 of the Animal Welfare Act (7 U.S.C. 2156) shall be fined under this title, imprisoned for not more than 1 year, or both, for each violation.

"(c) CAUSING AN INDIVIDUAL WHO HAS NOT ATTAINED THE AGE OF 16 TO ATTEND AN ANIMAL FIGHTING VENTURE. Whoever violates subsection (a)(2)(B) of section 26 (7 U.S.C. 2156) of the Animal Welfare Act shall be fined under this title, imprisoned for not more than 3 years, or both, for each violation.".

**SEC. 12309. [19 U.S.C. 1304a] PRODUCE REPRESENTED AS GROWN IN THE UNITED STATES WHEN IT IS NOT IN FACT GROWN IN THE UNITED STATES.**

(a) TECHNICAL ASSISTANCE TO CBP.—The Secretary of Agriculture shall make available to U.S. Customs and Border Protection technical assistance related to the identification of produce represented as grown in the United States when it is not in fact grown in the United States.

(b) REPORT TO CONGRESS.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on produce represented as grown in the United States when it is not in fact grown in the United States.

**SEC. 12310. [22 U.S.C. 277i] REPORT ON WATER SHARING.**

Not later than 120 days after the date of the enactment of this Act and annually thereafter, the Secretary of State shall submit to Congress a report on efforts by Mexico to meet its treaty deliveries of water to the Rio Grande in accordance with the Treaty between the United States and Mexico Respecting Utilization of waters of the Colorado and Tijuana Rivers and of the Rio Grande (done at Washington, February 3, 1944).

**SEC. 12311. [21 U.S.C. 350h note] SCIENTIFIC AND ECONOMIC ANALYSIS OF THE FDA FOOD SAFETY MODERNIZATION ACT.**

(a) IN GENERAL.—When publishing a final rule with respect to "Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption" published by the Department of Health and Human Services on January 16, 2013 (78 Fed. Reg. 3504), the Secretary of Health and Human Services (referred to in this section as the "Secretary") shall ensure that the final rule (referred to in this section as the "final rule") includes the following information:

(1) An analysis of the scientific information used to promulgate the final rule, taking into consideration any information about farming and ranching operations of a variety of sizes, with regional differences, and that have a diversity of production practices and methods.

(2) An analysis of the economic impact of the final rule.

(3) A plan to systematically—

(A) evaluate the impact of the final rule on farming and ranching operations; and

(B) develop an ongoing process to evaluate and respond to business concerns.

(b) REPORT.—Not later than 1 year after the date on which the Secretary promulgates the final rule referred to in subsection (a), the Comptroller General of the United States shall submit to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Health, Education, and Labor of the Senate and the Committee on Agriculture and the Committee on Energy and Commerce of the House of Representatives a report on the effectiveness of the ongoing evaluation and response process referred to in subsection (a)(3)(B). Not later than one year after the date on which such report is submitted, the Comptroller General of the United States shall submit to such committees an updated report on such process.

**SEC. 12312. PAYMENT IN LIEU OF TAXES.**

Section 6906 of title 31, United States Code, is amended, in the matter preceding paragraph (1), by striking "2013" and inserting "2014".

**SEC. 12313. SILVICULTURAL ACTIVITIES.**

Section 402(l) of the Federal Water Pollution Control Act (33 U.S.C. 1342(l)) is amended by adding at the end the following:

"(3) SILVICULTURAL ACTIVITIES.

"(A) NPDES PERMIT REQUIREMENTS FOR SILVICULTURAL ACTIVITIES. The Administrator shall not require a permit under this section nor directly or indirectly require any State to require a permit under this section for a discharge from runoff resulting from the conduct of the following silviculture activities conducted in accordance with standard industry practice: nursery operations, site preparation, reforestation and subsequent cultural treatment, thinning, prescribed burning, pest and fire control, harvesting operations, surface drainage, or road construction and maintenance.

"(B) OTHER REQUIREMENTS. Nothing in this paragraph exempts a discharge from silvicultural activity from any permitting requirement under section 404, existing permitting requirements under section 402, or from any other federal law.

"(C) The authorization provided in Section 505(a) does not apply to any non-permitting program established under 402(p)(6) for the silviculture activities listed in 402(l)(3)(A), or to any other limitations that might be deemed to apply to the silviculture activities listed in 402(l)(3)(A).".

**SEC. 12314. [7 U.S.C. 2101 note] PIMA AGRICULTURE COTTON TRUST FUND.**

(a) ESTABLISHMENT OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the "Pima Agriculture Cotton Trust Fund" (in this section referred to as the "Trust Fund"), consisting of such amounts as may be transferred to the Trust Fund pursuant to subsection (h), and to be used for the purpose of reducing the injury to domestic manufacturers resulting from tariffs on cotton fabric that are higher than tariffs on certain apparel articles made of cotton fabric.

(b) DISTRIBUTION OF FUNDS.—From amounts in the Trust Fund, the Secretary shall make payments annually beginning in calendar year 2014 for calendar years 2014 through 2023 as follows:

(1) Twenty-five percent of the amounts in the Trust Fund shall be paid to one or more nationally recognized associations established for the promotion of pima cotton for use in textile and apparel goods.

(2)(A) Except as provided in subparagraph (B), twenty-five percent of the amounts in the Trust Fund shall be paid to yarn spinners of pima cotton that produce ring spun cotton yarns in the United States, to be allocated to each spinner in an amount that bears the same ratio as—

(i) the spinner's production of ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number) from pima cotton in single and plied form during the prior calendar year (as evidenced by an affidavit provided by the spinner that meets the requirements of subsection (c)), bears to—

(ii) the production of the yarns described in clause (i) during the prior calendar year for all spinners who qualify under this paragraph.

(B)(i) A yarn spinner shall not receive an amount under subparagraph (A) that exceeds the cost of pima cotton that—

(I) was purchased during the prior calendar year; and

(II) was used in spinning any cotton yarns.

(ii) The Secretary shall reallocate any amounts reduced by reason of the limitation under clause (i) to spinners using the ratio described in subparagraph (A), disregarding production of any spinner subject to that limitation.

(3) Fifty percent of the amounts in the Trust Fund shall be paid to manufacturers who cut and sew cotton shirts in the United States who certify that they used imported cotton fabric

during the prior calendar year, to be allocated to each such manufacturer in an amount that bears the same ratio as—

(A) the dollar value (excluding duty, shipping, and related costs) of imported woven cotton shirting fabric of 80s or higher count and 2-ply in warp purchased by the manufacturer during the prior calendar year (as evidenced by an affidavit provided by the manufacturer that meets the requirements of subsection (d)) used in the manufacturing of men's and boys' cotton shirts, bears to—

(B) the dollar value (excluding duty, shipping, and related costs) of the fabric described in subparagraph (A) purchased during the prior calendar year by all manufacturers who qualify under this paragraph.

(c) AFFIDAVIT OF YARN SPINNERS.—The affidavit required by subsection (b)(2)(A)(i) is a notarized affidavit provided annually by an officer of a producer of ring spun yarns that affirms—

(1) that the producer used pima cotton during the year in which the affidavit is filed and during the prior calendar year to produce ring spun cotton yarns in the United States, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form;

(2) the quantity, measured in pounds, of ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during the prior calendar year;

(3) that the producer maintains supporting documentation showing the quantity of such yarns produced, and evidencing the yarns as ring spun cotton yarns, measuring less than 83.33 decitex (exceeding 120 metric number), in single and plied form during the prior calendar year; and

(4) the dollar amount of pima cotton purchased during the prior calendar year—

(A) that was used in spinning any cotton yarns; and

(B) for which the producer maintains supporting documentation.

(d) AFFIDAVIT OF SHIRTING MANUFACTURERS.—

(1) IN GENERAL.—The affidavit required by subsection (b)(3)(A) is a notarized affidavit provided annually by an officer of a manufacturer of men's and boys' shirts that affirms—

(A) that the manufacturer used imported cotton fabric during the year in which the affidavit is filed and during the prior calendar year, to cut and sew men's and boys' woven cotton shirts in the United States;

(B) the dollar value of imported woven cotton shirting fabric of 80s or higher count and 2-ply in warp purchased by the manufacturer during the prior calendar year;

(C) that the manufacturer maintains invoices along with other supporting documentation (such as price lists and other technical descriptions of the fabric qualities) showing the dollar value of such fabric purchased, the date of purchase, and evidencing the fabric as woven cotton fabric of 80s or higher count and 2-ply in warp; and

(D) that the fabric was suitable for use in the manufacturing of men's and boys' cotton shirts.

(2) DATE OF PURCHASE.—For purposes of the affidavit under paragraph (1), the date of purchase shall be the invoice date, and the dollar value shall be determined excluding duty, shipping, and related costs.

(e) FILING DEADLINE FOR AFFIDAVITS.—Any person required to provide an affidavit under this section shall file the affidavit with the Secretary or as directed by the Secretary not later than March 15 of the applicable calendar year.

(f) TIMING OF DISTRIBUTIONS.—The Secretary shall make a payment under paragraph (2) or (3) of subsection (b) not later than the date that is 30 days after the filing of the affidavit required with respect to that payment.

(g) MEMORANDUM OF UNDERSTANDING.—The Secretary and the Commissioner responsible for U.S. Customs and Border Protection shall, as soon as practicable after the date of the enactment of this Act, negotiate a memorandum of understanding to establish procedures pursuant to which the Commissioner will assist the Secretary in carrying out the provisions of this section.

(h) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall transfer to the Trust Fund $16,000,000 for each of calendar years 2014 through 2023, to remain available until expended.

**SEC. 12315. [7 U.S.C. 7101 note] AGRICULTURE WOOL APPAREL MANUFACTURERS TRUST FUND.**

(a) ESTABLISHMENT OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the "Agriculture Wool Apparel Manufacturers Trust Fund" (in this section referred to as the "Trust Fund"), consisting of such amounts as may be transferred to the Trust Fund pursuant to subsection (f), and to be used for the purpose of reducing the injury to domestic manufacturers resulting from tariffs on wool fabric that are higher than tariffs on certain apparel articles made of wool fabric.

(b) DISTRIBUTION OF FUNDS.—

(1) IN GENERAL.—From amounts in the Trust Fund, the Secretary may make payments annually beginning in calendar year 2014 for calendar years 2010 through 2023 as follows:

(A) To each eligible manufacturer under paragraph (3) of section 4002(c) of the Wool Suit and Textile Trade Extension Act of 2004 (Public Law 108-429; 118 Stat. 2600), as amended by section 1633(c) of the Miscellaneous Trade and Technical Corrections Act of 2006 (Public Law 109-280; 120 Stat. 1166) and section 325(b) of the Tax Extenders and Alternative Minimum Tax Relief Act of 2008 (division C of Public Law 110-343; 122 Stat. 3875), and any successor-in-interest to such a manufacturer as provided for under paragraph (4) of such section 4002(c), that submits an affidavit in accordance with paragraph (2) for the year of the payment, payments in amounts authorized under that paragraph.

(B) To each eligible manufacturer under paragraph (6) of such section 4002(c), payments in amounts authorized under that paragraph.

(2) SUBMISSION OF AFFIDAVITS.—An affidavit required by paragraph (1)(A) shall be submitted to the Secretary, or as directed by the Secretary, and not later than March 1.

(c) PAYMENT OF AMOUNTS.—The Secretary shall make payments to eligible manufacturers and successors-in-interest described in paragraphs (1) and (2) of subsection (b) not later than April 15 of the year of the payment.

(d) MEMORANDA OF UNDERSTANDING.—The Secretary shall, as soon as practicable after the date of the enactment of this Act, negotiate memoranda of understanding with the Commissioner responsible for U.S. Customs and Border Protection and the Secretary of Commerce to establish procedures pursuant to which the Commissioner and the Secretary of Commerce will assist in carrying out the provisions of this section.

(e) INCREASE IN PAYMENTS IN THE EVENT OF EXPIRATION OF DUTY SUSPENSIONS.—

(1) IN GENERAL.—In any calendar year in which the suspension of duty on wool fabrics provided for under headings 9902.51.11, 9902.51.13, 9902.51.14, 9902.51.15, and 9902.51.16 of the Harmonized Tariff Schedule of the United States are not in effect, the amount of any payment described in subsection (b)(1) to a manufacturer or successor-in-interest shall be increased by an amount the Secretary, after consultation with the Secretary of Commerce, determines is equal to the amount the manufacturer or successor-in-interest would have saved during the calendar year of the payment if the suspension of duty on wool fabrics were in effect.

(2) NO APPEAL OF DETERMINATIONS.—A determination of the Secretary under this subsection shall be final and not subject to appeal or protest.

(f) FUNDING.—

(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall transfer to the Trust Fund for each of calendar years 2014 through 2023 an amount equal to the lesser of—

(A) the amount the Secretary determines to be necessary to make payments required by this section in that calendar year; or

(B) $30,000,000.

(2) AVAILABILITY.—Amounts transferred to the Trust Fund under paragraph (1) shall remain available until expended.

**SEC. 12316. [7 U.S.C. 7101] WOOL RESEARCH AND PROMOTION.**

(a) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to provide grants described in section 506(d) of the Trade and Development Act of 2000 (7 U.S.C. 7101 note) $2,250,000 for each of calendar years 2019 through 2023, to remain available until expended.

(b) AUTHORIZATION TO DISTRIBUTE UNEXPENDED BALANCE.—In addition to funds made available under subsection (a) and notwithstanding subsection (f) of section 506 of the Trade and Development Act of 2000 (7 U.S.C. 7101 note), the Secretary may use any unexpended balances remaining in the Wool Research, Development, and Promotion Trust Fund established under that section as

of December 31, 2014, to provide grants described in subsection (d) of that section.

# Subtitle D—Oilheat Efficiency, Renewable Fuel Research and Jobs Training

**SEC. 12401. [42 U.S.C. 6201] SHORT TITLE.**

This subtitle may be cited as the "Oilheat Efficiency, Renewable Fuel Research and Jobs Training Act of 2014".

**SEC. 12402. FINDINGS AND PURPOSES.**

Section 702 of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended—

(1) in paragraph (4), by striking "and" after the semicolon at the end;

(2) by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(6) consumers of oilheat fuel are provided service by thousands of small businesses that are unable to individually develop training programs to facilitate the entry of new and qualified workers into the oilheat fuel industry;

"(7) small businesses and trained employees are in an ideal position—

"(A) to provide information to consumers about the benefits of improved efficiency; and

"(B) to encourage consumers to value efficiency in energy choices and assist individuals in conserving energy;

"(8) additional research is necessary—

"(A) to improve oilheat fuel equipment; and

"(B) to develop domestic renewable resources that can be used to safely and affordably heat homes;

"(9) since there are no Federal resources available to assist the oilheat fuel industry, it is necessary and appropriate to develop a self-funded program dedicated—

"(A) to improving efficiency in customer homes;

"(B) to assist individuals to gain employment in the oilheat fuel industry; and

"(C) to develop domestic renewable resources;

"(10) both consumers of oilheat fuel and retailers would benefit from the self-funded program; and

"(11) the oilheat fuel industry is committed to providing appropriate funding necessary to carry out the purposes of this title without passing additional costs on to residential consumers.".

**SEC. 12403. DEFINITIONS.**

(a) IN GENERAL.—Section 703 of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended—

(1) by redesignating paragraphs (3) through (15) as paragraphs (4) through (16), respectively;

(2) by inserting after paragraph (2) the following:

"(3) COST-EFFECTIVE. The term 'cost-effective', with respect to a program or activity carried out under section 707(f)(4), means that the program or activity meets a total resource cost test under which—

"(A) the net present value of economic benefits over the life of the program or activity, including avoided supply and delivery costs and deferred or avoided investments; is greater than

"(B) the net present value of the economic costs over the life of the program or activity, including program costs and incremental costs borne by the energy consumer."; and

(3) by striking paragraph (8) (as redesignated in paragraph (1)) and inserting the following:

"(8) OILHEAT FUEL. The term 'oilheat fuel' means fuel that—

"(A) is—

"(i) No. 1 distillate;

"(ii) No. 2 dyed distillate;

"(iii) a liquid blended with No. 1 distillate or No. 2 dyed distillate; or

"(iv) a biobased liquid; and

"(B) is used as a fuel for nonindustrial commercial or residential space or hot water heating.".

(b) CONFORMING AMENDMENTS.—

(1) The National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended by striking "oilheat" each place it appears and inserting "oilheat fuel".

(2) Section 704(d) of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended in the subsection heading by striking "Oilheat" and inserting "Oilheat Fuel".

(3) Section 706(c)(2) of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended in the paragraph heading by striking "oilheat" and inserting "oilheat fuel".

(4) Section 707(c) of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended in the subsection heading by striking "Oilheat" and inserting "Oilheat Fuel".

**SEC. 12404. MEMBERSHIP.**

(a) SELECTION.—Section 705 of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended by striking subsection (a) and inserting the following:

"(a) SELECTION.

"(1) LIST.

"(A) IN GENERAL. The Alliance shall provide to the Secretary a list of qualified nominees for membership in the Alliance.

"(B) REQUIREMENT. Except as provided in subsection (c)(1)(C), members of the Alliance shall be representatives of the oilheat fuel industry in a State, selected from a list of nominees submitted by the qualified State association in the State.

"(2) VACANCIES. A vacancy in the Alliance shall be filled in the same manner as the original selection.

"(3) SECRETARIAL ACTION.

"(A) IN GENERAL. The Secretary shall have 60 days to review nominees provided under paragraph (1).

"(B) FAILURE TO ACT. If the Secretary takes no action during the 60-day period described in subparagraph (A), the nominees shall be considered to be members of the Alliance.".

(b) REPRESENTATION.—Section 705(b) of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended in the matter preceding paragraph (1) by striking "qualified industry organization" and inserting "Alliance".

(c) NUMBER OF MEMBERS.—Section 705(c) of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended—

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

"(1) IN GENERAL. The Alliance shall be composed of the following members:

"(A) 1 member representing each State participating in the Alliance.

"(B) 5 representatives of retail marketers, of whom 1 shall be selected by each of the qualified State associations of the 5 States with the highest volume of annual oilheat fuel sales.

"(C) 5 additional representatives of retail marketers.

"(D) 21 representatives of wholesale distributors.

"(E) 6 public members, who shall be representatives of significant users of oilheat fuel, the oilheat fuel research community, State energy officials, or other groups with expertise in oilheat fuel, including consumer and low-income advocacy groups."; and

(2) in paragraph (2), by striking "the qualified industry organization or".

**SEC. 12405. FUNCTIONS.**

(a) RENEWABLE FUEL RESEARCH.—Section 706(a)(3)(B)(i)(I) of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended by inserting before the semicolon at the end the following: ", including research to develop renewable fuels and to examine the compatibility of different renewable fuels with oilheat fuel utilization equipment, with priority given to research on the development and use of advanced biofuels".

(b) BIENNIAL BUDGETS.—Section 706(e) of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended—

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

"(1) PUBLICATION OF PROPOSED BUDGET. Not later than August 1, 2014, and every 2 years thereafter, the Alliance shall, in consultation with the Secretary, develop and publish for public review and comment a proposed biennial budget for the next 2 calendar years, including the probable operating and

planning costs of all programs, projects, and contracts and other agreements."; and

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

"(4) IMPLEMENTATION.

"(A) IN GENERAL. The Alliance shall not implement a proposed budget until the expiration of 60 days after submitting the proposed budget to the Secretary.

"(B) RECOMMENDATIONS FOR CHANGES BY SECRETARY.

"(i) IN GENERAL. The Secretary may recommend to the Alliance changes to the budget programs and activities of the Alliance that the Secretary considers appropriate.

"(ii) RESPONSE BY ALLIANCE. Not later than 30 days after the receipt of any recommendations made under clause (i), the Alliance shall submit to the Secretary a final budget for the next 2 calendar years that incorporates or includes a description of the response of the Alliance to any changes recommended under clause (i).".

**SEC. 12406. ASSESSMENTS.**

(a) IN GENERAL.—Section 707 of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended—

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

"(a) RATE. The assessment rate shall be equal to 2/10 of 1 cent per gallon of oilheat fuel."; and

(2) in subsection (b), by adding at the end the following:

"(8) PROHIBITION ON PASS THROUGH. None of the assessments collected under this title may be passed through or otherwise required to be paid by residential consumers of oilheat fuel.".

(b) FUNDS MADE AVAILABLE TO QUALIFIED STATE ASSOCIATIONS.—Section 707(e)(2) of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended by adding at the end the following:

"(B) SEPARATE ACCOUNTS. As a condition of receipt of funds made available to a qualified State association under this title, the qualified State association shall deposit the funds in an account that is separate from other funds of the qualified State association.".

(c) ADMINISTRATION.—Section 707 of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended by adding at the end the following:

"(f) USE OF ASSESSMENTS.

"(1) IN GENERAL. Notwithstanding any other provision of this title, the Secretary and the Alliance shall ensure that assessments collected for each calendar year under this title are allocated and used in accordance with this subsection.

"(2) RESEARCH, DEVELOPMENT, AND DEMONSTRATION.

"(A) IN GENERAL. The Alliance shall ensure that not less than 30 percent of the assessments collected for each calendar year under this title are used by qualified State associations or the Alliance to conduct research, develop-

ment, and demonstration activities relating to oilheat fuel, including the development of energy-efficient heating and the transition and facilitation of the entry of energy efficient heating systems into the marketplace.

"(B) COORDINATION. The Alliance shall coordinate with the Secretary to develop priorities for the use of assessments under this paragraph.

"(C) PLAN. The Alliance shall develop a coordinated research plan to carry out research programs and activities under this section.

"(D) REPORT.

"(i) IN GENERAL. No later than 1 year after the date of enactment of this subsection, the Alliance shall prepare a report on the use of biofuels in oilheat fuel utilization equipment.

"(ii) CONTENTS. The report required under clause (i) shall—

"(I) provide information on the environmental benefits, economic benefits, and any technical limitations on the use of biofuels in oilheat fuel utilization equipment; and

"(II) describe market acceptance of the fuel, and information on State and local governments that are encouraging the use of biofuels in oilheat fuel utilization equipment.

"(iii) COPIES. The Alliance shall submit a copy of the report required under clause (i) to—

"(I) Congress;

"(II) the Governor of each State, and other appropriate State leaders, in which the Alliance is operating; and

"(III) the Administrator of the Environmental Protection Agency.

"(E) CONSUMER EDUCATION MATERIALS. The Alliance, in conjunction with an institution or organization engaged in biofuels research, shall develop consumer education materials describing the benefits of using biofuels as or in oilheat fuel based on the technical information developed in the report required under subparagraph (D) and other information generally available.

"(3) COST SHARING.

"(A) IN GENERAL. In carrying out a research, development, demonstration, or commercial application program or activity that is commenced after the date of enactment of this subsection, the Alliance shall require cost-sharing in accordance with this section.

"(B) RESEARCH AND DEVELOPMENT.

"(i) IN GENERAL. Except as provided in clauses (ii) and (iii), the Alliance shall require that not less than 20 percent of the cost of a research or development program or activity described in subparagraph (A) to be provided by a source other than the Alliance.

"(ii) EXCLUSION. Clause (i) shall not apply to a research or development program or activity described

in subparagraph (A) that is of a basic or fundamental nature, as determined by the Alliance.

"(iii) REDUCTION. The Alliance may reduce or eliminate the requirement of clause (i) for a research and development program or activity of an applied nature if the Alliance determines that the reduction is necessary and appropriate.

"(C) DEMONSTRATION AND COMMERCIAL APPLICATION. The Alliance shall require that not less than 50 percent of the cost of a demonstration or commercial application program or activity described in subparagraph (A) to be provided by a source other than the Alliance.

"(4) HEATING OIL EFFICIENCY AND UPGRADE PROGRAM.

"(A) IN GENERAL. The Alliance shall ensure that not less than 15 percent of the assessments collected for each calendar year under this title are used by qualified State associations or the Alliance to carry out programs to assist consumers—

"(i) to make cost-effective upgrades to more fuel efficient heating oil systems or otherwise make cost-effective modifications to an existing heating system to improve the efficiency of the system;

"(ii) to improve energy efficiency or reduce energy consumption through cost-effective energy efficiency programs for consumers; or

"(iii) to improve the safe operation of a heating system.

"(B) PLAN. The Alliance shall, to the maximum extent practicable, coordinate, develop, and implement the programs and activities of the Alliance in conjunction with existing State energy efficiency program administrators.

"(C) ADMINISTRATION.

"(i) IN GENERAL. In carrying out this paragraph, the Alliance shall, to the maximum extent practicable, ensure that heating system conversion assistance is coordinated with, and developed after consultation with, persons or organizations responsible for administering—

"(I) the low-income home energy assistance program established under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.);

"(II) the Weatherization Assistance Program for Low-Income Persons established under part A of title IV of the Energy Conservation and Production Act (42 U.S.C. 6861 et seq.); or

"(III) other energy efficiency programs administered by the State or other parties in the State.

"(ii) DISTRIBUTION OF FUNDS. The Alliance shall ensure that funds distributed to carry out this paragraph are—

"(I) distributed equitably to States based on the proportional contributions of the States through collected assessments;

"(II) used to supplement (and not supplant) State or alternative sources of funding for energy efficiency programs; and

"(III) used only to carry out this paragraph.

"(5) CONSUMER EDUCATION, SAFETY, AND TRAINING. The Alliance shall ensure that not more than 30 percent of the assessments collected for each calendar year under this title are used—

"(A) to conduct consumer education activities relating to oilheat fuel, including providing information to consumers on—

"(i) energy conservation strategies;

"(ii) safety;

"(iii) new technologies that reduce consumption or improve safety and comfort;

"(iv) the use of biofuels blends; and

"(v) Federal, State, and local programs designed to assist oilheat fuel consumers;

"(B) to conduct worker safety and training activities relating to oilheat fuel, including energy efficiency training (including classes to obtain Building Performance Institute or Residential Energy Services Network certification);

"(C) to carry out other activities recommended by the Secretary; or

"(D) to the maximum extent practicable, a data collection process established, in collaboration with the Secretary or other appropriate Federal agencies, to track equipment, service, and related safety issues and to develop measures to improve safety.

"(6) ADMINISTRATIVE COSTS.

"(A) IN GENERAL. The Alliance shall ensure that not more than 5 percent of the assessments collected for each calendar year under this title are used for—

"(i) administrative costs; or

"(ii) indirect costs incurred in carrying out paragraphs (1) through (5).

"(B) ADMINISTRATION. Activities under this section shall be documented pursuant to a transparent process and procedures developed in coordination with the Secretary.

"(7) REPORTS.

"(A) ANNUAL REPORTS.

"(i) IN GENERAL. Each qualified State association or the Alliance shall prepare an annual report describing he development and administration of this section, and yearly expenditures under this section.

"(ii) CONTENTS. Each report required under clause (i) shall include a description of the use of proceeds under this section, including a description of—

"(I) advancements made in energy-efficient heating systems and biofuel heating oil blends; and

"(II) heating system upgrades and modifications and energy efficiency programs funded under this section.

"(iii) VERIFICATION.

"(I) IN GENERAL. The Alliance shall ensure that an independent third-party reviews each report described in clause (i) and verifies the accuracy of the report.

"(II) COUNCILS. If a State has a stakeholder efficiency oversight council, the council shall be the entity that reviews and verifies the report of the State association or Alliance for the State under clause (i).

"(B) REPORTS ON HEATING OIL EFFICIENCY AND UPGRADE PROGRAM. At least once every 3 years, the Alliance shall prepare a detailed report describing the consumer savings, cost-effectiveness of, and the lifetime and annual energy savings achieved by heating system upgrades and modifications and energy efficiency programs funded under paragraph (4).

"(C) AVAILABILITY. Each report, and any subsequent changes to the report, described in this paragraph shall be made publically available, with notice of availability provided to the Secretary, and posted on the website of the Alliance.".

**SEC. 12407. MARKET SURVEY AND CONSUMER PROTECTION.**

Section 708 of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is repealed.

**SEC. 12408. LOBBYING RESTRICTIONS.**

Section 710 of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended—

(1) by striking "No funds" and inserting the following:

"(a) IN GENERAL. No funds";

(2) by inserting "or to lobby" after "elections"; and

(3) by adding at the end the following:

"(b) ASSESSMENTS.

"(1) IN GENERAL. Subject to paragraph (2), no funds derived from assessments collected by the Alliance under section 707 shall be used, directly or indirectly, to influence Federal, State, or local legislation or elections, or the manner of administering of a law.

"(2) INFORMATION. The Alliance may use funds described in paragraph (1) to provide information requested by a Member of Congress, or an official of any Federal, State, or local agency, in the course of the official business of the Member or official.".

**SEC. 12409. NONCOMPLIANCE.**

Section 712 of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended by adding at the end the following:

"(g) NONCOMPLIANCE. If the Alliance, a qualified State association, or any other entity or person violates this title, the Secretary shall—

"(1) notify Congress of the noncompliance; and

"(2) provide notice of the noncompliance on the Alliance website.".

**SEC. 12410. SUNSET.**

Section 713 of the National Oilheat Research Alliance Act of 2000 (42 U.S.C. 6201 note; Public Law 106-469) is amended by striking "9 years" and inserting "18 years".