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REPORT
113–333

AGRICULTURAL ACT OF 2014

CONFERENCE REPORT

TO ACCOMPANY

H.R. 2642

JANUARY 27, 2014.—Ordered to be printed

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Mr. LUCAS, from the committee on conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 2642]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 2642), to provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2018, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

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:

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

TITLE I—COMMODITIES

Subtitle A—Repeals and Reforms

PART I—REPEALS

Sec. 1101. Repeal of direct payments.
Sec. 1102. Repeal of counter-cyclical payments.
Sec. 1103. Repeal of average crop revenue election program.

PART II—COMMODITY POLICY

Sec. 1111. Definitions.
Sec. 1112. Base acres.
Sec. 1113. Payment yields.

Sec. 1114. Payment acres.
Sec. 1115. Producer election.
Sec. 1116. Price loss coverage.
Sec. 1117. Agriculture risk coverage.
Sec. 1118. Producer agreements.
Sec. 1119. Transition assistance for producers of upland cotton.

Subtitle B—Marketing Loans

Sec. 1201. Availability of nonrecourse marketing assistance loans for loan commodities.
Sec. 1202. Loan rates for nonrecourse marketing assistance loans.
Sec. 1203. Term of loans.
Sec. 1204. Repayment of loans.
Sec. 1205. Loan deficiency payments.
Sec. 1206. Payments in lieu of loan deficiency payments for grazed acreage.
Sec. 1207. Special marketing loan provisions for upland cotton.
Sec. 1208. Special competitive provisions for extra long staple cotton.
Sec. 1209. Availability of recourse loans for high moisture feed grains and seed cotton.
Sec. 1210. Adjustments of loans.

Subtitle C—Sugar

Sec. 1301. Sugar policy.

Subtitle D—Dairy

PART I—MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS

Sec. 1401. Definitions.
Sec. 1402. Calculation of average feed cost and actual dairy production margins.
Sec. 1403. Establishment of margin protection program for dairy producers.
Sec. 1404. Participation of dairy operations in margin protection program.
Sec. 1405. Production history of participating dairy operations.
Sec. 1406. Margin protection payments.
Sec. 1407. Premiums for margin protection program.
Sec. 1408. Effect of failure to pay administrative fees or premiums.
Sec. 1409. Duration.
Sec. 1410. Administration and enforcement.

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

Sec. 1421. Repeal of dairy product price support program.
Sec. 1422. Temporary continuation and eventual repeal of milk income loss contract program.
Sec. 1423. Repeal of dairy export incentive program.
Sec. 1424. Extension of dairy forward pricing program.
Sec. 1425. Extension of dairy indemnity program.
Sec. 1426. Extension of dairy promotion and research program.
Sec. 1427. Repeal of Federal Milk Marketing Order Review Commission.

PART III—DAIRY PRODUCT DONATION PROGRAM

Sec. 1431. Dairy product donation program.

Subtitle E—Supplemental Agricultural Disaster Assistance Programs

Sec. 1501. Supplemental agricultural disaster assistance.

Subtitle F—Administration

Sec. 1601. Administration generally.
Sec. 1602. Suspension of permanent price support authority.
Sec. 1603. Payment limitations.
Sec. 1604. Rulemaking related to significant contribution for active personal management.
Sec. 1605. Adjusted gross income limitation.
Sec. 1606. Geographically disadvantaged farmers and ranchers.
Sec. 1607. Personal liability of producers for deficiencies.
Sec. 1608. Prevention of deceased individuals receiving payments under farm commodity programs.
Sec. 1609. Technical corrections.
Sec. 1610. Appeals.
Sec. 1611. Assignment of payments.

Sec. 1612. Tracking of benefits.
Sec. 1613. Signature authority.
Sec. 1614. Implementation.
Sec. 1615. Research option.

TITLE II—CONSERVATION

Subtitle A—Conservation Reserve Program

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

Subtitle B—Conservation Stewardship Program

Sec. 2101. Conservation stewardship program.

Subtitle C—Environmental Quality Incentives Program

Sec. 2201. Purposes.
Sec. 2202. Definitions.
Sec. 2203. Establishment and administration.
Sec. 2204. Evaluation of applications.
Sec. 2205. Duties of producers.
Sec. 2206. Limitation on payments.
Sec. 2207. Conservation innovation grants and payments.
Sec. 2208. Effect on existing contracts.

Subtitle D—Agricultural Conservation Easement Program

Sec. 2301. Agricultural conservation easement program.

Subtitle E—Regional Conservation Partnership Program

Sec. 2401. Regional conservation partnership program.

Subtitle F—Other Conservation Programs

Sec. 2501. Conservation of private grazing land.
Sec. 2502. Grassroots source water protection program.
Sec. 2503. Voluntary public access and habitat incentive program.
Sec. 2504. Agriculture conservation experienced services program.
Sec. 2505. Small watershed rehabilitation program.
Sec. 2506. Emergency watershed protection program.
Sec. 2507. Terminal Lakes.
Sec. 2508. Soil and Water Resources Conservation.

Subtitle G—Funding and Administration

Sec. 2601. Funding.
Sec. 2602. Technical assistance.
Sec. 2603. Regional equity.
Sec. 2604. Reservation of funds to provide assistance to certain farmers or ranchers for conservation access.
Sec. 2605. Annual report on program enrollments and assistance.
Sec. 2606. Administrative requirements applicable to all conservation programs.
Sec. 2607. Standards for State technical committees.
Sec. 2608. Rulemaking authority.
Sec. 2609. Wetlands mitigation.
Sec. 2610. Lesser prairie-chicken conservation report.
Sec. 2611. Highly erodible land and wetland conservation for crop insurance.

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

Sec. 2701. Comprehensive conservation enhancement program.
Sec. 2702. Emergency forestry conservation reserve program.
Sec. 2703. Wetlands reserve program.
Sec. 2704. Farmland protection program and farm viability program.

Sec. 2705. Grassland reserve program.
Sec. 2706. Agricultural water enhancement program.
Sec. 2707. Wildlife habitat incentive program.
Sec. 2708. Great Lakes basin program.
Sec. 2709. Chesapeake Bay watershed program.
Sec. 2710. Cooperative conservation partnership initiative.
Sec. 2711. Environmental easement program.
Sec. 2712. Temporary administration of conservation programs.
Sec. 2713. Technical amendments.

TITLE III—TRADE

Subtitle A—Food for Peace Act

Sec. 3001. General authority.
Sec. 3002. Set-aside for support for organizations through which nonemergency assistance is provided.
Sec. 3003. Food aid quality.
Sec. 3004. Minimum levels of assistance.
Sec. 3005. Food Aid Consultative Group.
Sec. 3006. Oversight, monitoring, and evaluation.
Sec. 3007. Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods.
Sec. 3008. Impact on local farmers and economy and report on use of funds.
Sec. 3009. Prepositioning of agricultural commodities.
Sec. 3010. Annual report regarding food aid programs and activities.
Sec. 3011. Deadline for agreements to finance sales or to provide other assistance.
Sec. 3012. Minimum level of nonemergency food assistance.
Sec. 3013. Micronutrient fortification programs.
Sec. 3014. John Ogonowski and Doug Bereuter Farmer-to-Farmer Program.
Sec. 3015. Coordination of foreign assistance programs report.

Subtitle B—Agricultural Trade Act of 1978

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

Subtitle C—Other Agricultural Trade Laws

Sec. 3201. Food for Progress Act of 1985.
Sec. 3202. Bill Emerson Humanitarian Trust Act.
Sec. 3203. Promotion of agricultural exports to emerging markets.
Sec. 3204. McGovern-Dole International Food for Education and Child Nutrition Program.
Sec. 3205. Technical assistance for specialty crops.
Sec. 3206. Global Crop Diversity Trust.
Sec. 3207. Local and regional food aid procurement projects.
Sec. 3208. Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs.

TITLE IV—NUTRITION

Subtitle A—Supplemental Nutrition Assistance Program

Sec. 4001. Preventing payment of cash to recipients of supplemental nutrition assistance benefits for the return of empty bottles and cans used to contain food purchased with benefits provided under the program.
Sec. 4002. Retail food stores.
Sec. 4003. Enhancing services to elderly and disabled supplemental nutrition assistance program participants.
Sec. 4004. Food distribution program on Indian reservations.
Sec. 4005. Exclusion of medical marijuana from excess medical expense deduction.
Sec. 4006. Standard utility allowances based on the receipt of energy assistance payments.
Sec. 4007. Eligibility disqualifications.
Sec. 4008. Eligibility disqualifications for certain convicted felons.
Sec. 4009. Ending supplemental nutrition assistance program benefits for lottery or gambling winners.
Sec. 4010. Improving security of food assistance.
Sec. 4011. Technology modernization for retail food stores.
Sec. 4012. Use of benefits for purchase of community-supported agriculture share.
Sec. 4013. Improved wage verification using the National Directory of New Hires.

Sec. 4014. Restaurant meals program.
Sec. 4015. Mandating State immigration verification.
Sec. 4016. Data exchange standardization for improved interoperability.
Sec. 4017. Pilot projects to improve Federal-State cooperation in identifying and reducing fraud in the supplemental nutrition assistance program.
Sec. 4018. Prohibiting government-sponsored recruitment activities.
Sec. 4019. Tolerance level for excluding small errors.
Sec. 4020. Quality control standards.
Sec. 4021. Performance bonus payments.
Sec. 4022. Pilot projects to reduce dependency and increase work requirements and work effort under supplemental nutrition assistance program.
Sec. 4023. Cooperation with program research and evaluation.
Sec. 4024. Authorization of appropriations.
Sec. 4025. Review, report, and regulation of cash nutrition assistance program benefits provided in Puerto Rico.
Sec. 4026. Assistance for community food projects.
Sec. 4027. Emergency food assistance.
Sec. 4028. Nutrition education.
Sec. 4029. Retail food store and recipient trafficking.
Sec. 4030. Technical and conforming amendments.
Sec. 4031. Commonwealth of the Northern Mariana Islands pilot program.
Sec. 4032. Annual State report on verification of SNAP participation.
Sec. 4033. Service of traditional foods in public facilities.

Subtitle B—Commodity Distribution Programs

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

Subtitle C—Miscellaneous

Sec. 4201. Purchase of fresh fruits and vegetables for distribution to schools and service institutions.
Sec. 4202. Pilot project for procurement of unprocessed fruits and vegetables.
Sec. 4203. Seniors farmers' market nutrition program.
Sec. 4204. Dietary Guidelines for Americans.
Sec. 4205. Multiagency task force.
Sec. 4206. Healthy Food Financing Initiative.
Sec. 4207. Purchase of Halal and Kosher food for emergency food assistance program.
Sec. 4208. Food insecurity nutrition incentive.
Sec. 4209. Food and agriculture service learning program.
Sec. 4210. Nutrition information and awareness pilot program.
Sec. 4211. Termination of existing agreement.
Sec. 4212. Review of sole-source contracts in Federal nutrition programs.
Sec. 4213. Pulse crop products.
Sec. 4214. Pilot project for canned, frozen, or dried fruits and vegetables.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

Sec. 5001. Eligibility for farm ownership loans.
Sec. 5002. Conservation loan and loan guarantee program.
Sec. 5003. Joint financing arrangements.
Sec. 5004. Elimination of mineral rights appraisal requirement.
Sec. 5005. Down payment loan program.

Subtitle B—Operating Loans

Sec. 5101. Eligibility for farm operating loans.
Sec. 5102. Elimination of rural residency requirement for operating loans to youth.
Sec. 5103. Defaults by youth loan borrowers.
Sec. 5104. Term limits on direct operating loans.
Sec. 5105. Valuation of local or regional crops.
Sec. 5106. Microloans.
Sec. 5107. Term limits on guaranteed operating loans.

Subtitle C—Emergency Loans

Sec. 5201. Eligibility for emergency loans.

Subtitle D—Administrative Provisions

Sec. 5301. Beginning farmer and rancher individual development accounts pilot program.
Sec. 5302. Farmer loan pilot projects.
Sec. 5303. Definition of qualified beginning farmer or rancher.
Sec. 5304. Loan authorization levels.
Sec. 5305. Loan fund set-asides.
Sec. 5306. Borrower training.

Subtitle E—Miscellaneous

Sec. 5401. State agricultural mediation programs.
Sec. 5402. Loans to purchasers of highly fractionated land.
Sec. 5403. Removal of duplicative appraisals.
Sec. 5404. Compensation disclosure by Farm Credit System institutions.

TITLE VI—RURAL DEVELOPMENT

Subtitle A—Consolidated Farm and Rural Development Act

Sec. 6001. Water, waste disposal, and wastewater facility grants.
Sec. 6002. Elimination of reservation of community facilities grant program funds.
Sec. 6003. Rural water and wastewater circuit rider program.
Sec. 6004. Use of loan guarantees for community facilities.
Sec. 6005. Tribal college and university essential community facilities.
Sec. 6006. Essential community facilities technical assistance and training.
Sec. 6007. Emergency and imminent community water assistance grant program.
Sec. 6008. Water systems for rural and native villages in Alaska.
Sec. 6009. Household water well systems.
Sec. 6010. Rural business and industry loan program.
Sec. 6011. Solid waste management grants.
Sec. 6012. Rural business development grants.
Sec. 6013. Rural cooperative development grants.
Sec. 6014. Locally or regionally produced agricultural food products.
Sec. 6015. Appropriate technology transfer for rural areas program.
Sec. 6016. Rural economic area partnership zones.
Sec. 6017. Intermediary relending program.
Sec. 6018. Rural college coordinated strategy.
Sec. 6019. Rural water and waste disposal infrastructure.
Sec. 6020. Simplified applications.
Sec. 6021. National Rural Development Partnership.
Sec. 6022. Grants for NOAA weather radio transmitters.
Sec. 6023. Rural microentrepreneur assistance program.
Sec. 6024. Health care services.
Sec. 6025. Strategic economic and community development.
Sec. 6026. Delta Regional Authority.
Sec. 6027. Northern Great Plains Regional Authority.
Sec. 6028. Rural business investment program.

Subtitle B—Rural Electrification Act of 1936

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

Subtitle C—Miscellaneous

Sec. 6201. Distance learning and telemedicine.
Sec. 6202. Agricultural transportation.
Sec. 6203. Value-added agricultural product market development grants.
Sec. 6204. Agriculture innovation center demonstration program.
Sec. 6205. Rural energy savings program.
Sec. 6206. Study of rural transportation issues.
Sec. 6207. Regional economic and infrastructure development.
Sec. 6208. Definition of rural area for purposes of the Housing Act of 1949.
Sec. 6209. Program metrics.
Sec. 6210. Funding of pending rural development loan and grant applications.

TITLE VII—RESEARCH, EXTENSION, AND RELATED MATTERS

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

Sec. 7101. Option to be included as non-land-grant college of agriculture.
Sec. 7102. National Agricultural Research, Extension, Education, and Economics Advisory Board.
Sec. 7103. Specialty crop committee.
Sec. 7104. Veterinary services grant program.
Sec. 7105. Grants and fellowships for food and agriculture sciences education.
Sec. 7106. Agricultural and food policy research centers.
Sec. 7107. Education grants to Alaska Native serving institutions and Native Hawaiian serving institutions.
Sec. 7108. Repeal of human nutrition intervention and health promotion research program.
Sec. 7109. Repeal of pilot research program to combine medical and agricultural research.
Sec. 7110. Nutrition education program.
Sec. 7111. Continuing animal health and disease research programs.
Sec. 7112. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
Sec. 7113. Grants to upgrade agriculture and food science facilities and equipment at insular area land-grant institutions.
Sec. 7114. Repeal of national research and training virtual centers.
Sec. 7115. Hispanic-serving institutions.
Sec. 7116. Competitive Grants Program for Hispanic Agricultural Workers and Youth.
Sec. 7117. Competitive grants for international agricultural science and education programs.
Sec. 7118. Repeal of research equipment grants.
Sec. 7119. University research.
Sec. 7120. Extension service.
Sec. 7121. Auditing, reporting, bookkeeping, and administrative requirements.
Sec. 7122. Supplemental and alternative crops.
Sec. 7123. Capacity building grants for NLGCA institutions.
Sec. 7124. Aquaculture assistance programs.
Sec. 7125. Rangeland research programs.
Sec. 7126. Special authorization for biosecurity planning and response.
Sec. 7127. Distance education and resident instruction grants program for insular area institutions of higher education.
Sec. 7128. Matching funds requirement.
Sec. 7129. Designation of Central State University as 1890 institution.

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

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

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

Sec. 7301. Relevance and merit of agricultural research, extension, and education funded by the Department.
Sec. 7302. Integrated research, education, and extension competitive grants program.

Sec. 7303. Support for research regarding diseases of wheat, triticale, and barley caused by *Fusarium graminearum* or by *Tilletia indica*.
Sec. 7304. Repeal of Bovine Johne's disease control program.
Sec. 7305. Grants for youth organizations.
Sec. 7306. Specialty crop research initiative.
Sec. 7307. [H7308] Food animal residue avoidance database program.
Sec. 7308. Repeal of national swine research center.
Sec. 7309. Office of pest management policy.
Sec. 7310. Forestry products advanced utilization research.
Sec. 7311. Repeal of studies of agricultural research, extension, and education.

Subtitle D—Other Laws

Sec. 7401. Critical Agricultural Materials Act.
Sec. 7402. Equity in Educational Land-Grant Status Act of 1994.
Sec. 7403. Research Facilities Act.
Sec. 7404. Competitive, Special, and Facilities Research Grant Act.
Sec. 7405. Renewable Resources Extension Act of 1978.
Sec. 7406. National Aquaculture Act of 1980.
Sec. 7407. Repeal of use of remote sensing data.
Sec. 7408. Repeal of reports under Farm Security and Rural Investment Act of 2002.
Sec. 7409. Beginning farmer and rancher development program.
Sec. 7410. National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985.

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

PART I—AGRICULTURAL SECURITY

Sec. 7501. Agricultural biosecurity communication center.
Sec. 7502. Assistance to build local capacity in agricultural biosecurity planning, preparation, and response.
Sec. 7503. Research and development of agricultural countermeasures.
Sec. 7504. Agricultural biosecurity grant program.

PART II—MISCELLANEOUS PROVISIONS

Sec. 7511. Enhanced use lease authority pilot program.
Sec. 7512. Grazinglands research laboratory.
Sec. 7513. Budget submission and funding.
Sec. 7514. Repeal of seed distribution.
Sec. 7515. Natural products research program.
Sec. 7516. Sun grant program.
Sec. 7517. Repeal of study and report on food deserts.
Sec. 7518. Repeal of agricultural and rural transportation research and education.

Subtitle F—Miscellaneous Provisions

Sec. 7601. Foundation for Food and Agriculture Research.
Sec. 7602. Concessions and agreements with nonprofit organizations for National Arboretum.
Sec. 7603. Agricultural and food law research, legal tools, and information.
Sec. 7604. Cotton Disease Research Report.
Sec. 7605. Miscellaneous technical corrections.
Sec. 7606. Legitimacy of industrial hemp research.

TITLE VIII—FORESTRY

Subtitle A—Repeal of Certain Forestry Programs

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

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

Sec. 8101. State-wide assessment and strategies for forest resources.

Subtitle C—Reauthorization of Other Forestry-related Laws

Sec. 8201. Rural revitalization technologies.
Sec. 8202. Office of International Forestry.
Sec. 8203. Healthy forests reserve program.
Sec. 8204. Insect and disease infestation.
Sec. 8205. Stewardship end result contracting projects.
Sec. 8206. Good neighbor authority.

Subtitle D—Miscellaneous Provisions

Sec. 8301. Revision of strategic plan for forest inventory and analysis.
Sec. 8302. Forest service participation in ACES program.
Sec. 8303. Extension of stewardship contracts authority regarding use of designation by prescription to all thinning sales under National Forest Management Act of 1976.
Sec. 8304. Reimbursement of fire funds.
Sec. 8305. Forest Service large airtanker and aerial asset firefighting recapitalization pilot program.
Sec. 8306. Land conveyance, Jefferson National Forest in Wise County, Virginia.

TITLE IX—ENERGY

Sec. 9001. Definitions.
Sec. 9002. Biobased markets program.
Sec. 9003. Biorefinery assistance.
Sec. 9004. Repowering assistance program.
Sec. 9005. Bioenergy program for advanced biofuels.
Sec. 9006. Biodiesel fuel education program.
Sec. 9007. Rural Energy for America Program.
Sec. 9008. Biomass research and development.
Sec. 9009. Feedstock Flexibility Program for Bioenergy Producers.
Sec. 9010. Biomass Crop Assistance Program.
Sec. 9011. Repeal of forest biomass for energy.
Sec. 9012. Community wood energy program.
Sec. 9013. Repeal of biofuels infrastructure study.
Sec. 9014. Repeal of renewable fertilizer study.
Sec. 9015. Energy efficiency report for USDA facilities.

TITLE X—HORTICULTURE

Sec. 10001. Specialty crops market news allocation.
Sec. 10002. Repeal of grant program to improve movement of specialty crops.
Sec. 10003. Farmers' market and local food promotion program.
Sec. 10004. Organic agriculture.
Sec. 10005. Investigations and enforcement of the Organic Foods Production Act of 1990.
Sec. 10006. Food safety education initiatives.
Sec. 10007. Consolidation of plant pest and disease management and disaster prevention programs.
Sec. 10008. Importation of seed.
Sec. 10009. Bulk shipments of apples to Canada.
Sec. 10010. Specialty crop block grants.
Sec. 10011. Department of Agriculture consultation regarding enforcement of certain labor law provisions.
Sec. 10012. Report on honey.
Sec. 10013. Reports to Congress.
Sec. 10014. Stay of regulations.
Sec. 10015. Regulation of sulfuryl fluoride.
Sec. 10016. Local food production and program evaluation.
Sec. 10017. Clarification of use of funds for technical assistance.

TITLE XI—CROP INSURANCE

Sec. 11001. Information sharing.
Sec. 11002. Publication of information on violations of prohibition on premium adjustments.
Sec. 11003. Supplemental coverage option.
Sec. 11004. Crop margin coverage option.
Sec. 11005. Premium amounts for catastrophic risk protection.
Sec. 11006. Permanent enterprise unit subsidy.
Sec. 11007. Enterprise units for irrigated and nonirrigated crops.
Sec. 11008. Data collection.

Sec. 11009. Adjustment in actual production history to establish insurable yields.
Sec. 11010. Submission of policies and Board review and approval.
Sec. 11011. Consultation.
Sec. 11012. Budget limitations on renegotiation of the standard reinsurance agreement.
Sec. 11013. Test weight for corn.
Sec. 11014. Crop production on native sod.
Sec. 11015. Coverage levels by practice.
Sec. 11016. Beginning farmer and rancher provisions.
Sec. 11017. Stacked income protection plan for producers of upland cotton.
Sec. 11018. Peanut revenue crop insurance.
Sec. 11019. Authority to correct errors.
Sec. 11020. Implementation.
Sec. 11021. Crop insurance fraud.
Sec. 11022. Research and development priorities.
Sec. 11023. Crop insurance for organic crops.
Sec. 11024. Program compliance partnerships.
Sec. 11025. Pilot programs.
Sec. 11026. Index-based weather insurance pilot program.
Sec. 11027. Enhancing producer self-help through farm financial benchmarking.
Sec. 11028. Technical amendments.

TITLE XII—MISCELLANEOUS

Subtitle A—Livestock

Sec. 12101. Trichinae certification program.
Sec. 12102. Sheep production and marketing grant program.
Sec. 12103. National Aquatic Animal Health Plan.
Sec. 12104. Country of origin labeling.
Sec. 12105. National animal health laboratory network.
Sec. 12106. Food safety inspection.
Sec. 12107. National Poultry Improvement Plan.
Sec. 12108. Sense of Congress regarding feral swine eradication.

Subtitle B—Socially Disadvantaged Producers and Limited Resource Producers

Sec. 12201. Outreach and assistance for socially disadvantaged farmers and ranchers and veteran farmers and ranchers.
Sec. 12202. Office of Advocacy and Outreach.
Sec. 12203. Socially Disadvantaged Farmers and Ranchers Policy Research Center.
Sec. 12204. Receipt for service or denial of service from certain department of agriculture agencies.

Subtitle C—Other Miscellaneous Provisions

Sec. 12301. Grants to improve supply, stability, safety, and training of agricultural labor force.
Sec. 12302. Program benefit eligibility status for participants in high plains water study.
Sec. 12303. Office of Tribal Relations.
Sec. 12304. Military Veterans Agricultural Liaison.
Sec. 12305. Noninsured crop assistance program.
Sec. 12306. Acer access and development program.
Sec. 12307. Science Advisory Board.
Sec. 12308. Amendments to Animal Welfare Act.
Sec. 12309. Produce represented as grown in the United States when it is not in fact grown in the United States.
Sec. 12310. Report on water sharing.
Sec. 12311. Scientific and economic analysis of the FDA Food Safety Modernization Act.
Sec. 12312. Payment in lieu of taxes.
Sec. 12313. Silvicultural activities.
Sec. 12314. Pima agriculture cotton trust fund.
Sec. 12315. Agriculture Wool Apparel Manufacturers Trust Fund.
Sec. 12316. Wool research and promotion.

Subtitle D—Oilheat Efficiency, Renewable Fuel Research and Jobs Training

Sec. 12401. Short title.
Sec. 12402. Findings and purposes.
Sec. 12403. Definitions.

Sec. 12404. Membership.
Sec. 12405. Functions.
Sec. 12406. Assessments.
Sec. 12407. Market survey and consumer protection.
Sec. 12408. Lobbying restrictions.
Sec. 12409. Noncompliance.
Sec. 12410. Sunset.

SEC. 2. DEFINITION OF SECRETARY OF AGRICULTURE.

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

TITLE I—COMMODITIES

Subtitle A—Repeals and Reforms

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

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

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

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

PART II—COMMODITY POLICY

SEC. 1111. 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.—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.

(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) 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.

(9) 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.

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

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

(12) 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.

(13) 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.

(14) 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.

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

(16) 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.

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

(18) 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.

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

(20) 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.

(21) 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.

(22) 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)).

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

(24) 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. 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 regarding 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 the conservation reserve program or wetlands reserve program (or successor programs) under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.).

(B) Any other acreage on the farm enrolled in a Federal conservation program for which payments are made in

exchange for not producing an agricultural commodity on the acreage.

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

SEC. 1113. 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 designated oilseeds, the Secretary shall determine the average yield per planted acre for the designated oilseed on a farm for the 1998 through 2001 crop years, excluding any crop year in which the acreage planted to the designated oilseed was zero.

(2) ADJUSTMENT FOR PAYMENT YIELD.—

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

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

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

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

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

(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 USED TO DETERMINE PRICE LOSS COVERAGE PAYMENTS.—

(1) ELECTION TO UPDATE.—At the sole discretion of the owner of a farm, the owner of a farm shall have a 1-time opportunity to update, 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) TIME FOR ELECTION.—The election under paragraph (1) shall be made at a time and manner to be in effect beginning with the 2014 crop year as determined by the Secretary.

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

(4) USE OF COUNTY AVERAGE YIELD.—If the yield per planted acre for a crop of the covered commodity for a farm for any

of the 2008 through 2012 crop years was less than 75 percent of the average of the 2008 through 2012 county yield for that commodity, the Secretary shall assign a yield for that crop year equal to 75 percent of the average of the 2008 through 2012 county yield for the purposes of determining the average yield under paragraph (3).

SEC. 1114. 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)(B) and (2)(B) 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.

(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.

(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))); or

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

(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.

SEC. 1115. PRODUCER ELECTION.

(a) ELECTION REQUIRED.—For the 2014 through 2018 crop years, 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), the producers on a farm that elect under paragraph (2) of such subsection to obtain agriculture risk coverage under section 1117 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—

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

(2) the producers on the farm shall be deemed to have elected price loss coverage under section 1116 for all covered commodities on the farm 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.

SEC. 1116. PRICE LOSS COVERAGE.

(a) PRICE LOSS COVERAGE PAYMENTS.—If all of the producers on a farm make the election under subsection (a) 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, for any of the 2014 through 2018 crop years—

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

(2) the 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.—The payment rate shall be equal to the difference between—

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

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

(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.—The Secretary shall provide a reference price with respect to temperate japonica rice in an amount equal to 115 percent of the amount established in subparagraphs (F) and (G) of section 1111(18) in order to reflect price premiums.

SEC. 1117. 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 to producers on the farm if the Secretary determines that, for any of the 2014 through 2018 crop years—

(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 indi-

vidual 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 paragraph (4), 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 (5), 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 (5), 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 2018 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.—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.

(5) REFERENCE PRICE.—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).

(d) PAYMENT RATE.—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—

(1) the amount that—

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

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

(2) 10 percent of the benchmark revenue for the crop year applicable under subsection (c).

(e) PAYMENT AMOUNT.—If agriculture risk coverage payments are required to be paid for any of the 2014 through 2018 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) to the maximum extent practicable, 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; and

(4) 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.

SEC. 1118. 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.

SEC. 1119. TRANSITION ASSISTANCE FOR PRODUCERS OF UPLAND COTTON.

(a) AVAILABILITY.—

(1) PURPOSE.—It is the purpose of this section to provide transition assistance to producers of upland cotton in light of the repeal of section 1103 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8713), the inapplicability of sections 1116 and 1117 to upland cotton, and the delayed implementation of the Stacked Income Protection Plan required by section 508B of the Federal Crop Insurance Act (7 U.S.C. 1508b), as added by section 11017 of this Act.

(2) 2014 CROP YEAR.—For the 2014 crop of upland cotton, the Secretary shall provide transition assistance, pursuant to the terms and conditions of this section, to producers on a farm for which cotton base acres were in existence for the 2013 crop year.

(3) 2015 CROP YEAR.—For the 2015 crop of upland cotton, the Secretary shall provide transition assistance, pursuant to the terms and conditions of this section, to producers on a farm—

(A) for which cotton base acres were in existence for the 2013 crop year; and

(B) that is located in a county in which the Stacked Income Protection Plan required by section 508B of the Federal Crop Insurance Act (7 U.S.C. 1508b) is not available to producers of upland cotton for the 2015 crop year.

(b) TRANSITION ASSISTANCE RATE.—The transition assistance rate shall be equal to the product obtained by multiplying—

(1) the June 12, 2013, midpoint estimate for the marketing year average price of upland cotton received by producers for the marketing year beginning August 1, 2013, minus the December 10, 2013, midpoint estimate for the marketing year average price of upland cotton received by producers for the marketing year beginning August 1, 2013, as contained in the applicable World Agricultural Supply and Demand Estimates report published by the Department of Agriculture; and

(2) the national program yield for upland cotton of 597 pounds per acre.

(c) CALCULATION OF TRANSITION ASSISTANCE AMOUNT.—The amount of transition assistance to be provided under this section to producers on a farm for a crop year shall be equal to the product obtained by multiplying—

(1) for the 2014 crop year, 60 percent, and for the 2015 crop year, 36.5 percent, of the cotton base acres referred to in subsection (a) for the farm, subject to adjustment or reduction for conservation measures as provided in subsections (b) and (c) of section 1112;

(2) the transition assistance rate in effect for the crop year under subsection (b); and

(3) the payment yield for upland cotton for the farm established for purposes of section 1103(c)(3) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8713(c)(3)), divided by the national program yield for upland cotton of 597 pounds per acre.

(d) TIME FOR PAYMENT.—The Secretary may not make transition assistance payments for a crop year under this section before October 1 of the calendar year in which the crop of upland cotton is harvested.

(e) PAYMENT LIMITATIONS.—Sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308C), as in effect on September 30, 2013, shall apply to the receipt of transition assistance under this section in the same manner as such sections applied to section 1103 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8713).

Subtitle B—Marketing Loans

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

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

(b) NONRECOURSE LOANS AVAILABLE.—

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

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

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

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

wetland protection requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.) during the term of the loan.

(e) SPECIAL RULES FOR PEANUTS.—

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

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

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

(B) the Farm Service Agency.

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) In the case of corn, $1.95 per bushel.
(3) In the case of grain sorghum, $1.95 per bushel.
(4) In the case of barley, $1.95 per bushel.
(5) In the case of oats, $1.39 per bushel.
(6) In the case of base quality of upland cotton, for 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.
(15) In the case of large chickpeas, $11.28 per hundredweight.
(16) In the case of graded wool, $1.15 per pound.
(17) In the case of nongraded wool, $0.40 per pound.
(18) In the case of mohair, $4.20 per pound.
(19) In the case of honey, $0.69 per pound.
(20) In the case of peanuts, $355 per ton.

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

SEC. 1203. TERM OF LOANS.

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

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

SEC. 1204. REPAYMENT OF LOANS.

(a) GENERAL RULE.—The Secretary shall permit the producers on a farm to repay a marketing assistance loan under section 1201 for a loan commodity (other than upland cotton, long grain rice, medium grain rice, extra long staple cotton, peanuts and confec-

tionery and each other kind of sunflower seed (other than oil sunflower seed)) at a rate that is the lesser of—

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

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

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

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

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

(A) minimize potential loan forfeitures;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) to minimize potential loan forfeitures;

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

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

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

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

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

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

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

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

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

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

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

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

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

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

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

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

(i) AUTHORITY TO TEMPORARILY ADJUST REPAYMENT RATES.—

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

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

SEC. 1205. LOAN DEFICIENCY PAYMENTS.

(a) AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.—

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

(2) UNSHORN PELTS, HAY, AND SILAGE.—

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

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

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

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

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

(c) PAYMENT RATE.—

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

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

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

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

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

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

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

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

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

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

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

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

(a) ELIGIBLE PRODUCERS.—

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

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

(b) PAYMENT AMOUNT.—

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

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

(B) the payment quantity determined by multiplying—

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

(ii)(I) the payment yield in effect for the calculation of price loss coverage under 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 2018 crop of wheat, barley, oats, or triticale planted on acreage that a producer elects, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for an indemnity under a policy or plan of insurance authorized under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 of the Fed-

eral Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

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

(a) SPECIAL IMPORT QUOTA.—

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

(2) ESTABLISHMENT.—

(A) IN GENERAL.—The President shall carry out an import quota program 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 TO USERS OF UPLAND COTTON.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) HIGH MOISTURE FEED GRAINS.—

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

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

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

(B) present—

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

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

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

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

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

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

(B) the lower of—

(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 2018 crops of upland cotton and extra long staple cotton, the Secretary shall make available recourse seed cotton loans, as determined by the Secretary, on any production.

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

SEC. 1210. ADJUSTMENTS OF LOANS.

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

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

(c) ADJUSTMENT ON COUNTY BASIS.—

(1) IN GENERAL.—The Secretary may establish loan rates for a crop for producers in individual counties in a manner that results in the lowest loan rate being 95 percent of the national

average loan rate, if those loan rates do not result in an increase in outlays.

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

(d) ADJUSTMENT IN LOAN RATE FOR COTTON.—

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

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

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

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

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

(3) CONSULTATION WITH PRIVATE SECTOR.—

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

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

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

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

Subtitle C—Sugar

SEC. 1301. SUGAR 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—MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS

SEC. 1401. DEFINITIONS.

In this part and part III:

(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) CONSECUTIVE 2-MONTH PERIOD.—The term "consecutive 2-month period" refers to the 2-month period consisting of the months of January and February, March and April, May and June, July and August, September and October, or November and December, respectively.

(5) 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.

(6) MARGIN PROTECTION PROGRAM.—The term "margin protection program" means the margin protection program required by section 1403.

(7) MARGIN PROTECTION PROGRAM PAYMENT.—The term "margin protection program payment" means a payment made to a participating dairy operation under the margin protection program pursuant to section 1406.

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

(9) 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 the margin protection program.

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

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

SEC. 1402. CALCULATION OF AVERAGE FEED COST AND ACTUAL DAIRY 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 the margin protection program, the Secretary shall calculate the actual dairy production margin for each consecutive 2-month period by subtracting—

(A) the average feed cost for that consecutive 2-month period, determined in accordance with subsection (a); from

(B) the all-milk price for that consecutive 2-month period.

(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. ESTABLISHMENT OF MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS.

Not later than September 1, 2014, the Secretary shall establish and administer a margin protection program for dairy producers under which participating dairy operations are paid a margin protection payment when actual dairy production margins are less than the threshold levels for a margin protection payment.

SEC. 1404. PARTICIPATION OF DAIRY OPERATIONS IN MARGIN PROTECTION PROGRAM.

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

(2) TREATMENT OF MULTIPRODUCER DAIRY OPERATIONS.—If a participating dairy operation is operated by more than 1 dairy producer, all of the dairy producers of the participating dairy operation shall be treated as a single dairy operation for purposes of participating in the margin protection program.

(3) 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 the margin protection program.

(c) ANNUAL ADMINISTRATIVE FEE.—

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

(A) pay an administrative fee to register to participate in the margin protection program; and

(B) pay the administrative fee annually through the duration of the margin protection program 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 the margin protection program.

(d) RELATION TO LIVESTOCK GROSS MARGIN FOR DAIRY PROGRAM.—A dairy operation may participate in the margin protection program or the livestock gross margin for dairy program under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), but not both.

SEC. 1405. 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 the margin protection program, the production history of the dairy operation for the margin protection program 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 subsequent years, 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.

(b) ELECTION BY NEW DAIRY OPERATIONS.—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:

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

(2) 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.

(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 the margin protection program.

SEC. 1406. MARGIN PROTECTION PAYMENTS.

(a) COVERAGE LEVEL THRESHOLD AND COVERAGE PERCENTAGE.—For purposes of receiving margin protection payments for a consecutive 2-month period, a participating dairy operation shall annually elect—

(1) 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; and

(2) a percentage of coverage, in 5-percent increments, beginning with 25 percent and not exceeding 90 percent of the production history of the participating dairy operation.

(b) PAYMENT THRESHOLD.—A participating dairy operation shall receive a margin protection payment whenever the average actual dairy production margin for a consecutive 2-month period is less than the coverage level threshold selected by the participating dairy operation.

(c) AMOUNT OF MARGIN PROTECTION PAYMENT.—The margin protection 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 consecutive 2-month period.

(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 6.

SEC. 1407. PREMIUMS FOR MARGIN PROTECTION PROGRAM.

(a) CALCULATION OF PREMIUMS.—For purposes of participating in the margin protection program, 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) PREMIUM PER HUNDREDWEIGHT FOR FIRST 4 MILLION POUNDS OF PRODUCTION.—

(1) IN GENERAL.—For the first 4,000,000 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 paragraph (3), the following annual premiums apply:

Coverage Level	Premium per Cwt.
$4.00	None
$4.50	$0.010
$5.00	$0.025
$5.50	$0.040
$6.00	$0.055
$6.50	$0.090
$7.00	$0.217
$7.50	$0.300
$8.00	$0.475

(3) SPECIAL RULE.—The premium per hundredweight specified in the table contained in paragraph (2) for each coverage level (except the $8.00 coverage level) shall be reduced by 25 percent for each of calendar years 2014 and 2015.

(c) PREMIUM PER HUNDREDWEIGHT FOR PRODUCTION IN EXCESS OF 4 MILLION POUNDS.—

(1) IN GENERAL.—For milk marketings in excess of 4,000,000 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.—The following annual premiums apply:

Coverage Level	Premium per Cwt.
$4.00	None
$4.50	$0.020
$5.00	$0.040
$5.50	$0.100
$6.00	$0.155
$6.50	$0.290
$7.00	$0.830
$7.50	$1.060
$8.00	$1.360

(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 program 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 the margin protection program 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 the margin protection program 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 the program.

SEC. 1408. 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 margin protection payments until the fees or premiums are fully paid.

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

SEC. 1409. DURATION.

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

SEC. 1410. ADMINISTRATION AND ENFORCEMENT.

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

(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 margin protection 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 the margin protection program.

(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) 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—DAIRY PRODUCT DONATION PROGRAM

SEC. 1431. DAIRY PRODUCT DONATION PROGRAM.

(a) PROGRAM REQUIRED; PURPOSE.—Not later than 120 days after the date on which the Secretary certifies to Congress that the margin protection program is operational, the Secretary shall establish and administer a dairy product donation program for the purposes of—

(1) addressing low operating margins experienced by participating dairy operations; and

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

(b) PROGRAM TRIGGER.—The Secretary shall announce that the dairy product donation program is in effect for a month, and undertake activities under subsection (c) during the month, whenever the actual dairy production margin has been $4.00 or less per hundredweight of milk for each of the immediately preceding 2 months.

(c) REQUIRED PROGRAM ACTIVITIES.—

(1) IN GENERAL.—Whenever the dairy product donation program is in effect under subsection (b), the Secretary shall immediately purchase dairy products, at prevailing market prices, until such time as one of the termination conditions specified in subsection (d)(1) is met.

(2) CONSULTATION.—To determine the types and quantities of dairy products to purchase under the dairy product donation program, the Secretary shall consult with public and private nonprofit organizations organized to feed low-income populations

(d) TERMINATION OF PROGRAM ACTIVITIES.—

(1) TERMINATION THRESHOLDS.—The Secretary shall cease activities under the dairy product donation program, and shall not reinitiate activities under the program until the condition specified in subsection (b) is again met, whenever any one of the following occurs:

(A) The Secretary has made purchases under the dairy product donation program for three consecutive months, even if the actual dairy production margin remains $4.00 or less per hundredweight of milk.

(B) The actual dairy production margin has been greater than $4.00 per hundredweight of milk for the immediately preceding month.

(C) The actual dairy production margin has been $4.00 or less, but more than $3.00, per hundredweight of milk for the immediately preceding month and during the same month—

(i) the price in the United States for cheddar cheese was more than 5 percent above the world price; or

(ii) the price in the United States for non-fat dry milk was more than 5 percent above the world price of skim milk powder.

(D) The actual dairy production margin has been $3.00 or less per hundredweight of milk for the immediately preceding month and during the same month—

(i) the price in the United States for cheddar cheese was more than 7 percent above the world price; or

(ii) the price in the United States for non-fat dry milk was more than 7 percent above the world price of skim milk powder.

(2) DETERMINATIONS.—For purposes of this subsection, the Secretary shall determine the price in the United States for cheddar cheese and non-fat dry milk and the world price of cheddar cheese and skim milk powder.

(e) DISTRIBUTION OF PURCHASED DAIRY PRODUCTS.—

(1) IN GENERAL.—The Secretary of Agriculture shall distribute, but not store, the dairy products purchased under the dairy product donation program in a manner that encourages the domestic consumption of such dairy products by diverting them to persons in low-income groups, as determined by the Secretary.

(2) USE OF PUBLIC OR PRIVATE NONPROFIT ORGANIZATIONS.—The Secretary shall utilize the services of public and

private nonprofit organizations for the distribution of dairy products purchased under the dairy product donation program. A public or private nonprofit organization that receives dairy products may transfer the products to another public or private nonprofit organization that agrees to use the dairy products to provide, without cost or waste, nutrition assistance to individuals in low-income groups.

(f) PROHIBITION ON RESALE OF PRODUCTS.—A public or private nonprofit organization that receives dairy products under subsection (e) may not sell the products back into commercial markets.

(g) USE OF COMMODITY CREDIT CORPORATION FUNDS.—As specified in section 1601(a), the funds, facilities, and authorities of the Commodity Credit Corporation shall be available to the Secretary for the purposes of implementing and administering the dairy product donation program.

(h) DURATION.—In addition to the termination conditions specified in subsection (d)(1), the dairy product donation program shall end on December 31, 2018.

Subtitle E—Supplemental Agricultural Disaster Assistance Programs

SEC. 1501. SUPPLEMENTAL AGRICULTURAL DISASTER ASSISTANCE.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE PRODUCER ON A FARM.—

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

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

(i) a citizen of the United States;

(ii) a resident alien;

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

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

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

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

(A) cattle (including dairy cattle);

(B) bison;

(C) poultry;

(D) sheep;

(E) swine;

(F) horses; and

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

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

(b) LIVESTOCK INDEMNITY PAYMENTS.—

(1) PAYMENTS.—For 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 live-

stock indemnity payments to eligible producers on farms that have incurred livestock death losses in excess of the normal mortality, as determined by the Secretary, due to—

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

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

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

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

(c) LIVESTOCK FORAGE DISASTER PROGRAM.—

(1) DEFINITIONS.—In this subsection:

(A) COVERED LIVESTOCK.—

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

(I) owned;

(II) leased;

(III) purchased;

(IV) entered into a contract to purchase;

(V) is a contract grower; or

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

(aa) the current production year; or

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

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

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

(C) ELIGIBLE LIVESTOCK PRODUCER.—

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

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

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

(III) certifies grazing loss; and

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

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

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

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

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

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

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

(e) TREE ASSISTANCE PROGRAM.—

(1) DEFINITIONS.—In this subsection:

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

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

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

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

(2) ELIGIBILITY.—

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

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

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

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

(4) LIMITATIONS ON ASSISTANCE.—

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

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

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

(f) PAYMENT LIMITATIONS.—

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

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

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

Subtitle F—Administration

SEC. 1601. ADMINISTRATION GENERALLY.

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

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

(c) REGULATIONS.—

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

(2) PROCEDURE.—The promulgation of the regulations and administration of this title and the amendments made by this title and sections 11003 and 11017 shall be made without regard to—

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

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

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

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

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

(1) REQUIRED DETERMINATION; ADJUSTMENT.—If the Secretary determines that expenditures under this title that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501)) will exceed 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 pe-

riod 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. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 2014 through 2018 crops of covered commodities (as defined in section 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, 2018:

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

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

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

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

(b) AGRICULTURAL ACT OF 1949.—The following provisions of the Agricultural Act of 1949 shall not be applicable to the 2014 through 2018 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, 2018:

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

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 1603. PAYMENT LIMITATIONS.

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

"(b) LIMITATION ON PAYMENTS FOR COVERED COMMODITIES (OTHER THAN PEANUTS).—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) APPLICATION.—The amendments made by this section shall apply beginning with the 2014 crop year.

SEC. 1604. 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) 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. 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) AMENDMENT.—Section 1603(g) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1739) is amended in paragraphs (2) through (6) and the amendments made by those paragraphs by striking "1703(a)" each place it appears and inserting "1603(a)".

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

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

(1) 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. 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. 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. 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. 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.

(b) STREAMLINING.—In implementing this title, the Secretary shall—

(1) reduce administrative burdens and costs to producers by streamlining and reducing paperwork, forms, and other administrative requirements, including through the implementation of the Acreage Crop Reporting and Streamlining Initiative that, in part, shall ensure that—

(A) a producer (or an agent of a producer) may report information, electronically (including geospatial data) or conventionally, to the Department; and

(B) upon the request of the producer (or agent thereof) 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, and other information of the producer;

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

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

(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 subparagraph 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.

(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 Cor-

poration for such crop year to fully restore the support, loan, or assistance that is otherwise required under subtitles B or C of this title or under the amendments made by subtitles B or C, 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).

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 payment otherwise payable under the contract by an amount commensurate with the economic value of the activity.".

SEC. 2005. PAYMENTS.

(a) TREES, WINDBREAKS, SHELTERBELTS, AND WILDLIFE CORRIDORS.—Section 1234(b)(3)(A) of the Food Security Act of 1985 (16 U.S.C. 3834(b)(3)(A)) is amended 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 payments 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. 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. 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. 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. 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 cov-

ered 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. 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) 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 con-

servation 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. 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. 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. 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. 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. 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 environmental 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 nec-

essary 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 main-

tenance 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. 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. 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. 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. 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. 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. 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. 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 se-

lected 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. 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 ar-

rangements 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.

gible 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 con-

tracts 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. REGULATIONS.

"(a) IN GENERAL.—The Secretary shall promulgate such regulations as are necessary to implement programs under this title, including such regulations as the Secretary determines to be necessary to ensure a fair and reasonable application of the limitations established under section 1244(f).

"(b) RULEMAKING PROCEDURE.—The promulgation of regulations and administration of programs under this title—

"(1) shall be carried out without regard to 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 viola-

tion 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 en-

actment 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) 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) 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) 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) 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 ease-

ment 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 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 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 part-

nership 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. 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. 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.".

SEC. 3208. UNDER SECRETARY OF AGRICULTURE FOR TRADE AND FOREIGN AGRICULTURAL AFFAIRS.

(a) DEFINITION OF AGRICULTURE COMMITTEES AND SUBCOMMITTEES.—In this section, the term "agriculture committees and subcommittees" means—

(1) the Committee on Agriculture of the House of Representatives;

(2) the Committee on Agriculture, Nutrition, and Forestry of the Senate; and

(3) the subcommittees on agriculture, rural development, food and drug administration, and related agencies of the Committees on Appropriations of the House of Representatives and the Senate.

(b) PROPOSAL.—

(1) IN GENERAL.—The Secretary, in consultation with the agriculture committees and subcommittees, shall propose a reorganization of international trade functions for imports and exports of the Department of Agriculture.

(2) CONSIDERATIONS.—In producing the proposal under this section, the Secretary shall—

(A) in recognition of the importance of agricultural exports to the farm economy and the economy as a whole, include a plan for the establishment of an Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs;

(B) take into consideration how the Under Secretary described in subparagraph (A) would serve as a multiagency coordinator of sanitary and phytosanitary issues and nontariff trade barriers in agriculture with respect to imports and exports of agricultural products; and

(C) take into consideration all implications of a reorganization described in paragraph (1) on domestic programs and operations of the Department of Agriculture.

(3) REPORT.—Not later than 180 days after the date of enactment of this Act and before the reorganization described in paragraph (1) can take effect, the Secretary shall submit to the agriculture committees and subcommittees a report that—

(A) includes the results of the proposal under this section; and

(B) provides a notice of the reorganization plan.

(4) IMPLEMENTATION.—Not later than 1 year after the date of the submission of the report under paragraph (3), the Secretary shall implement a reorganization of international trade functions for imports and exports of the Department of Agriculture, including the establishment of an Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs.

(c) CONFIRMATION REQUIRED.—The position of Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs established under subsection (b)(2)(A) shall be appointed by the President, by and with the advice and consent of the Senate.

TITLE IV—NUTRITION

Subtitle A—Supplemental Nutrition Assistance Program

SEC. 4001. PREVENTING PAYMENT OF CASH TO RECIPIENTS OF SUPPLEMENTAL NUTRITION ASSISTANCE 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) 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) 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 assistance 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 Nutri-

tion 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) 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 individual, 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) 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 implementa-

tion 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) 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) 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 Agri-

culture 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 providing 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 medical, 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 frequently 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 partici-

pate 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 sec-

ondary 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) 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) 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) 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 avail-

able 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. 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) 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. 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. 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. 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, and a tribal organization shall not be liable in any civil action for any damage, injury, or death caused to any person by the do-

nation to 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 commod-

ities 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 recipient agencies, as determined appropriate by the Secretary.".

(b) DEFINITIONS.—Section 18 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; 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) 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. 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. 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. 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 Re-

search 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. 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. 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-op-

erator 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 entity is owned directly or indirectly by the individuals that own the family farm.".

SEC. 5102. ELIMINATION OF RURAL RESIDENCY REQUIREMENT FOR OPERATING LOANS TO YOUTH.

Section 311(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)(1)) is amended by striking "who are rural residents".

SEC. 5103. 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. 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. 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. 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 guarantee 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) 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. 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. 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. 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. 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. 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 sec-

tion 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. 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 231 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1632a);

(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 in-

serting "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. 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. 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 Research, 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) 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. 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. 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) 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 redesignated 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. 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) 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 paragraph (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 ranchers (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. 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. 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;

(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);

(D) facilitate technology transfer and release of information and data gathered from the activities of the Foundation to the agricultural research community;

(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 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; and

(iv) 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 any 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 a report for the preceding fiscal year that includes—

(aa) a description of Foundation activities, including accomplishments; and

(bb) a comprehensive statement of the operations and financial condition of the Foundation.

(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.

(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) MANDATORY FUNDING.—

(A) IN GENERAL.—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).

(B) CONDITIONS ON EXPENDITURE.—The Foundation may use the funds made available under subparagraph (A) to carry out the purposes of the Foundation only to the extent that the Foundation secures an equal amount of non-Federal matching funds for each expenditure.

(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 organizations, the interests of which are complementary to the mission of the National Arboretum, or nonprofit organizations that support the purpose of the National Arboretum, except that the net proceeds of the organizations from the 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. 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. 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. LEGITIMACY OF INDUSTRIAL HEMP RESEARCH.

(a) IN GENERAL.—Notwithstanding the Controlled Substances Act (21 U.S.C. 801 et seq.), the Safe and Drug-Free Schools and Communities Act (20 U.S.C. 7101 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 education or State department of agriculture is located and such research occurs.

(b) 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 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.

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. 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 hydrologic 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. 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. 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 ac-

cesses 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. 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 and non-Federal land; and

(B) by either the Secretary or a Governor pursuant to a good neighbor agreement.

(2) 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.

(3) 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; or

(ii) construction, alteration, repair or replacement of public buildings or works.

(4) 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 to carry out authorized restoration services under this section.

(5) GOVERNOR.—The term "Governor" means the Governor or any other appropriate executive official of an affected State or the Commonwealth of Puerto Rico.

(6) 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).

(7) 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 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 cooperative agreement or contract entered into under subsection (a).

(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.

(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.

Subtitle D—Miscellaneous Provisions

SEC. 8301. REVISION OF STRATEGIC PLAN FOR FOREST INVENTORY AND ANALYSIS.

(a) REVISION REQUIRED.—Not later than 180 days after the date of enactment of this Act, the Secretary shall revise the strategic plan for forest inventory and analysis initially prepared pur-

suant to section 3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642(e)) to address the requirements imposed by subsection (b).

(b) ELEMENTS OF REVISED STRATEGIC PLAN.—In revising the strategic plan, the Secretary shall describe in detail the organization, procedures, and funding needed to achieve each of the following:

(1) Complete the transition to a fully annualized forest inventory program and include inventory and analysis of interior Alaska.

(2) Implement an annualized inventory of trees in urban settings, including the status and trends of trees and forests, and assessments of their ecosystem services, values, health, and risk to pests and diseases.

(3) Report information on renewable biomass supplies and carbon stocks at the local, State, regional, and national level, including by ownership type.

(4) Engage State foresters and other users of information from the forest inventory and analysis in reevaluating the list of core data variables collected on forest inventory and analysis plots with an emphasis on demonstrated need.

(5) Improve the timeliness of the timber product output program and accessibility of the annualized information on that database.

(6) Foster greater cooperation among the forest inventory and analysis program, research station leaders, and State foresters and other users of information from the forest inventory and analysis.

(7) Promote availability of and access to non-Federal resources to improve information analysis and information management.

(8) Collaborate with the Natural Resources Conservation Service, National Aeronautics and Space Administration, National Oceanic and Atmospheric Administration, and United States Geological Survey to integrate remote sensing, spatial analysis techniques, and other new technologies in the forest inventory and analysis program.

(9) Understand and report on changes in land cover and use.

(10) Expand existing programs to promote sustainable forest stewardship through increased understanding, in partnership with other Federal agencies, of the over 10,000,000 family forest owners, their demographics, and the barriers to forest stewardship.

(11) Implement procedures to improve the statistical precision of estimates at the sub-State level.

(c) SUBMISSION OF REVISED STRATEGIC PLAN.—The Secretary shall submit the revised strategic plan to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 8302. FOREST SERVICE PARTICIPATION IN ACES PROGRAM.

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.

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. 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. 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 activity 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. 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 collected 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 Environmental 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. 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. 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 Farmers' Market and Local Food Promotion Program established under section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005), including the percentage of projects funded in comparison to applicants and the types of eligible entities receiving funds;

(C) the ability 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. 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 additional coverage in terms of dollar coverage (within the allowable limits of coverage provided in this paragraph).

"(C) SUPPLEMENTAL COVERAGE OPTION.—

"(i) IN GENERAL.—Notwithstanding subparagraph (A), in the case of the supplemental coverage option described in paragraph (3)(B), the Corporation shall offer producers the opportunity to purchase coverage in combination with a policy or plan of insurance offered under this subtitle that would allow indemnities to be paid to a producer equal to a part of the deductible under the policy or plan of insurance—

"(I) at a county-wide level to the fullest extent practicable; or

"(II) in counties that lack sufficient data, on the basis of such larger geographical area as the Corporation determines to provide sufficient data for purposes of providing the coverage.

"(ii) TRIGGER.—Coverage offered under paragraph (3)(B) and clause (i) shall be triggered only if the losses in the area exceed 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) APPLICATION DATE.—The Federal Crop Insurance Corporation shall begin to provide additional coverage based on an indi-

vidual 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 immediately 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.".

(c) CROPLAND REPORT.—

(1) BASELINE.—Not later than 180 days 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 cropland acreage in each applicable county and State, and the change in cropland acreage from the preceding year in each applicable county and State, beginning with calendar year 2000 and including that information for the most recent year for which that information is available.

(2) ANNUAL UPDATES.—Not later than January 1, 2015, and each January 1 thereafter through January 1, 2018, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes—

(A) the cropland acreage in each applicable county and State as of the date of submission of the report; and

(B) the change in cropland acreage from the preceding year in each applicable county and State.

SEC. 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 decisionmaking or physical involvement in the production of the crop or livestock on the farm, for any acreage obtained by the beginning farmer or rancher, a yield that is the higher of—

"(I) the actual production history of the previous producer of the crop or livestock on the acreage determined under subparagraph (A); or

"(II) a yield of the producer, as determined in clause (i).''; and

(B) in paragraph (4)(B)(ii)—

(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. 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 stand-alone policy, except that if a producer has an individual or area coverage for the same acreage, the maximum coverage available under the Stacked Income Protection Plan shall not exceed the deductible for the individual or area coverage.

"(4) Establish coverage based on—

"(A) the expected price established under existing Group Risk Income Protection or area wide policy offered by the Corporation for the applicable county (or area) and crop year; and

"(B) an expected county yield that is the higher of—

"(i) the expected county yield established for the existing area-wide plans offered by the Corporation for the applicable county (or area) and crop year (or, in geographic areas where area-wide plans are not offered, an expected yield determined in a manner consistent with those of area-wide plans); or

"(ii) the average of the applicable yield data for the county (or area) for the most recent 5 years, excluding the highest and lowest observations, from the Risk Management Agency or the National Agricultural Statistics Service (or both) or, if sufficient county data is not available, such other data considered appropriate by the Secretary.

"(5) Use a multiplier factor to establish maximum protection per acre (referred to as a 'protection factor') of not less than the higher of the level established on a program wide basis or 120 percent.

"(6) Pay an indemnity based on the amount that the expected county revenue exceeds the actual county revenue, as applied to the individual coverage of the producer. Indemnities under the Stacked Income Protection Plan shall not include or overlap the amount of the deductible selected under paragraph (1).

"(7) In all counties for which data are available, establish separate coverage levels for irrigated and 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. 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 consistent 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 qual-

ify 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. 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. 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) 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) 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) 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) 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. 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. 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 policies 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. 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. ACER ACCESS AND DEVELOPMENT PROGRAM.

(a) GRANTS AUTHORIZED.—The Secretary of Agriculture may make competitive grants to States, tribal governments, and research institutions to support the efforts of such States, tribal governments, and research institutions to promote the domestic maple syrup industry through the following activities:

(1) Promotion of research and education related to maple syrup production.

(2) Promotion of natural resource sustainability in the maple syrup industry.

(3) Market promotion for maple syrup and maple-sap products.

(4) Encouragement of owners and operators of privately held land containing species of trees in the genus Acer—

(A) to initiate or expand maple-sugaring activities on the land; or

(B) to voluntarily make the land available, including by lease or other means, for access by the public for maple-sugaring activities.

(b) APPLICATION.—In submitting an application for a competitive grant under this section, a State, tribal government, or research institution shall include—

(1) a description of the activities to be supported using the grant funds;

(2) a description of the benefits that the State, tribal government, or research institution intends to achieve as a result of engaging in such activities; and

(3) an estimate of the increase in maple-sugaring activities or maple syrup production that the State, tribal government, or research institution anticipates will occur as a result of engaging in such activities.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed so as to preempt a State or tribal government law, including a State or tribal government liability law.

(d) DEFINITION OF MAPLE-SUGARING.—In this section, the term "maple-sugaring" means the collection of sap from any species of tree in the genus Acer for the purpose of boiling to produce food.

(e) REGULATIONS.—The Secretary of Agriculture shall promulgate such regulations as are necessary to carry out this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2014 through 2018.

SEC. 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. 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. 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. 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. 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 2018 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) 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—

(A) 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

calendar year 2013 (as evidenced by an affidavit provided by the spinner that meets the requirements of subsection (c)), bears to—

(B) the production of the yarns described in subparagraph (A) during calendar year 2013 for all spinners who qualify under this paragraph.

(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 calendar year 2013, 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 calendar year 2013 (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 calendar year 2013 by all manufacturers who qualify under this paragraph.

(c) AFFIDAVIT OF YARN SPINNERS.—The affidavit required by subsection (b)(2)(A) 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 calendar year 2013 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 calendar year 2013; and

(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 calendar year 2013.

(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 calendar year 2013, 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 calendar year 2013;

(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—

(1) in the case of an affidavit required for calendar year 2014, not later than 60 days after the date of the enactment of this Act; and

(2) in the case of an affidavit required for any of calendar years 2015 through 2018, not later than March 15 of that calendar year.

(f) TIMING OF DISTRIBUTIONS.—The Secretary shall make a payment under paragraph (2) or (3) of subsection (b)—

(1) for calendar year 2014—

(A) not later than the date that is 30 days after the filing of the affidavit required with respect to that payment; or

(B) if the Secretary is unable to make the payment by the date described in subparagraph (A), as soon as practicable thereafter; and

(2) for calendar years 2015 through 2018, 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 2018, to remain available until expended.

SEC. 12315. 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 2019 as follows:

(A) To each eligible manufacturer under paragraph (3) of section 4002(c) of the Wool Suit and Textile Trade Ex-

tension 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—

(i) for calendar years 2010 through 2015, payments that, when added to any other payments made to the manufacturer or successor-in-interest under paragraph (3) of such section 4002(c) in such calendar years, equal the total amount of payments authorized to be provided to the manufacturer or successor-in-interest under that paragraph, or the provisions of this section, in such calendar years; and

(ii) for calendar years 2016 through 2019, payments in amounts authorized under that paragraph.

(B) To each eligible manufacturer under paragraph (6) of such section 4002(c)—

(i) for calendar years 2010 through 2014, payments that, when added to any other payments made to eligible manufacturers under that paragraph in such calendar years, equal the total amount of payments authorized to be provided to the manufacturer under that paragraph, or the provisions of this section, in such calendar years; and

(ii) for calendar years 2015 through 2019, payments in amounts authorized under that paragraph.

(2) SUBMISSION OF AFFIDAVITS.—An affidavit required by paragraph (1)(A) shall be submitted—

(A) in each of calendar years 2010 through 2015, to the Commissioner responsible for U.S. Customs and Border Protection not later than April 15; and

(B) in each of calendar years 2016 through 2019, 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)—

(1) for calendar years 2010 through 2014, not later than 30 days after the transfer of amounts from the Commodity Credit Corporation to the Trust Fund under subsection (f); and

(2) for calendar years 2015 through 2019, 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 2019 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. 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 2015 through 2019, 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. 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, development, 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 the 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".

And the Senate agree to the same.

From the Committee on Agriculture, for consideration of the House amendment and the Senate amendment, and modifications committed to conference:

FRANK D. LUCAS,
RANDY NEUGEBAUER,
MIKE ROGERS of Alabama,
MICHAEL K. CONAWAY,
GLENN THOMPSON of Pennsylvania,
AUSTIN SCOTT of Georgia,
ERIC A. "RICK" CRAWFORD,
MARTHA ROBY,
KRISTI L. NOEM,
JEFF DENHAM,
RODNEY DAVIS of Illinois,
COLLIN C. PETERSON,
MIKE MCINTYRE,
JIM COSTA,

TIMOTHY J. WALZ,
KURT SCHRADER,
SUZAN K. DELBENE,
GLORIA NEGRETE MCLEOD,
FILEMON VELA,

From the Committee on Foreign Affairs, for consideration of title III of the House amendment, and title III of the Senate amendment, and modifications committed to conference:

EDWARD R. ROYCE,
TOM MARINO,
ELIOT L. ENGEL,

From the Committee on Ways and Means, for consideration of secs. 1207 and 1301, of the House amendment, and secs. 1301, 1412, 1435 and 4204 of the Senate amendment, and modifications committed to conference:

DAVE CAMP,
SAM JOHNSON of Texas,

For consideration of the House amendment and the Senate amendment, and modifications committed to conference:

STEVE SOUTHERLAND II,
MARCIA L. FUDGE,

Managers on the Part of the House.

DEBBIE STABENOW,
PATRICK J. LEAHY,
TOM HARKIN,
MAX BAUCUS,
SHERROD BROWN,
AMY KLOBUCHAR,
MICHAEL F. BENNET,
THAD COCHRAN,
SAXBY CHAMBLISS,
JOHN BOOZMAN,
JOHN HOEVEN,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 2642), 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, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in he accompanying conference report:

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House amendment struck out that matter proposed to be inserted by the Senate amendment and inserted a substitute text.

The House recedes from its amendment to the amendment of the Senate and agrees to the same with an amendment that is a substitute for the House amendment and the Senate amendment. The difference between the House amendment, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—COMMODITIES

(1) Repeal of Direct Payments

Section 1101 of the House bill repeals direct payments effective with the 2014 crop year. The section continues direct payments for the 2013 crop year for all covered commodities and peanuts, consistent with the extension of the 2008 Farm Bill. The section continues direct payments for the 2014 and 2015 crop years for upland cotton only except that the term "payment acres" is amended to mean the following: (1) for crop year 2014, 70 percent of the base acres of upland cotton on a farm on which direct payments are made; and (2) for crop year 2015, 60 percent of the base acres of upland cotton on a farm on which direct payments are made. (Section 1101)

The Senate amendment, in section 1101, repeals direct payments effective with the 2014 crop year. The section continues direct payments for the 2013 crop year for all covered commodities (except pulse crops) and peanuts. (Section 1101)

The Conference substitute adopts the House provision with an amendment to delete the continued application for the 2014 and 2015 crop years. (Section 1101)

Transition assistance for producers of upland cotton

The House bill, in section 1101, continued application of direct payments to producers of upland cotton as a transition to STAX, including on 70 percent of base acres in the 2014 crop year and on 60 percent of base acres in the 2015 crop year.

The Senate amendment has no comparable provision.

The Conference substitute adopts the House provision allowing for a transition payment but not through a continuation of the Direct Payment or any portion thereof. The section provides transition payments to producers of upland cotton in light of the repeal of direct payments, the ineligibility of cotton producers for PLC or ARC, and the delayed implementation of STAX. The section provides that transition payments will be made with respect to the 2014 crop year to upland cotton producers with cotton base in the 2013 crop year, and with respect to the 2015 crop year to upland cotton producers with base in the 2013 crop year and who are located in counties where STAX is not available for that crop year. The transition assistance rate is equal to the product obtained when multiplying the June 12, 2013 midpoint estimate for the marketing year average price of upland cotton for the marketing year beginning August 1, 2013 less the December 10, 2013 midpoint estimate for the marketing year average price of upland cotton for the marketing year beginning August 1, 2013 as contained in the applicable WASDE report published by USDA and the national program yield for upland cotton of 597 pounds per acre. The section provides that the amount of transition assistance shall be equal to the product obtained when multiplying, for the 2014 crop year, 60 percent, and for the 2015 crop year, 36.5 percent, of the cotton base acres in effect for crop year 2013; the transition assistance rate in effect for the particular crop year and the payment yield for upland cotton under section 1103(c)(3) of the 2008 Farm Bill divided by the national program yield of 597 pounds per acre. The section requires transition payments to be made on October 1 or as soon as practicable thereafter. The section applies the same pay limits to this transition assistance as was applied to section 1103 of the 2008 Farm Bill. The section provides that the pay limits provided for under the 2014 Farm Bill do not apply to transition payments and transition payments received under this section shall not count toward pay limits under the 2014 Farm Bill limits. (Section 1119)

(2) Definitions

The House bill defines terms necessary for implementation of this Act: actual county revenue, base acres, county revenue loss coverage trigger, covered commodity, effective price, extra long staple cotton, farm base acres, medium grain rice, midseason price, other oilseed, payment acres, payment yield, price loss coverage, producer, pulse crop, reference price, revenue loss coverage, Secretary, state, temperate Japonica rice, transitional yield, United States, and United States premium factor. (Section 1104)

The Senate amendment defines terms necessary for implementation of this Act: actual crop revenue, adverse market payment, agriculture risk coverage guarantee, agriculture risk coverage payment, average individual yield, base acres, county coverage, covered commodity, eligible acres, extra long staple cotton, individual

coverage, medium grain rice, other oilseed, payment acres, payment yield, producer, pulse crop, state, reference price, transitional yield, United States, and United States premium factor. (Section 1104)

The Conference substitute defines the terms necessary for implementation of this Act: actual crop revenue, agriculture risk coverage, agriculture risk coverage guarantee, base acres, county coverage, covered commodity, effective price, extra long staple cotton, generic base acres, individual coverage, medium grain rice, other oilseed, payment acres, payment yield, price loss coverage, producer, pulse crop, reference price, Secretary, state, temperate Japonica rice, transitional yield, United States, and United States premium factor. (Section 1111)

The Managers intend that, for purposes of the reallocation of base acres under section 1112; the establishment of a reference price (as required under section 1116(g)) and an effective price pursuant to section 1116; and the determination of the actual crop revenue and agriculture risk coverage guarantee pursuant to section 1117, medium and short grain rice produced in California shall be deemed Temperate Japonica Rice. For all other purposes, the Managers intend that Temperate Japonica Rice be treated as medium grain rice.

Payment Acres

The House bill, in the definitions section, provides that payment acres for price loss coverage and revenue loss coverage means 85 percent of total acres planted for the year to each covered commodity on a farm and 30 percent of total acres approved as prevented from being planted, except that the total of payment acres may not exceed farm base acres. The provision requires the Secretary to reduce payment acres applicable to each crop proportionately. The provision excludes from the term payment acres any crop subsequently planted during the same crop year on the same land for which the first crop is eligible for payments unless the crop was approved for double cropping. (Section 1104)

The Senate bill, in the definitions section, provides that payment acres means 85 percent of the base acres for a covered commodity on a farm on which adverse market payments are made. (Section 1104)

The Conference substitute adopts the House provision with modifications. The section establishes payment acres for both price loss coverage and agriculture risk coverage for each covered commodity on a farm at 85 percent of the sum of the total base acres for each covered commodity on the farm and any generic base acres on the farm planted to the covered commodity for the crop year. The section establishes payment acres for individual coverage under agriculture risk coverage at 65 percent of the sum of total base acres and any generic base acres planted to a covered commodity for the crop year. The section provides that price loss coverage and agriculture risk coverage payments are made only with respect to generic base acres planted to a covered commodity for the crop year. The section provides that if a single covered commodity is planted on generic base acres and the total acreage exceeds that generic base, the generic base acres are attributed to

that covered commodity in an amount equal to the total number of generic base acres. The section provides that if multiple covered commodities are planted to generic base acres and the total number of acres planted exceeds generic base, the generic base acres are attributed to each of the covered commodities on a pro rata basis to reflect the ratio of the acreage planted to a covered commodity on the farm to the total acreage planted to all covered commodities on the farm. The section provides that if the total number of acres planted to all covered commodities does not exceed the generic base acres then the number of acres planted to a covered commodity is attributed to that covered commodity. The section provides that when generic base acres are planted to a covered commodity or acreage planted to a covered commodity is attributed to generic base, the generic base acres are in addition to other base acres on the farm. The section further provides that the quantity of payment acres 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 or agriculture risk coverage unless the crop was approved for double cropping. The section prohibits price loss coverage or agriculture risk coverage payments to a producer on a farm if base acres are 10 acres or less, except in the case of socially disadvantaged or limited resource farmers and ranchers. The section requires that for purposes of calculating payment acres, base acres must be reduced in any crop year when fruits, vegetables (other than mung beans and pulse crops), or wild rice are planted on base acres. In the case of price loss coverage payments and agriculture risk coverage payments using county coverage, the reduction will be equal to the acreage planted to fruits, vegetables (with the two exceptions), or wild rice in excess of 15 percent of base acres; 35 percent of base acres in the case of individual level agriculture risk coverage payments. No such reduction is required under the section where the crops are grown solely for conservation purposes and not for use or sale, in any region in which there is a history of double cropping these crops with covered commodities and the crops were double cropped on base acres, or where the crops were planted on generic base acres. (Section 1114)

(3) Base Acres

The House bill, in section 1105(a), requires the Secretary to provide for appropriate adjustments to base acres for covered commodities and cotton when a Conservation Reserve Program (CRP) contract expires or is voluntarily terminated, when cropland is released from coverage under a conservation reserve contract, or when the producer has eligible oilseed acreage as the result of the Secretary designating additional oilseeds which must be determined in the same manner as under the 2008 Farm Bill. Section 1105(a) further requires that, for the crop year in which an adjustment in base is made, an owner of a farm elect price loss coverage or revenue loss coverage with respect to acreage added to the farm under an adjustment in base acres or a prorated payment under the conservation reserve contract, but not both. Section 1105(b) requires the Secretary to reduce the base acres for 1 or more covered commodities or cotton so the sum of base acres does not exceed the actual crop acreage of the farm. For purposes of carrying out any

required reduction, the provision requires the Secretary to include any acreage enrolled in CRP or WRP, or successor programs, any other acreage enrolled in a federal conservation program for which payments are made in exchange for not producing a crop, or any eligible oilseed acreage if the Secretary designates additional oilseeds. The section requires the Secretary to allow the owner of the farm to select base acres against which any reduction is to be made. The section requires an exception to be made in regard to any required reduction in the case of double cropping. Section 1105(c) authorizes an owner on a farm to reduce base acres at any time and the reduction will be permanent. Finally, the section requires the Secretary to proportionately reduce base acres on a farm for land that has been subdivided and developed for multiple residential units or non-farming uses if the land is unlikely to return to agriculture uses unless the producers on the farm demonstrate that the land remains devoted to agricultural production or is likely to be returned to previous agriculture use. The Secretary is required to establish procedures to identify such lands. (Section 1105)

The Senate amendment is similar to the House provision except the section refers to covered commodities rather than covered commodities and cotton. The provision also allows an adjustment in base acres if a conservation reserve contract was terminated or expired, or if cropland is released from a conservation reserve contract, between October 1, 2012 and the date of enactment of the 2014 Farm Bill; if the producer has eligible pulse crop acreage determined in the same manner as eligible oilseed acreage under section 1101(a)(2) of the 2002 Farm Bill; or when the producer has eligible oilseed acreage as the result of the Secretary designating additional oilseeds which must be determined in the same manner as under the 2002 Farm Bill. The section includes the same special conservation reserve acreage payment rules as the House provision except it is with respect to a producer rather than owner of a farm. The section provides peanut producers with a one-time opportunity to adjust peanut base acres. The section, in regard to prevention of excess base acres, is the same as the House provision except the section refers to covered commodities rather than covered commodities and cotton relative to required reductions to base. With regard to other acreage to be included as part of any required reduction, the section refers to the Agricultural Conservation Easement Program instead of WRP or successor programs; includes any eligible pulse crop acreage which must be determined in the same manner as eligible oilseed acreage under section 1101(a)(2) of the 2002 Farm Bill; and includes any eligible oilseeds if the Secretary designates additional oilseeds determined under section 1101(a)(2) of the 2002 Farm Bill rather than subsection (a)(1)(c) of the 2014 Farm Bill. The section allows the producer to decide what base acres to reduce if any reduction is required rather than the owner of the farm. Similarly, the section allows the farmer to elect to reduce base acres at any time, rather than allowing the owner of the farm to do so. The section requiring the Secretary to proportionally reduce base acres for land not in agricultural use refers to covered commodities rather than covered commodities and cotton. The section also requires a report to Congress that only farmers received Farm Bill payments. (Section 1105)

The Conference substitute adopts the House provision with an amendment to allow owners of a farm to retain base acres, including generic base acres, or to reallocate all base acres, other than generic base. The section provides notice requirements concerning the option to retain or reallocate base and provides that failure to make an election results in the retention of existing base acres. The section provides that an election to retain the number of acres established sections 1001 and 1301 of the 2008 Farm Bill, as adjusted pursuant to sections 1101, 1108, and 1302 of the 2008 Farm Bill in effect as of September 30, 2013. The section provides that generic base is automatically retained. The section authorizes an owner of a farm to reallocate all of the base acres for covered commodities among those covered commodities planted on the farm at any time during the 2009 through 2012 crop years. The section requires that the reallocation of base acres be in proportion to the ratio of the 4-year average of 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 any acreage that the producers were prevented from planting during the same years because of drought, flood, natural disasters, or other condition beyond the control of producers as determined by the Secretary, to the 4-year average of the acreage planted on the farm to all covered commodities for harvest, grazing, haying, silage or other similar purposes for the crop years and any acreage on the farm that the producers were prevented from planting during the crop years to covered commodities for the same reasons prescribed above. The section requires that generic base is retained and may not be reallocated. The section prohibits the Secretary from excluding any year in which a covered commodity was not planted for purposes of determining the 4-year average. The section provides that if acreage that was planted or prevented from being planted was devoted to another covered commodity in the same crop year (other than 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. The section requires that the reallocation of base acres may not result in a total number of base acres (including generic base) for the farm that exceed the number of base acres in effect on the farm on September 30, 2013. The section requires that the election made by an owner on a farm or deemed to be made applies to all covered commodities on the farm. With respect to provisions concerning the adjustment of base acres, prevention of excess base acres, and reduction in base acres, reference is made to generic base instead of cotton. (Section 1112)

(4) Payment yields

The House bill maintains the provisions of section 1102 of the 2008 Farm Bill except it drops the directive that the Secretary establish yields for eligible pulse crops and directs the Secretary to establish yields for designated oilseeds not established under section 1102 of the 2008 Farm Bill rather than the 2002 Farm Bill. The section requires that if no payment yield is otherwise established the Secretary must establish an appropriate payment yield. In establishing appropriate payment yields, the Secretary is re-

quired to take into consideration payment yields applicable to the covered commodity for similarly situated farms. The section authorizes owners to update yields on a commodity-by-commodity basis for purposes of price loss coverage payments. Owners must make an election to update yields to be in effect beginning with the 2014 crop year. The section requires that payment yields under any updated yield would be 90 percent of the average of the yield per planted acre for the 2008 through 2012 crop years, as determined by the Secretary, excluding crop years in which the acreage planted to the commodity was zero. The section provides that if the yield per planted acre for any of the 2008 through 2012 crop years was less than 75 percent of the average of the 2008 through 2012 county yields, the Secretary must assign a yield for the crop year equal to 75 percent of the average of the 2008 through 2012 county yield for purposes of determining the average yield under an update. The section requires that, in the case of a yield update, if no payment yield is otherwise established the Secretary must establish an appropriate payment yield. In establishing appropriate payment yields in the case of an update, the Secretary is required to take into consideration payment yields applicable to the covered commodity for similarly situated farms. (Section 1106)

The Senate amendment contains similar provisions relative to yields for designated oilseeds but adds eligible pulse crops and refers to section 1102 of the 2002 Farm Bill rather than section 1102 of the 2008 Farm Bill. The provision also allows a yield update for rice and a yield update for peanuts if the producer elected to update base. (Section 1106)

The Conference substitute adopts the House provision except that the Secretary shall provide for the establishment of a yield for any designated oilseed for which a payment yield was not established under the 2008 Farm Bill for purposes of price loss coverage only; the substitute omits the requirement that in the case of establishing yields for designated oilseeds, if historic yield data is not available, the Secretary must use a specified ratio for dry peas; and the language clarifies that the payment yield update opportunity is with respect to each covered commodity, and that the election to update yields would take effect beginning with the 2014 crop year. (Section 1113)

For those producers with no payment yield, the Managers intend that, with respect to the yield update offered under section 1113, the Secretary will assign the producer a payment yield using similarly situated farms prior to offering the opportunity to update their yield.

(5) Farm Risk Management Election

The House bill requires the Secretary to make required payments under Price Loss Coverage (PLC) or Revenue Loss Coverage (RLC) with respect to covered commodities of producers on a farm except that PLC or RLC payments may not be made on farms with 10 acres or less of planted acres of a covered commodity unless in the case of socially disadvantaged or limited resource farmers or ranchers. In the case of PLC, for the 2014 and subsequent crop years the Secretary is required to make payments on a covered commodity when the effective price for the crop year is less than

the reference price, with the effective price being the higher of the midseason price or the national average loan rate for the covered commodity. The section provides a payment rate equal to the difference between the reference price and the effective price and that the payment amount is to be equal to the product when multiplying the payment rate, the payment yield, and the payment acres. The section requires that payments be made on October 1 or as soon as practicable thereafter. The Secretary is required to use an all-barley price when determining the effective price for barley, and a reference price for Temperate Japonica Rice that is 115 percent of the reference price for long grain and medium grain rice. Reference prices, provided in the definitions section, are: wheat, $5.50 per bushel; corn, $3.70 per bushel; grain sorghum, $3.95 per bushel; barley, $4.95 per bushel; oats, $2.40 per bushel; long grain rice, $14.00 per cwt.; medium grain rice, $14.00 per cwt.; soybeans, $8.40 per bushel; other oilseeds, $20.15 per cwt.; peanuts $535.00 per ton; dry peas, $11.00 per cwt.; lentils, $19.97 per cwt.; small chickpeas, $19.04 per cwt.; large chickpeas, $21.54 per cwt. The section offers RLC as an alternative to PLC that owners on the farm have a one-time, irrevocable election to make on a covered commodity-by-covered commodity basis. The section provides that if any owners of the farm make different elections with respect to the same covered commodity, all owners of the farm will be deemed to have not elected RLC. The section requires the Secretary to make an RLC payment for the 2014 and subsequent crop years when the actual county revenue for a covered commodity in a crop year is less than the county revenue loss trigger for the commodity for the crop year. The section requires that RLC payments be made on October 1 or as soon as practicable thereafter. The section provides that actual county revenue is the product of multiplying the actual county yield for each planted acre of the covered commodity in a crop year by the higher of the midseason price or the national average loan rate for the covered commodity. The section provides that the county RLC trigger is equal to 85 percent of the benchmark county revenue which is the product of multiplying the average historical county yield for the most recent 5 crop years, excluding the high and the low, by the average national marketing year average price for the most recent 5 crop years, excluding the high and the low. The section provides a yield plug of 70 percent of the transitional yield where historical county yield is less than 70 percent of that transitional yield, and a price plug, the reference price for the covered commodity, where the national marketing year average price is lower than the reference price. The section provides that the payment rate for RLC is equal to the lesser of 10 percent of the benchmark county revenue for the covered commodity for the crop year, or the difference between the county RLC trigger and the actual county revenue. The section provides a payment amount equal to the product of the payment rate multiplied by the payment acres of the covered commodity. The section imposes duties on the Secretary to ensure that producers on the farm do not reconstitute the farm to void or change the election made between PLC and RLC; use all available information and analysis to check for anomalies in RLC payments; to provide separate county RLC trigger and actual county revenue for covered commodities by irriga-

tion practice; assign a benchmark yield on the basis of yield history of representative farms in a state, region, or crop reporting district where the Secretary cannot establish the benchmark county yield in a county or the yield otherwise determined is unrepresentative of the average yield for the county; and ensure that producers on the farm suffered an actual loss when receiving an RLC payment. The section requires a report to Congress on the cost of PLC and RLC and their effect on planting, production, price, and exports. The section also imposes a cap on total cost of PLC and RLC. (Section 1107)

The Senate amendment authorizes the Secretary to make Adverse Market Payments (AMP) to eligible producers for each of the 2014 through 2018 crop years. The section requires a payment any time that the actual price for a covered commodity is less than the reference price. The section establishes the actual price at a level equal to the higher of the national average market price received during the 12-month marketing year or the national average loan rate. The actual price for rice is determined in the same way except separately for long grain rice and medium grain rice. The section establishes reference prices at 55 percent of the average national marketing year average price for the most recent 5 crop years, dropping the high and the low except that for long grain rice and medium grain rice the reference price will be $13.30 per hundredweight and for peanuts the reference price will be $523.77 per ton. The section provides that the payment rate will be the difference by which the reference price exceeds the actual price, and that the payment amount is calculated by multiplying the payment rate by the payment acres and payment yield. The section requires the Secretary to determine actual price and reference price by type or class for sunflowers; barley, using malting values; and wheat. The section provides that payments must be made by October 1 or as soon as practicable thereafter. (Section 1107)

The Senate amendment also authorizes Agriculture Risk Coverage (ARC) payments for the 2014 through 2018 crop years. The section requires producers to make a one time, irrevocable election to receive individual coverage or county coverage where there is sufficient county data. The election would bind the producer with respect to all acres under the operational control of the producer, including acres brought under the control of the producer after the election is made. Acres no longer under the producer's operational control after an election are not subject to the producer's election but the election of the subsequent producer. The section requires the Secretary to ensure that producers do not take actions to alter or reverse their elections. An ARC payment is required whenever the actual crop revenue for the covered commodity is less than the ARC guarantee. The section provides that payments are to be made on October 1 or as soon as practicable thereafter. The section provides that actual crop revenue is the product of the multiplication of the actual average individual yield (for individual coverage) or the actual average yield for the county (for county coverage) and the higher of the national average market price received during the 12-month marketing year or, if applicable, the reference price established for the covered commodity under section 1107. The section provides that the ARC guarantee is equal to 88 percent of the

benchmark revenue. The section requires that the benchmark revenue be the product of multiplying the average individual yield for the most recent 5 crop years, dropping the high and the low (for individual coverage) or the average county yield for the most recent 5 crop years, dropping the high and the low (for county coverage) by the average national marketing year average price for the most recent 5 crop years, excluding the high and the low. The section provides a 60 percent yield plug for the 2013 and prior crop years and a 65 percent yield plug for the 2014 and subsequent crop years. The section establishes a payment rate equal to the lesser of the amount that the ARC guarantee exceeds the actual crop revenue or 10 percent of the benchmark revenue for the covered commodity. The section established a payment amount at an amount equal to the product obtained by multiplying the payment rate by 65 percent of the planted eligible acres and 45 percent of the eligible acres that were prevented from being planted (for individual coverage) and by 80 percent and 45 percent, respectively (for county coverage). The section imposes duties on the Secretary including using all available information and analysis to check for anomalies in ARC payments; to calculate separate actual crop revenue and ARC guarantees by irrigation practice; differentiate by type or class the national average price for sunflowers; barley, using malting barley values; and wheat; and assign yields on the basis of yield history of representative farms in the state, region, or crop reporting districts if the Secretary cannot establish a county yield if the yield otherwise determined is unrepresentative of an average yield for the covered commodity. (Section 1108)

The Conference substitute adopts the House provision with amendments. The substitute creates a new section, section 1115, establishing rules for a producer election between PLC and ARC. For the 2014 through 2018 crop years the substitute requires all of the producers on a farm to make a 1-time, irrevocable election to receive price loss coverage on a covered commodity-by-covered-commodity basis or agriculture risk coverage. The substitute requires that producers on a farm that elect ARC must unanimously select whether to receive county coverage on a covered commodity-by-covered-commodity basis or individual coverage applicable to all of the covered commodities on the farm. The substitute provides that if all the producers on a farm fail to make a unanimous election for the 2014 crop year, the Secretary may not make any ARC or PLC payments with respect to the farm for the 2014 crop year and the producers on the farm will be deemed to have elected PLC for all covered commodities on the farm for the 2015 through 2018 crop years. The substitute provides that if all the producers on a farm select ARC county coverage for a covered commodity, the Secretary may not make PLC payments to the producers on the farm for that covered commodity. The substitute provides that if all the producers on a farm select individual ARC coverage, the Secretary must consider for purposes of making specified calculations the producer's share of all farms in the same State in which the producer has an interest and for which individual coverage has been selected. Finally, the substitute requires the Secretary to ensure that producers on a farm do not reconstitute the farm to void or change an election or selection made.

The Conference substitute provides, in section 1116, that if all of the producers on a farm make an election to receive PLC for a covered commodity or are deemed to have made such an election, then the Secretary shall make PLC payments to producers on the farm on a covered commodity-by-covered-commodity basis if the Secretary determines that, for any of the 2014 through 2018 crop years, the effective price for a covered commodity is less than the reference price in a crop year. The section establishes that the effective price for a covered commodity is the higher of the national average market price during the 12-month marketing year or the national average loan rate. The section provides that the payment rate is equal to the difference between the reference price and the effective price. The section further provides that the payment amount shall be the product of multiplying the payment rate, the payment yield, and the payment acres and that payments are to be made by October 1 or as soon as practicable thereafter. The section requires that the all-barley price is to be used when determining the effective price for barley, and that the reference price for Temperate Japonica Rice is 115 percent of the reference price for long grain or medium grain rice. Reference prices are the same as provided in the House bill.

The Conference substitute, in section 1117, also includes the ARC that closely mirrors the Senate provision with some modifications. The substitute provides that if all producers on a farm make an election to receive ARC, then ARC payments are required to be made to producers on the farm when the Secretary determines that, for any of the 2014 through 2018 crop years, actual crop revenue is less than the ARC guarantee for a crop year. The section provides that actual crop revenue for a county is equal to the product obtained when multiplying the actual average county yield per planted acre for the covered commodity and the higher of the national average market price received during the 12-month marketing year or the national average loan rate. The section provides that in the case of individual ARC, the actual crop revenue for a producer for a crop is based on the producer's share of all covered commodities planted on all farms in which the producer has an interest and for which individual coverage has been selected, to be determined by the Secretary as follows: for each covered commodity, by obtaining the product of multiplying the total production of the covered commodity on the farm by the higher of the national average market price received during the 12-month marketing year or the national average loan rate; by then determining the sum of the amounts determined, above, for all covered commodities on the farm; and then arriving at the quotient obtained when dividing the amount, immediately above, by the total planted acres of all covered commodities on the farms. The section provides that the ARC guarantee for a covered commodity in a crop year is 86 percent of the benchmark revenue, which for county coverage is the product obtained by multiplying the average historical yield for the most recent 5 crop years, excluding the high and the low, by the national average market price received by producers during the 12-month marketing year for the most recent 5 crop years, dropping the high and the low. The section provides that benchmark revenue for individual coverage is based on the producer's share of all cov-

ered commodities planted on all farms which the producer has an interest and for which individual coverage has been selected to be determined by the Secretary as follows: for each covered commodity for each of the most recent 5 years, the product obtained by multiplying the yield per planted acre for the covered commodity on the farm by the national average market price received by producers during the 12-month marketing year; for each covered commodity, the average of the revenues determined above for the most recent 5 crops, dropping the high and the low; for each of the 2014 through 2018 crop years, the sum of the amounts determined immediately above for all covered commodities on the farms, but adjusted to reflect the ratio between the total number of acres planted on the farms to a covered commodity and the total acres of all covered commodities planted on the farms. The section provides a yield plug of 70 percent of the transitional yield when the yield per planted acre or historical county yield for any of the 5 most recent crop years is less than 70 percent of the transitional yield, and a price plug equal to the reference price for the covered commodity when 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. The section establishes that the payment rate is equal to the lesser of the amount that the ARC guarantee exceeds the actual crop revenue or 10 percent of the benchmark revenue. The section further provides that the payment amount is to be determined by multiplying the payment rate by the payment acres determined under section 1114, and that payments are required to be made by October 1 or as soon as practicable thereafter. The section imposes duties on the Secretary to use all available information and analysis to check for anomalies in ARC payments; to provide separate actual crop revenue and ARC guarantees for a covered commodity by irrigation practice; assign an individual yield for a farm on the basis of the yield history of representative farms in the state, region, or crop reporting district if the farm has planted acreage in a quantity that is insufficient to calculate a representative average yield for the farm; and assign a benchmark county yield for each planted acre on the basis of the yield history of representative farms in the state, region, or crop reporting district where the Secretary cannot establish the actual or benchmark county yield or the yield calculated is an unrepresentative average yield. (Sections 1115, 1116, and 1117)

The Managers recognize that all producers on the farm have a one-time opportunity to elect either PLC or ARC for each crop on the farm on a commodity-by-commodity basis, with the exception that if a producer elects individual-level ARC, the producer must elect individual-level ARC for all crops on the farm. However, the Managers intend for USDA to have an annual signup to participate in the program for the applicable year based on the producer election that was made. The Managers stress that FSA has always had an annual signup into available programs, which is simply a decision to participate in a given year. Absent an annual signup, producers may well fail to notify FSA of ownership changes, complete AGI certifications, and other information required to be provided by the producer to FSA. The signup period is the one time each

year where producers are certain to complete all of the necessary records and forms.

(6) Producer Agreements

The House bill, in section 1108, retains a producer agreement requirement from the 2008 Farm Bill except that benefits under this subtitle are referred to rather than 2008 subtitle programs and planting flexibility, agricultural and conserving use, and production report requirements are dropped, as is a provision that prohibits any benefit penalties against a producer for an inaccurate acreage or production report unless the producer knowingly and willfully falsified the reports.

The Senate amendment is similar except agricultural and conserving uses and production reports requirements and prohibition on penalties are not dropped as compared to the 2008 Farm Bill. The section includes a data reporting requirement that the Secretary must use data reported by the producer to meet crop insurance requirements to meet acreage reporting and production reporting requirements, and the section clarifies that producers are required to meet the noxious weed control requirement if the agriculture or conserving use involves non-cultivation of any portion of land referenced in the agriculture and conserving use requirement provision.

The Conference substitute adopts the House provision except agricultural and conserving use requirements under the 2008 Farm Bill are retained and certain production reports are required. (Section 1118)

(7) Senate Amendment

The Senate amendment provides that Sections 1104 (Definitions) through 1109 (Producer Agreements) shall be effective beginning with the 2014 crop year of each covered commodity through the 2018 crop year. (Section 1110)

The House bill provides no comparable provision and instead indicates in each section that the provision applies for the 2014 and each subsequent crop year.

The Conference substitute adopts the Senate effective period for sections 1111 (Definitions) through 1118 (producer agreements).

(8) Availability of marketing assistance loans

The House bill extends the 2008 Farm Bill's provision requiring the availability of nonrecourse marketing assistance loans for loan commodities for the 2014 and succeeding crop years except that peanuts are included in the definition of loan commodity rather than there being a separate section of the law providing loan assistance for peanuts. The special rules for peanuts authorized under the 2008 Farm Bill are also carried over into this section. (Section 1201)

The Senate amendment is the same as the House bill except that the provision is reauthorized through 2018 and requires producers to agree to use the land on the farm for an agriculture or conserving use, and to effectively control noxious weeds and maintain the land in accordance with sound agricultural practices if it involves the noncultivation of any portion of the land. The Sec-

retary is required under the provision to issue rules necessary to enforce compliance. The section also authorizes the Secretary to modify the requirements of this section if the modification is consistent with the purposes of this subsection. (Section 1201)

The Conference substitute adopts the House provision except that the provision of loans is required for the 2014 through 2018 crop years. (Section 1201)

The Managers intend that Subtitle B, including but not limited to the Marketing Assistance Loan Program, the Economic Adjustment Assistance Program, and the ELS Competitiveness Program, will be administered in the same manner as under the 2008 Farm Bill.

(9) Loan Rates for Nonrecourse Marketing Assistance Loans

The House bill extends the 2008 Farm Bill's provision establishing loan rates for nonrecourse marketing assistance loans for the 2014 and succeeding crop years except the loan rate for upland cotton is established at the simple average of the adjusted prevailing world price for the two immediately preceding marketing years, as determined by the Secretary and announced October 1 preceding the next domestic plantings but in no case may the loan rate be less than 47 cents per pound or more than 52 cents per pound. The section also includes an extension of the 2008 Farm Bill's loan rate for peanuts. (Section 1202)

The Senate amendment is similar to the House provision except that the loan rates are extended through the 2018 crop year and the minimum loan rate for upland cotton is established at 45 cents per pound. (Section 1202)

The Conference substitute adopts the Senate provision. (Section 1202)

The Managers stress that the loan rate reduction authority granted under this section is intended to address the cotton domestic support elements of Brazil's dispute with the United States (WT/DS 267) before the World Trade Organization. This authority is in addition to other reforms to U.S. cotton policy made by the 2014 Farm Bill, including repeal of the suite of commodity policies made available to cotton producers under the 2002 and 2008 Farm Bills, the ineligibility of cotton producers to participate in successor policies contained in the 2014 Farm Bill, the authorization of expenditure of funds in connection with certain research and development activities on behalf of Brazilian cotton, and other reforms, including with respect to the export credit guarantee elements of the dispute, statutory reforms to the GSM 102 Export Credit Guarantee Program. The Managers intend that these reforms lead to a negotiated resolution of the dispute.

(10) Repayment of Loans

The House bill generally extends the repayment of loan provisions of the 2008 Farm Bill for the 2014 and succeeding crop years except the section incorporates peanuts consistent with repayment provisions of the 2008 Farm Bill for that crop, and provides for a 10 percent reduction in cotton storage payment rates as compared to the rates in effect for the 2006 crop year. (Section 1204)

The Senate bill is similar to the House Bill provisions except that the provision is authorized for the 2014 through 2018 crop years and cotton storage payment rates are reduced by 20 percent as compared to the rates in effect for the 2006 crop year. (Section 1204)

The Conference substitute adopts the House provision except that the provision is reauthorized for the 2014 through 2018 crop years. (Section 1204)

(11) Loan Deficiency Payments

The House bill extends the provision in the 2008 Farm Bill requiring loan deficiency payments for the 2014 crop year and each succeeding crop year. (Section 1205)

The Senate bill is similar to the House bill except loan deficiency payments are authorized for the 2014 through 2018 crop years. (Section 1205)

The Conference Substitute adopts the Senate provision. (Section 1205)

(12) Payments in Lieu of LDPs for Grazed Acreage

The House bill extends such provisions of the 2008 Farm Bill for the 2014 and succeeding crop years but used the payment yield under price loss coverage rather than the direct payment for purposes of calculating payment quantity. (Section 1206)

The Senate amendment is similar except the provision applies to the 2014 through 2018 crop years and uses the payment yield for the agriculture risk coverage program as well as the payment yield for the 2008 Farm Bill in the case of a farm without a payment yield for wheat. (Section 1206)

The Conference substitute adopts the House provision except the payments are required for the 2014 through 2018 crop years. (Section 1206)

(13) Special Marketing Loan Provisions for Upland Cotton

The House bill extends the provision of the 2008 Farm Bill authorizing the President to carry out a special import quota starting August 1, 2014 and a limited global import quota. The section authorizes the use of official data of USDA if available or estimates of the Secretary in carrying out the section. The section also provides for economic adjustment assistance to users of upland cotton at 3 cents per pound beginning August 1, 2013. (Section 1207)

The Senate provision provides for economic adjustment assistance similar to the House except the 3 cents per pound amount begins August 1, 2012. (Section 1207)

Conference substitute adopts the House provision except the starting date of the special import quota is August 1, 2014 and the 3 cent per pound economic adjustment assistance begins August 1, 2013. (Section 1207)

(14) Special Competitive Provisions for Extra Long Staple Cotton

The House bill permanently extends current law in this regard. (Section 1208)

The Senate amendment extends current law through July 31, 2019, beginning on the date of enactment of this Act. (Section 1208)

The Conference substitute adopts the House provision except that the program is authorized beginning on the date of enactment through July 31, 2019. (Section 1208)

(15) Availability of Recourse Loans for High Moisture Feed Grains and Seed Cotton

The House bill extends the provision of the 2008 Farm Bill providing recourse loans for the 2014 and each succeeding crop year except for purposes of calculating the quantity of corn or grain sorghum, the lower of the farm program payment yield used to make payments under the new Farm Bill or the actual yield is used instead of the lower of the countercyclical payment yield under the 2008 Farm Bill or the actual yield. (Section 1209)

The Senate amendment is similar except recourse loans are extended for the 2014 through 2018 crop years and the calculation is based on the lower of the actual average yield used to make payments under the new Farm Bill or the actual yield. (Section 1209)

The Conference substitute adopts the House provision except that the recourse loans are required for the 2014 through 2018 crop years.

(16) Adjustments of Loans

The House bill is the same as current law except any adjustments must be made so the average loan level for the commodity will be equal to the level of support determined in accordance with this subtitle and subtitle C and revisions to quality adjustments for upland cotton provision is deleted. (Section 1210)

The Senate amendment is similar except the average loan level must be equal to the level of support determined under this subtitle and subtitles C through E, revisions to quality adjustment for upland cotton provision is retained, and authority is provided to revise or revoke any actions taken pursuant to that revision authority. (Section 1210)

The Conference substitute adopts the House provision.

(17) Sugar Policy

The House bill permanently extends current sugar policy for the 2012 crop year and each succeeding crop year. (Section 1301)

The Senate amendment extends current sugar policy for each of the 2014 through 2018 crop years. (Section 1301)

The Conference substitute adopts the Senate provision, extending current sugar policy for the 2012 through 2018 crop years.

(18) Definitions for the Dairy Producer Margin Insurance Program

The House bill defines the new terms and establishes the Dairy Producer Margin program in the new section 1511(a) of the Food Conservation and Energy Act of 2008. (Section 1401)

The Senate amendment is similar and gives the definitions for the "Dairy Margin Protection Program" and the "Dairy Market Stabilization Program". (Section 1401)

The Conference substitute adopts the House provision with an amendment. The amendment replaces the term "Dairy Producer" with "Dairy Operation"; the "Margin Insurance Program" is instead referred to as the "Margin Protection Program"; and definitions are

included for "Margin Protection Program Payment" and "Secretary". (Section 1401)

(19) Calculation of Average Feed and Actual Dairy Production

The House bill establishes the calculation for the average feed cost and actual dairy producer margins. (Section 1401)

The Senate amendment is similar to the House provision but it includes provisions unique to the stabilization program. (Section 1402)

The Conference substitute adopts the House provision with an amendment to include Senate language related to the time for calculation. (Section 1402)

(20) Establishment of Dairy Producer Margin Insurance Program

The House bill establishes the Dairy Producer Margin Insurance Program to be effective October 1, 2013. (Section 1401)

The Senate amendment similarly establishes the Dairy Product Margin Protection Program, but requires the program be effective not later than 120 days after the effective date of this subtitle. (Section 1411)

The Conference substitute directs the Secretary to establish a margin protection program for dairy producers not later than September 1, 2014. (Section 1403)

(21) Eligibility and Registration of Dairy Producers for Margin Insurance Program

The House bill requires that all dairy producers in the United States shall be eligible to participate in the margin insurance program. It sets out an annual registration process and provides for retroactivity of the program. (Section 1401)

The Senate amendment is similar to the House provision but does not provide for retroactivity of the program. It instead provides for a transition period from MILC to the Production Margin Protection Program and describes rules and restrictions for producers during this period. It establishes an annual administrative fee schedule for producers to participate in the Production Margin Protection Program. It also establishes a fund for the use of fees collected and authorizes a range of uses for this fund. It prohibits a producer from participating in both the Livestock Margin Program and the Production Margin Protection Program. (Section 1412)

The Conference substitute adopts the Senate provision with an amendment. The amendment eliminates the tiered fee structure and waiver and instead requires that all participating producers pay a single annual fee of $100. The Secretary is authorized to specify the manner and form in which producers may register. (Section 1404)

(22) Production History of Participating Dairy Producers

The House bill requires the Secretary to determine the production history of each producer in the margin insurance program and allows for annual updates. Annual updates are based on the producer's highest annual milk marketings during any of the 3 immediately preceding calendar years. It provides a mechanism for the

Secretary to determine production history of producers in operation for less than one year. It lists the required information a participating dairy producer must submit to the Secretary for establishing production history. It details how production history is transferred by sale or by lease. It prohibits the producer to whom the production history is transferred from choosing a different coverage level. It prohibits the Secretary from transferring production history established for a new entrant to another person. It allows the production history of a producer to move to a new location with the producer. (Section 1401)

The Senate amendment is specific to basic margin protection which has a one-time registration without opportunity for annual updating of the producer's production history. It requires the Secretary to determine the actual production history of a producer who purchases supplemental production coverage. It sets out a new producer's options to determine basic production history. Similar to the House bill, it lists the required information a participating dairy producer must submit to the Secretary for establishing production history. It requires the Secretary to specify how production history is to be transferred. Similar to the House bill, it prohibits the producer to whom the production history is transferred from choosing a different coverage level and also extends the prohibition to transfers within the supplemental production margin protection program. It allows the basic and annual production history of a producer to move to a new location with the producer. (Section 1413) It allows a participating dairy operation to purchase supplemental production margin protection. (Section 1415))

The Conference substitute adopts the House provision with an amendment. It sets production history equal to the highest annual milk marketings from the 2011, 2012, or 2013 calendar years. The Secretary shall adjust the production history to reflect any increase in the national average milk production. New dairy operations shall elect one of two methods to establish production history: (1) the volume of actual milk marketings for the months the dairy operation has been in operation extrapolated to a yearly amount; or (2) an estimate of the actual milk marketings based on herd size relative to the national herd average data published by the Secretary. (Section 1405)

(23) Margin Insurance

The House bill allows a participating dairy producer to annually purchase margin insurance. The producer shall elect a coverage level between $4 and $8. It requires a producer to select a coverage percentage between 25 percent and 80 percent of production history. It sets the margin insurance payment for a consecutive 2-month period equal to the product of the shortfall in actual margins below a chosen threshold, the coverage percentage selected by the producer, and the lesser of the producer's actual marketings or actual production history. (Section 1401)

The Senate amendment requires the Secretary to make a payment whenever the margin for a 2-month period is less than $4 per cwt. It sets the basic margin production payment amount equal to the product of multiplying the difference between the average actual product margin and $4 by the lesser of: 80% of production his-

history, divided by 6; or the actual quantity of milk marketed by the dairy operation during the 2 month period. (Section 1414)

The Conference substitute adopts the House provision with an amendment. The amendment allows for coverage percentages between 25 percent and 90 percent. (Section 1406)

(24) Producer Premiums

The House bill requires a participating producer to pay an annual premium. It sets the premium schedule for the first 4 million pounds of milk. It also sets the premium schedule for production in excess of 4 million pounds. It establishes a schedule for the timing of premium payments including options for subsequent years, single annual payments, and semi-annual payments. It sets out the producer premium obligations including a pro-ration of the first year obligations, and a legal obligation to pay the premium except in the case of death and retirement. It requires that a producer shall receive a margin insurance payment whenever the average actual producer margin is less than the coverage threshold selected by the producer. It requires the Secretary to make margin insurance payments when the average actual production for a consecutive two-month period is less than the coverage level threshold selected by the dairy producer. It allows the Secretary to use the funds of the CCC to carry out this section. It establishes that the program start date is October 1, 2013. (Section 1401)

The Senate amendment is similar to the House bill, but contains slight differences in premiums. It requires the Secretary to provide for more than one method by which a dairy operation can pay premiums. Unlike the House bill, it allows the Secretary to waive the legal obligation to pay the premium in case of death, retirement, or other circumstances as the Secretary considers appropriate. It establishes the payment threshold and calculation method for Supplemental Production Margin Payments. (Section 1415)

The Conference substitute includes premium schedules for the first 4 million pounds of production and for production in excess of 4 million pounds. The premiums for the first 4 million pounds are reduced by 25 percent for calendar years 2014 and 2015. (Section 1407)

(25) Establishment of the Dairy Market Stabilization Program

The Senate amendment requires the Secretary to establish and administer a dairy market stabilization program applicable to participating dairy operations for the purpose of assisting in balancing the supply of milk with demand. (Section 1431)

The House bill has no comparable provision.

The Conference substitute adopts the House position.

(26) Threshold for Implementation and Reduction in Dairy Payments

The Senate amendment provides that the Secretary shall announce that the stabilization program is in effect and order reduced payments by handlers to participating dairy operations that exceed the applicable percentage of the participating dairy operation's stabilization program base under certain circumstances. (Section 1432)

The House bill has no comparable provision.

The Conference substitute adopts the House position.

(27) Milk Marketings Information

The Senate amendment requires the Secretary to establish a process to collect from participating dairy operations and handlers such information that the Secretary considers necessary for each month during which the stabilization program is in effect. (Section 1433)

The House bill has no comparable provision.

The Conference substitute adopts the House position (but see Section 1405(c)).

(28) Calculation and Collection of Reduced Dairy Operation Payments

The Senate amendment requires each handler, during any month in which payment reductions are in effect under the stabilization program, to reduce payments to each participating dairy operation from whom the handler receives milk. (Section 1435)

The House bill has no comparable provision.

The Conference substitute adopts the House position.

(29) Remitting Funds to the Secretary and Use of Funds

The Senate amendment requires, as soon as practicable after the end of each month during which payment reductions are in effect under the stabilization program, each handler to remit to the Secretary an amount equal to the amount by which payments to participating dairy operations are reduced by the handler under section 1434. (Section 1435)

The House bill has no comparable provision.

The Conference substitute adopts the House position.

(30) Suspension of Reduced Payment Requirement

The Senate amendment requires reduced payments to be suspended under certain circumstances. (Section 1436)

The House bill has no comparable provision.

The Conference substitute adopts the House position.

(31) Enforcement

The Senate amendment makes it unlawful and a violation of this subpart for any person subject to the stabilization program to willfully fail, refuse to provide, or delay the timely reporting of accurate information and remittance of funds to the Secretary. (Section 1437)

The House bill has no comparable provision.

The Conference substitute adopts the House position.

(32) Audit Requirements

The Senate amendment authorizes the Secretary to conduct audits to ensure compliance by participating dairy operations and handlers with the stabilization program. (Section 1438)

The House bill has no comparable provision.

The Conference substitute adopts the House position.

(33) Study; Report

The Senate amendment requires the Secretary, acting through the Office of the Chief Economist, to conduct a study of the impacts of the program established under section 1431(a). (Section 1451)

The House bill has no comparable provision.

The Conference substitute adopts the House position.

(34) Duration

The Senate amendment terminates the production margin protection program and the stabilization program on December 31, 2018. (Section 1439)

The House bill has no comparable provision.

The Conference substitute adopts the Senate provision. (Section 1409)

(35) Rulemaking

The House bill requires the promulgation of regulations for the initiation of the margin insurance program. It also requires administration of the margin insurance program to comply with the Administrative Procedure Act, but does not require compliance with the Paperwork Reduction Act. It repeals the deadline for the Secretary to consider the state of California's reentry into the federal milk marketing order system. (Section 1402)

The Senate amendment requires the Secretary to promulgate regulations to address administrative and enforcement issues involved in carrying out the production margin protection, supplemental production margin protection, and market stabilization programs. It also requires regulations for an appeals process. (Section 1452)

The Conference substitute adopts the House provision with an amendment. The amendment requires the Secretary to promulgate regulations to address administrative and enforcement issues and prohibit reconstitution of a dairy operation for the purpose of the dairy producer receiving margin protection payments. (Section 1410).

The Managers intend for the Secretary to conduct a hearing prior to the issuance of an order designating the State of California as a Federal milk marketing order. The provision provides the Secretary of Agriculture with the discretion, if a California Federal milk marketing order is requested, to recognize the longstanding California quota system, established under state marketing regulations, in whatever manner is appropriate on the basis of a rulemaking hearing record.

Section 1504 of the Food, Conservation, and Energy Act of 2008 amended the Agricultural Adjustment Act (7 U.S.C. 608c) to establish timeframes for the hearing process for amending federal milk marketing orders. The Managers expect the Secretary to adhere to such timeframes, to the maximum extent practicable, for the process of designating California as a Federal milk marketing order.

(36) Dairy Product Mandatory Reporting

The Senate amendment changes the dairy product mandatory reporting process so that each manufacturer has to report to the

Secretary, more frequently than once per month, information concerning the price, quantity, and moisture content of dairy products sold by the manufacturer. (Section 1461)

The House bill has no comparable provision.

The Conference substitute adopts the House position.

(37) Federal Milk Marketing Order Program Pre-Hearing Procedure for Class III pricing

The Senate amendment requires the Secretary to use the pre-hearing procedure described in this section to consider alternative formulas for Class III milk product pricing under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937. (Section 1462)

The House bill has no comparable provision.

The Conference substitute adopts the House position.

The Managers have heard concerns from various dairy stakeholders in regards to the Class III and Class IV milk product pricing systems. The Managers recognize that the Secretary has the authority and ability to conduct a pre-hearing procedure to consider alternative pricing formulas for Class III and Class IV milk products. If petitioned by industry, the Secretary is encouraged to engage in public, pre-hearing information sessions that allow the opportunity for interested parties to discuss alternative price formula proposals. The Managers believe that through review of proposals from interested parties, this process will help address concerns from industry, assist with the stabilization of the price of milk and provide greater certainty for dairy producers. It is the Managers understanding that the Dairy Industry Advisory Committee has recommended that the Secretary take such action and review interested party proposals to address Class III and Class IV pricing formula changes in this participatory and transparent manner.

(38) Repeal of Dairy product Support and MILC programs

The House bill repeals both sections of current law that establish the dairy product support and MILC programs. (Section 1411)

The Senate amendment is similar to the House bill but continues MILC payments at the 45% payment rate through June 30, 2014. MILC is repealed effective July 1, 2014. It repeals the Dairy Export Incentive Program, and extends the Dairy Forward Pricing Program, the Dairy Indemnity Program, and the Dairy Promotion and Research Program. (Sections 1471–1475)

The Conference substitute adopts the Senate provisions. (Section 1422)

(39) Repeal of the Federal Milk Marketing Order Review Commission

The House bill repeals section 1509 of the Food, Conservation Act of 2008. (Section 1416)

The Senate amendment extends the order review commission. (Section 1476)

The Conference substitute adopts the House provision. (Section 1427)

(40) Federal Milk Marketing Orders

The Senate amendment requires the Secretary to provide an analysis on the effects of amending each Federal milk marketing order issued under section 8c of the Agricultural Adjustment Act. (Section 1481)

The House bill has no comparable provision.

The Conference substitute adopts the House position.

(41) Supplemental Agriculture Disaster Assistance

The House bill provides definitions as necessary to carry out the Livestock Indemnity Program. The provision requires Livestock Indemnity Payments to be made to eligible producers from funds of the Commodity Credit Corporation (CCC) for fiscal year 2012 and each succeeding fiscal year with respect to livestock losses in excess of normal mortality due to adverse weather or attacks by federally reintroduced animals, including wolves or avian predators. The provision provides for an indemnity rate of 75% of the market value of the applicable livestock. The provision provides definitions as necessary to carry out the Livestock Forage Program. The provision requires that, for the 2012 and each succeeding fiscal year, the Livestock Forage Program must provide compensation from the funds of the CCC for losses to eligible livestock producers due to grazing losses on account of prescribed drought conditions or fire. The provision provides that an eligible producer may receive assistance only for grazing losses for covered livestock on land that is native or improved pastureland with permanent vegetative cover or is planted to a crop for the purpose of providing grazing for covered livestock. The provision excludes assistance for grazing losses on land used for haying or grazing under a CRP contract. The provision establishes that in the case of drought, a payment rate for a single month is to be equal to 60 percent of the lesser of the monthly feed cost for covered livestock, owned or leased, or the monthly feed cost calculated by using the normal carrying capacity of the eligible grazing land. The provision requires a payment rate of 80 percent of the aforementioned payment rate in the case of an eligible livestock producer that sold or disposed of livestock due to drought in one or both of the two production years preceding the current production year. The provision also prescribes the means by which monthly feed costs, feed grain equivalents, and corn price per pound are determined. The provision requires the Secretary to determine normal carrying capacity and normal grazing period in the county served by the applicable committee and prohibits any change in the determination without the request of the State and county FSA committees. The provision establishes a schedule of payments to be made to producers in D2, D3, and D4 drought conditions as follows: D2 for at least 8 consecutive weeks, 1 monthly payment; D3 for any period, 3 monthly payments; D3 for at least 4 weeks or D4 any time, 4 monthly payments; D4 for at least 4 weeks, 5 monthly payments. The provision establishes assistance for eligible livestock producers that sustain grazing losses on federal lands when a federal agency prohibits grazing on the federal lands due to fire at a rate equal to 50 percent of the monthly feed cost. The provision further establishes that such producers are eligible for assistance beginning on the date they are denied

grazing on federal lands until such time that their lease expires. The provision prohibits duplicative drought and fire payments covering the same losses. The provision requires the Secretary to use not more than $20 million of CCC funds for each of the 2012 and succeeding fiscal years to provide emergency relief to eligible producers of livestock, honey bees, and farm raised fish to help in the reduction of losses due to disease, adverse weather, or other conditions not covered under Livestock Indemnity Payments or the Livestock Forage Disaster Program. The provision requires that funds be used to reduce losses due to feed or water shortages, disease, or other factors determined by the Secretary and that the funds be available until expended. The provision contains definitions as necessary to carry out the Tree Assistance Program. The provision requires the Secretary to use CCC funds for each of the 2012 and subsequent fiscal years to provide assistance to eligible orchardists and nursery tree growers that planted and lost trees intended for commercial purposes due to natural disaster, and orchardists and nursery tree growers that have a production history for commercial purposes but lost trees due to natural disaster. The provision requires a tree mortality loss in excess of 15 percent to qualify for assistance with assistance consisting of 65 percent of the cost of replanting trees lost in excess of 15 percent or, at the Secretary's discretion, sufficient seedling to reestablish a stand, and 50 percent of the cost of pruning, removal, and other costs incurred to salvage existing trees or to prepare land to replant trees, in excess of 15 percent. The provision establishes a $125,000 payment limit under the Tree Assistance Program, with a 500 acre cap as well. The provision also provides for a $125,000 payment limit on assistance provided under section 1501, with direct attribution requirements. The provision omits the minimum risk management purchase requirement and does not reauthorize the SURE program of the 2008 Farm Bill. (Section 1501)

The Senate amendment is similar to the House provision, except that definitions vary; programs required under subtitle E are authorized for the 2014 through 2018 fiscal years; payment rates under the Livestock Indemnity Program are established at 65 percent of the market value; the functions of other programs are folded into the Livestock Forage Program, including the noninsured crop disaster program, the emergency assistance for livestock, honey bees, and farm-raised fish program, and the Livestock Forage Disaster Program; Livestock Forage Disaster Program assistance is not excluded on CRP contract acreage if the land is grassland eligible; the monthly payment rate under the Livestock Forage Disaster Program is 50 percent; the calculation for determining the corn price per pound is based on a different corn price; the normal grazing period under the Livestock Forage Disaster Program may not exceed 240 days; the drought intensity payment schedule is distinguished from the House bill as follows: D3 at any time, 2 monthly payments, and D3 for 4 weeks or D4 at any time, 3 monthly payments; authorizes annual payments based on drought determined by means other than the drought monitor and assistance for eligible forage losses due to other than drought or fire; up to $15 million for each fiscal year is authorized under the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish;

the payment limits imposed on the Tree Assistance Program is $100,000 and the limit under the section is also $100,000; and the timing of payments is prescribed. (Section 1501)

The Conference substitute adopts the House provision. (Section 1501)

The Managers intend that, with respect to any livestock program signup for 2012, 2013, or 2014, the Secretary be flexible in establishing signup deadlines. In past years, when livestock programs have had a firm signup date for one year and another signup begins for the following year soon thereafter, it is easy for producers to confuse the years for which an application has been filed and those that have not. Limited county office budgets for mailings exacerbate this problem. The Managers also recognize that in many cases producers will have to compile records on livestock inventories by type and weight along with the number of livestock purchased and sold, for example, for much of the past three years. As such, the Managers intend that, with regard to 2012 and 2013, the Secretary take into consideration that the compilation of records by the producer can be extremely difficult or even impossible and to exercise flexibility when determining what constitutes an acceptable record.

(42) National Drought Council and National Drought Policy Action Plan

The House bill establishes in the Office of the Secretary a "National Drought Council." (Section 1502)

The Senate amendment has no comparable provision.

The Conference substitute deletes the House provision.

Significant droughts have occurred in the United States more than a dozen times since 1900. The 2012 drought, while serious, was not unprecedented. The U.S. has faced similar or worse conditions in the 1930's, 1950's and 1988. However, the period from 2000–2013 was the worst consecutive period of drought since the 1930's, surpassing that of the 1950's. The drought conditions throughout the United States in 2012 had an estimated cost of $30 billion to the agriculture sector alone. Impacts were also felt by communities through losses due to reduced water and energy resources, reduced recreation revenue, increased wildfires, and dust-borne diseases, among others. These impacts highlight the need to better align Federal, state and local drought policies.

The Managers understand that a National Drought Resilience Partnership was established in November of 2013 to promote strong partnerships between the Federal agencies and to make it easier for communities to access Federal drought resources. The Managers expect the Secretary to make local, state, and tribal stakeholders an integral part of constructing national drought preparedness and response policy. As part of that process, the Secretary should provide clear and easy opportunities for those stakeholders to have a role in the Partnership, including creating a plan to coordinate federal polices with state and local policies and establishing robust outreach with communities.

(43) Administration Generally

The House bill requires the Secretary to use the funds, facilities, and authorities of the Commodity Credit Corporation (CCC) to carry out this title and provides that determinations made by the Secretary under this title are final and conclusive. The section further requires that except as otherwise required in this subsection, the Secretary and the CCC must promulgate necessary regulations to implement this title and amendments made by this title within 90 days of enactment of this Act. The section requires that regulations and administration of this title and amendments made by this title as well as sections 10003 and 10016 (supplemental coverage option and stacked income protection for producers of upland cotton) of this Act are made in compliance with the Administrative Procedures Act (APA) but without regard to the Paperwork Reduction Act or the Statement of Policy of the Secretary of Agriculture. The section also carries over adjustment authority relating to trade agreement compliance from the 2008 Farm Bill. (Section 1601)

The Senate amendment is similar to the House except that the regulations and administration of the title are not subject to the APA and the Congressional review of agency rulemaking provision from the 2008 Farm Bill is carried over. (Section 1601)

The Conference substitute adopts the Senate provision. (Section 1601)

(44) Repeal of Permanent Price Support Authority

The House bill repeals specific sections of the Agriculture Adjustment Act of 1938 and the Agriculture Act of 1949 historically suspended under previous Farm Bills during their effective period except section 377 of the 1938 Act which is suspended during the period of the new Farm Bill as it relates to cotton. (Section 1602)

The Senate amendment is the same as current law except the suspensions are applicable to the 2014 through 2018 crop years and through December 31, 2018, in the case of dairy. (Section 1602)

The Conference substitute adopts the Senate provision. (Section 1602)

The Managers note that, along with the suspension of other authorities, the general permanent price support authority provided under 7 U.S.C. 1446(a) must be suspended by the 2014 Farm Bill, as it has been under previous Farm Bills, since section 1446(a) would otherwise require USDA to make available price support for the commodities specified in subsection (a) in a manner that is in accordance or consistent (i.e., not incompatible or in conflict) with the support required to be provided to other commodities under Title II (7 U.S.C. 1446 et. seq.), including as prescribed or previously carried out under 7 U.S.C. 1446(b), (c), or (f), or in any combination of these approaches. In sum, 7 U.S.C. 1446(a) provides broad authority to offer the required price support in a manner that is consistent with the tenor of price support provided elsewhere in Title II, and must be suspended for the effective period of the 2014 Farm Bill. Finally, the Managers would observe that there are also additional authorities, including under the other titles of 7 U.S.C. 1421 et. seq., that apply to certain commodities specified in 7 U.S.C. 1446(a). Therefore, the additional authorities provided under 7 U.S.C. 1421 et. seq., as they relate to certain

commodities under 7 U.S.C. 1446(a), must also be suspended for the effective period of the 2014 Farm Bill. This section accomplishes these objectives.

(45) Payment Limitations

The House bill defines legal entity, excluding general partnerships or joint ventures. The section imposes a limit on the amount of payments indirectly or directly received by a person or legal entity for covered commodities and peanuts under Title I to not more than $125,000, with not more than $75,000 consisting of marketing loan gains and loan deficiency payments and not more than $50,000 consisting of other payments made with respect to covered commodities and peanuts under Title I. The section also sets forth spousal equity rules for pay limit purposes, limiting the amount a person and spouse may jointly receive to double the enumerated limits; provides for conforming amendments; and makes the limits effective in time for the 2014 crop year. (Section 1603)

The Senate amendment limits the total amount of payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year under subtitle A of title I of the Act to $50,000 for peanuts and $50,000 for 1 or more other covered commodities. The section provides that the total amount of marketing loan gains and loan deficiency payments received for peanuts may not exceed $75,000 and for 1 or more other loan commodities may not exceed $75,000. The section provides for conforming amendments and that the section is to be effective in time for the 2014 crop year. (Section 1603)

The Conference substitute adopts the House provision, except that the House definition of legal entity is dropped, a separate payment limit for peanuts is maintained, limitations within the overall payment limit of $125,000 are omitted, and the proposed change to the spousal rule is also dropped. (Section 1603)

The Managers note that the 2008 Farm Bill provided for a $65,000 payment limitation for Countercyclical Payments and ACRE; a $40,000 payment limitation for Direct Payments; unlimited marketing loan gains (MLGs) and loan deficiency payments (LDPs); as well as $100,000 under the SURE program for a combined total of $205,000, not including marketing loan gains and LDPs. The payment limitations provided for the suite of policies in this section that are intended to replace the 2008 Farm Bill provisions in terms of risks covered are $80,000 less and the cap on payments includes MLGs and LDPs. Specifically, this section provides for one cap of $125,000 under which all PLC, ARC, MLGs, and LDPs must fit. The Managers would particularly stress that this amount does not include any benefit derived by the producer from forfeitures. The Managers fully intend that the marketing assistance loan continue to operate as a nonrecourse loan. The Managers intend that nothing in this section shall be construed to limit the right of a producer to forfeit the crop which the producer has pledged as collateral in full satisfaction of the loan.

(46) Payment Limited to Active Farmers

The House bill qualifies how farm managers can qualify as actively engaged in the farming operation. (Section 1603A)

The Senate amendment is similar to the House bill except with respect to the Farm Managers provision. (Section 1604)

The Conference substitute adopts the House provision, except that amendments made to the Food Security Act of 1985 are dropped and instead a new regulation is required to be promulgated within a specified period of time and with opportunity for notice and comment. The substitute requires the regulation to define significant contribution of active personal management for purposes of carrying out the applicable statute. The substitute further provides that the regulations may, where appropriate, include limits on the number of individuals who may be considered actively engaged when a significant contribution of active personal management is the basis used by an individual or entity to meet actively engaged requirements under the law. The regulation is required to take into account the size, nature, and management requirements of farming operations, the changing nature of active personal management due to advancement of farming operations, and the degree to which the impact of the regulation would adversely impact the long-term viability of the farm. The substitute provides that the regulation does not apply to individuals or entities comprised solely of family members. The substitute requires that the regulation include a plan for monitoring the status of compliance reviews, and prohibits the imposition of any additional paperwork burdens associated with the new regulation on those not subject to the new regulation. Finally, the substitute clarifies that the provision is not to be construed as authorizing broader regulations, and requires that the regulation promulgated apply beginning with the 2015 crop year. (Section 1604)

The Managers note that the purpose of this rulemaking is to strengthen the verification process for members of a farming operation claiming to be actively engaged under section 1001A of the Food Security Act of 1985 on the basis of a significant contribution of active personal management. From that definition, the Managers intend that the Secretary will develop clear and objective standards that can be easily measured and accounted for by members of the farming operation. The Managers would also stress that this section in no way changes any aspect of current applicable law, referring in this Act to the breadth of title 7 of the United States Code. Rather, the Managers intend that the section only authorizes a rulemaking to modify current regulations to add clarity and objectivity where this section specifically requires in order to better enforce existing law.

The Managers recognize with the inclusion of subsection (c) that family farming operations are an important part of American agriculture. The Managers do not intend the regulations promulgated pursuant to this subsection to adversely affect the manner in which such family farms allocate responsibilities among the members of their family. However, the Managers also do not intend for subsection (c) to overly restrict the Secretary's authority to implement the reforms under this section, and intend for the term entity to include the entity ultimately receiving the payment.

The Managers further intend that the Secretary will develop standards that are fair, equitable, and will enhance program integrity. The Managers are aware that under current rules the agency

has had difficulty in determining the significance of a management contribution. The Managers also understand that this difficulty is often exacerbated when the person considered to be actively engaged lives a significant distance from the farming operation or does not visit the farming operation on a regular basis.

The Managers intend that the Secretary take into account the size and complexity of farming operations across different regions of the country. Further, the Managers intend that the Secretary will look carefully at certain activities or services that a person may perform which have a significant impact on the long-term viability of the farming operation. In particular, the Managers expect that the Secretary will give careful consideration to the following activities: labor contracting; decisions made to achieve regulatory compliance; marketing, including hedging and forward contracting; financing, including securing production loans; land utilization management, including conservation planning; decisions made regarding risk management and legal liability, including insurance coverage; decisions made regarding cropping choices; input purchasing; and decisions made regarding equipment, including purchases, financing, and maintenance. The Managers also intend for the Secretary to take into account the changing nature of active personal management due to technological and economic advancements of farming operations, including crop genetics, farming practices such as no-till and minimal-till farming, and telecommuting.

The Managers intend that any additional paperwork required by these new requirements be focused solely on the individuals and entities subject to the new requirements. Finally, the Managers urge the Secretary to be mindful that stable, predictable and equitable farm policy is essential to the continued viability of commercial farming operations that need access to financing for annual production costs, equipment, and land. Lastly, the Managers stress that accessibility to a strong farm safety net is important to continued prosperity in rural America, particularly in small towns where agriculture is at the center of the local economy.

(47) Adjusted Gross Income Limitation

The House bill makes changes to Section 1001D of the Food Security Act of 1985. The section replaces the two income limitation tests (farm and non-farm incomes) with a single $950,000 adjusted gross income limitation for certain commodity programs as well as conservation programs. The section applies the new limit to payments under the Farm Risk Management Election, marketing loan gains or loan deficiency payments, payments from Supplemental Agricultural Disaster Assistance Programs, payments from conservation programs, the Agriculture Management Assistance program authorized in the Federal Crop Insurance Act, and payments from the Noninsured Crop Disaster Assistance Program. The section requires that payment limits in effect on the day before the enactment of this Act apply to the 2013 crop, fiscal or program year. (Section 1604)

The Senate amendment makes changes to Section 1001D of the Food Security Act of 1985. The section replaces the two income limitation tests (farm and nonfarm incomes) with a single $750,000 adjusted gross income limitation for commodity programs if the av-

erage adjusted gross income over the last 3 taxable years is in excess of $750,000. The section applies the new limit to payments under the Adverse Market Program and the Agriculture Risk Coverage program, marketing loan gains or loan deficiency payments, payments from Supplemental Agricultural Disaster Assistance Programs, and payments from the Noninsured Crop Disaster Assistance Program. (Section 1605)

The Conference substitute adopts the House provision except that the AGI limitation is established at $900,000.

(48) Geographically Disadvantaged Farmers and Ranchers

The House bill is the same as current law except authorizes payments for fiscal year 2009 and each succeeding fiscal year. (Section 1605)

The Senate amendment extends current law through fiscal year 2018. (Section 1606)

The Conference substitute adopts the House provision. (Section 1605)

(49) Appeals

The Senate amendment amends the current appeals process by clarifying, among other things, that the Director of the National Appeals Division shall be free from the direction and control of any person other than the Secretary or the Deputy Secretary of Agriculture. (Section 1609)

The House bill has no comparable provision.

The Conference substitute adopts the Senate provision (Section 1610)

(50) Technical Corrections

The House bill includes technical corrections. (Section 1608)

The Senate amendment includes technical corrections. (Section 1610)

The Conference substitute adopts the House provision with a technical change.

(51) Implementation

The House bill requires the Secretary to seek to reduce administrative burdens and costs to producers by streamlining and reducing paperwork, forms, and other administrative requirements; improve coordination, information sharing, and administrative work with the Risk Management Agency and the Natural Resources Conservation Service; and take advantage of new technologies to enhance efficiency and effectiveness of program delivery to producers. The section also requires the Secretary to maintain records on base acres and payment yields from the 2008 Farm Bill. The section also requires the Secretary to maintain records for the separate base acres of long grain rice and medium grain rice subject to the total base under the 2008 Farm Bill and any adjustment. The section requires the Secretary to make $100 million available to the Farm Service Agency to carry out this title. (Section 1612)

The Senate amendment has similar streamlining requirements but does not require maintenance of base acres and payment yields. The section also requires the Secretary to maintain a record

of farms with upland cotton base acres in effect on the day before the date of enactment of this Act and to make $97 million available to the Farm Service Agency to carry out this title. (Section 1614)

The Conference substitute adopts the House provision but adds the requirement that the Acreage Crop Reporting and Streamlining Initiative (ACRSI) be implemented and that the ACRSI ensure that a producer, or an agent of the producer acting on the producer's behalf, may report information (including geospatial information) to USDA either electronically or conventionally; that upon the request of the producer or the agent of the producer, USDA must electronically share with the producer or the agent of the producer, in real time and without cost, common land unit data, related farm level data, and other information of the producer; that this reporting and sharing of information must comply with existing privacy requirements. The substitute also provides an additional $10 million to the Farm Service Agency on October 1, 2014 if the Secretary notifies the Agriculture Committees of Congress by September 30, 2014 that substantial progress has been made in implementing ACRSI and the reporting and sharing requirements of this section. An additional $10 million is also provided to FSA if by September 30, 2015 the Secretary reports to the Agriculture Committees that these requirements have been fully implemented and the Committees concur, with the added funding available on the later of the date of concurrence or October 1, 2015. The substitute further provides that of the base amount of implementation dollars provided to FSA under this section, $3 million is to be provided by the Secretary to state extension services or equivalent agencies for producer education concerning subtitles A, D, and E of this title and under section 196 of the Federal Agriculture Improvement and Reform Act of 1996. The substitute also requires the Secretary to engage one or more qualified universities to develop web-based decision aids to assist producers in understanding available options under subtitle A, with the FSA required to obligate funds for this purpose within 30 days of enactment of the Farm Bill and web-based decision aids to be made available to producers via the internet within 45 days, and with $3 million provided for this purpose. Finally, the substitute provides loan implementation requirements. (Section 1613)

The Managers intend by this section and the implementation section within the Crop Insurance Title of this Act for the Secretary to undertake the streamlining efforts prescribed. As part of the implementation of ACRSI, the Managers intend for the Secretary to provide for an expedited means for the reporting and sharing of information as required under this section. The Managers would particularly note that this information is the private and proprietary information of the producer and, as such, is strictly protected by statute from disclosure, with very limited and specifically prescribed exceptions, including disclosures made upon the consent of the agricultural producer or owner of the agricultural land. The Managers intend that an agent of the producer evidence the consent of the producer when acting on the producer's behalf in the reporting and sharing of information in a manner that complies with the requirements of section 1619 of the 2008 Farm Bill

and without unnecessarily encumbering or delaying the reporting and sharing.

The Managers also intend that regulations be quickly finalized to allow a Farm Storage Facility Loan of up to $100,000 with no additional security. The Managers recognize that the Farm Service Agency had properly implemented the program in this manner, consistent with Congressional intent, from August of 2012 to February of 2013 before the program reverted back to $50,000 with no additional security. The Managers commend FSA for the agency's work to fulfill Congressional intent and intend that regulations to allow a Farm Storage Facility Loan of $100,000 with no additional security be finalized and implemented without further delay.

The Managers intend, with respect to loan implementation, that the Secretary would use the authority provided to carry out loans described in subsection (d) in a manner where the loans to producers would be administered as though an order described in that subsection had not been issued for that crop year. The Managers intend that the administration of this subsection not result in the disruption or delay in the orderly marketing of commodities under loans. The Managers intend that a producer that repays a loan under subtitles B or C at an amount equal to the loan rate for the applicable commodity plus interest must repay the amount that is provided pursuant to subsection (d). The Managers do not intend that the amount provided pursuant to subsection (d) be repaid in the case of a producer receiving a loan deficiency payment, a marketing loan gain benefit, or a benefit derived from the forfeiture of a commodity.

(52) Protection of Producer Information

The House bill prohibits the Secretary of Agriculture or officials or employees of other federal agencies from releasing certain information given to the government pursuant to Title I or Title II of this Act or other information provided by a producer or owner of agricultural land in order to participate in USDA or other federal agency programs. The section provides for limited exceptions to the rule and a requirement that disclosures made under these exceptions be reported to the Agriculture Committees. (Section 1613)

The Senate amendment has no comparable provision.

The Conference substitute deletes the House provision.

TITLE II—CONSERVATION

SUBTITLE A—CONSERVATION RESERVE PROGRAM

(1) Extension and Enrollment Requirements

The House bill amends the maximum acres as follows: 27,500,000 acres in fiscal year 2014; 26,000,000 acres in fiscal year 2015; 25,000,000 acres in fiscal year 2016; 24,000,000 acres in fiscal year 2017; and 24,000,000 acres in fiscal year 2018. Additionally, the House bill caps grassland enrollment at 2,000,000 acres at any one time. (Section 2001)

The Senate amendment amends the maximum acres as follows: 30,000,000 acres in fiscal year 2014; 27,500,000 acres in fiscal

year 2015; 26,500,000 acres in fiscal year 2016; 25,500,000 acres in fiscal year 2017; and 25,000,000 acres in fiscal year 2018. Additionally, the Senate amendment caps grassland enrollment at 1,500,000 acres at any one time. (Section 2001)

The Conference substitute adopts the House provision. (Section 2001)

The Managers agreed to an overall reduction in the maximum acres that could be enrolled in the Conservation Reserve Program (CRP), however, this should not serve as an indicator of declining support for CRP. The Managers intend for CRP to be implemented at authorized levels, using the statutory flexibility, and for the program to continue as one of USDA's key conservation programs in concert with working lands conservation efforts.

Within the overall acreage cap, the Conference substitute provides for grasslands to be enrolled in CRP and authorizes the Secretary to grant priority to lands expiring from current CRP contracts that will retain grass cover. This modification accommodates acreage that previously would have been eligible for short-term rental contracts under the Grassland Reserve Program (GRP) for working grasslands.

The specific priority designations for the Chesapeake Bay Region, the Great Lakes Region, and the Long Island Sound Region are removed. The authority for the Secretary to designate conservation priority areas is retained, recognizing the importance of the program for addressing regional and State-identified areas of special environmental sensitivity.

(2) Farmable Wetland Program

The House bill decreases the overall cap to 750,000 acres. (Section 2002)

The Senate amendment contains no comparable amendments and maintains the current law cap of 1,000,000. (Section 2002)

The Conference substitute adopts the House provision with an amendment to include a clerical amendment from the Senate language. (Section 2002)

(3) Duties of the Secretary

The House bill amends current law by striking "allotment history" and by moving out certain activities from section 1232(a)(8). Additionally, the House bill permits certain activities in case of drought or other emergency caused by a natural disaster where the activity may occur without a reduction in the rental rate. The bill includes a reduction of not less than 25 percent of the rental rate and establishes the frequency during which managed harvesting may be conducted as not more than once every three years. The bill also establishes the frequency during which routine grazing may occur at not more than once every two years and adds a new subsection that requires the Secretary to permit certain haying and grazing practices on grasslands specifically. Lastly, it includes a provision for individuals with expiring contracts to initiate conservation and land improvement practices in the final year of contract. To comply, an owner or operator must develop and implement a conservation plan for these activities. Re-enrollment of such lands is prohibited for five years. (Section 2004)

The Senate amendment is similar to the House. However, it specifies flooding as an emergency for the purposes of carrying out certain activities without a reduction in the rental rate payment. Such other emergencies do not need to be a result of a natural disaster. Additionally, the Senate amendment allows for limited grazing by a beginning farmer or rancher without any reduction in the rental rate and includes habitat during the *primary* nesting season for *critical* birds. The Senate amendment establishes a frequency during which managed harvesting may be conducted at least once every five but not more than once every three years and allows for prescribed grazing for the control of invasive species to occur annually. The frequency for routine grazing is similar to the House bill. However, the Senate amendment specifies that the Secretary must take into account the presence of threatened or endangered wildlife and wildlife habitat and requires conservation and land improvement practices in the last year of the contract to maintain the protection of highly erodible land. Lastly, it states that the annual payment amount shall be reduced by an amount commensurate with any income or compensation received as a result of these activities. (Section 2004)

The Conference substitute adopts the House provision by eliminating "allotment history." The substitute adopts the Senate language including flooding or other emergencies as an emergency not a result of a natural disaster and adds limited grazing by livestock of a beginning farmer or rancher without a reduction in rental rate.

The Conference substitute did not specify the range of situations under which CRP could be used to mitigate the impacts on agricultural producers resulting from adverse and extreme weather events or conditions. While these acres can provide additional forage when they are located within the disaster footprint, these forages also could assist in meeting livestock forage needs when near to the affected area, or when CRP contract holders are willing to make their forage available to those affected by the emergency, or when flooding displaces grazing livestock. The Managers expect the Secretary to make this forage available in response to disasters that affect other producers without regard to the location of the enrolled lands. This section establishes the frequency of harvesting and routine grazing on acres enrolled in CRP contracts, consistent with a conservation plan, and provides for the incidental use of buffers adjacent to agricultural lands.

Authorized activities for newly eligible grasslands include grazing, haying, mowing, or harvesting for seed production. The Secretary shall permit activities such as fire pre-suppression, rehabilitation and construction of fire breaks, fencing, livestock watering, and necessary cultural practices. These uses of the land are consistent with those allowed for existing GRP rental contracts and are carried over here to align with the authorized activities for those grasslands to be enrolled in the conservation reserve.

The substitute adopts the Senate provision on primary nesting season with an amendment to change critical birds to birds in the local area that are in significant decline.

The substitute adopts the Senate language on managed harvesting frequency, prescribed grazing for invasive species, and installation of wind turbines.

The substitute adopts the Senate provision on land improvement and practices in the last year of the contract with an amendment. The amendment limits applicability to enrolled land and clarifies that the land can be used for economic use. (Section 2004) Provisions are added to allow conservation and land improvement practices in the final year of a contract, with a commensurate reduction in rental value only when the participant derives economic benefit from use of the forage. Re-enrollment of lands modified through this provision is prohibited for at least five years.

The Managers intend that the intensity of all specified activities permitted by the revisions to Section 1233(b) of current law be conducted in accordance with the parameters outlined in the statute. The Conference substitute also requires that specified activities are carried out in accordance with soil, water quality, and wildlife habitat conservation plans to control invasive species while also maintaining the health and viability of the established cover. The Secretary should not require management activities at the specified frequency when it is determined to be technically unnecessary for the cover because drought, fire, or other factors have reduced the need for such cover management action. Additionally, the Secretary, with advice from State Technical Committees, shall ensure that the frequency and duration of all specified activities permitted are reflected in associated conservation plans appropriate for the local climatic conditions, precipitation, soils, and other necessary factors in order to meet the purposes of the program.

The revisions made to section 1233(b)(2) of the current statute clarify the intent of the Managers to expand some uses of the conservation reserve when the activities are consistent with and/or beneficial to the health and viability of the established cover. In doing so, the Managers focused on grasslands-related activities since grasslands are the predominant cover for the program. The Managers intend for this to be sufficient authority to allow such activities to occur when doing so would be a similar benefit to the health and vigor of the cover. For example, the pre-commercial thinning of pine plantings, or the harvesting of pine straw may be allowed with commensurate reduction of rental rates if these activities would be a technically accepted activity for improving the health and viability of the stand, as reflected in the conservation plan. The Managers encourage the Secretary to utilize options other than burning for the disposal of residue removed from CRP lands, as well as lands enrolled in a conservation easement, for contract management and maintenance. The Managers suggest the Secretary coordinate with state government officials to donate this residue to Indian tribes, small and disadvantaged farmers or other similar persons or entities.

(4) Payments

The House bill amends the payment section of CRP by eliminating in-kind payments. (Section 2005)

The Senate amendment allows for incentive payments for thinning activities and allows for the National Agricultural Statistics Service (NASS) survey of dryland cash rental rates to be used as a factor in determining rental rates, as determined by the Sec-

retary. In addition to eliminating in-kind payments, the Senate amendment adds requirements that payments be made using funds from the Commodity Credit Corporation.

The Conference substitute adopts the Senate provision with an amendment. The amendment strikes the Commodity Credit Corporation payment requirement. (Section 2005) The Managers recommend that the new authority provided under section 1234(c) is used by the Secretary to incentivize owners and operators to conduct practices and utilize management tools that would promote forest management, enhance the overall health of tree stands, improve the condition of resources, or provide valuable habitat for wildlife. Such practices and management tools should be used to encourage landowners to promote pine savannah habitat or other beneficial resource wildlife habitat practices such as tree thinning, disking, and prescribed burning. Further, the Managers intend for the Secretary to determine any other appropriate practices and management tools that could be employed to achieve the objective of the provision. The Managers acknowledge that similar authority was provided by the Food, Conservation, and Energy Act of 2008, but it did not achieve the goal of incentivizing owners and operators to conduct the necessary practices that section 1234(c) is intended to remedy. Under some situations, local market conditions will greatly affect the cost of implementing the appropriate forest management practices making them costly and difficult to implement. The Managers expect USDA to use the authority under section 1234(c) to provide incentive payments in an amount that will overcome any disincentive for owners and operators to implement these practices in order to improve the condition of the resources, promote forest management or enhance the wildlife habitat on the land.

The Managers intend that CRP continue as one of USDA's key conservation programs. The Managers remain concerned, however, that USDA does not offer annual payments to producers commensurate with local prevailing rental rates to ensure that enrollment is competitive with other land uses. The 2008 Farm Bill authorized the use of NASS surveys of cropland values; even so, the Managers are aware that in some parts of the country, CRP rental rates continue to trail—in some cases by a large margin—local prevailing rental rates. The Managers intend for USDA to use NASS survey data and other local data on cash rental rates and farmland prices, developed through land grant universities or other sources. The Managers expect USDA to review this data at least annually, and update CRP rental rates to reflect local prevailing rental rates.

(5) Contract Requirements

The House bill updates the early termination provisions to allow for an early termination option in fiscal year 2015 only of a contract that has been in effect for five years and expands the list of land that is eligible for early termination. Additionally, the House bill makes adjustments to the transition option provisions language to allow a retired farmer or rancher to transfer land to a beginning farmer or rancher to prepare such land to plant an agricultural crop. (Section 2006)

The Senate amendment adds "veteran farmer or rancher". (Section 2006)

The Conference substitute adopts both the House and Senate provisions with amendment changing the year for offering early termination to fiscal year 2015. (Section 2006)

The Managers are concerned that USDA has not been fully utilizing CRP technical assistance authorities and funding enacted in the 2008 Farm Bill for agency infrastructure, including outreach, training, and other technical services. The Managers expect USDA to better utilize this authority for internal support and to support outreach and partnerships with non-governmental organizations and other qualified entities to ensure that producers and landowners are fully aware of their options under the program.

The Managers also encourage USDA to continue to make their staff available to attend meetings of agricultural producers at the local, State and national level to educate and inform producers of the programs available to meet natural resource needs on their operations.

The Managers direct the Secretary to, within one year of enactment, report to Congress on the quality of land currently enrolled in CRP based on the land capability classification system, the erodibility index, other eligible lands criteria, and natural resource benefits. The report should include justification for using the prescribed environmental benefits index threshold for any acres enrolled into the program after enactment. The Secretary shall complete such a report five years thereafter and include the same information on land quality and decisions to enroll types of acres based on the environmental benefits index. If the decision is made to use a different environmental benefits index threshold or methodology for making decisions to enroll program contracts, reasons for the decision should be included in the report.

Additionally the Managers direct the Secretary, within two years of enactment, to complete a comprehensive economic impact study that specifically evaluates the impact the CRP has had on rural communities. The report should include the average county rental rates and rental rates paid for CRP land.

The Managers support ongoing USDA efforts to target the CRP through enrollment of highly-desirable practices such as buffers, filter strips, riparian buffers, acreage of importance to States and local communities, certain wetlands, duck and upland bird habitat buffers, highly erodible land, longleaf pine, and pollinator habitat. This widely-supported targeting effort ensures that critical acreage is protected and productive land remains available for production. The Managers intend that USDA accelerate this evolution of targeted practices to include important natural resource priorities. Examples of such priorities include: water quality and quantity, wildlife habitat, and recreation purposes. The Managers encourage the Secretary to include the use of potentially larger tracts than have previously been awarded a contract in order to continue meeting wildlife habitat needs.

In addition to the Managers' intention that USDA expand the use of continuous and Conservation Reserve Enhancement Program (CREP) practices, the Managers understand that there are concerns in regard to the Department's operation of certain contin-

uous practices, including State Acres for Wildlife Enhancement or so-called "SAFE" acres. The Managers encourage the Secretary to continue efforts to meet the demand for these practices, which have proved popular in some states. The Managers also expect the Secretary to utilize these acres to meet demand for acreage that will impact threatened or endangered species or species of economic significance in a state or region.

The Managers also intend that the provisions in section 2602 regarding availability of Commodity Credit Corporation funding for farm bill conservation programs will ensure the Department has adequate acreage available to meet the demand for the various continuous practices.

SUBTITLE B—CONSERVATION STEWARDSHIP PROGRAM

(6) Conservation Stewardship Program

The House bill amends the definitions section to strike the definition of "conservation measurement tool" and thereby conform with later amendments; relocates the definition of "eligible land" and "agricultural operation" to the definitions section; adds pasture land to the list of eligible land; and expands other eligible agricultural areas to land capable of being used for livestock production. Additionally, it reauthorized the program for FY 2014 through 2018. It states that to be eligible for CSP, a producer must demonstrate that, at the time of the contract offer, the producer meets or exceeds the stewardship threshold for at least two priority resource concerns. The House bill also states that in order to renew the contract, the producer must demonstrate compliance with the initial contract, agree to adopt and continue to integrate conservation activities, and at a minimum meet or exceed the threshold of at least two additional priority resource concerns or exceed the threshold for two existing priority resource concerns. Also, the House bill provides an annual enrollment limitation of 8,695,000 acres for FY 2014 through 2021 and provides for additional payments to producers that agree to adopt or improve resource conserving crop rotations. (Section 2101)

The Senate amendment is similar to the House bill, but does not include "capable of being used" for the production of livestock; adds improving and conserving the quality and condition of natural resources on purpose; and states that to be eligible for a payment under the Conservation Stewardship Program (CSP), a producer must demonstrate that, at the time of the contract offer, the producer is meeting the stewardship threshold for at least two priority resource concerns. Also, the amendment requires producers to agree to, at a minimum, meet or exceed the stewardship threshold for at least two additional priority resource concerns. Additionally, the Senate amendment provides an annual enrollment limitation of 10,348,000 acres for FY 2012 through 2022. (Section 2101)

The Conference substitute adopts the House provision to include land capable of being used for livestock production in the definition of other eligible land. Section 1238D in the Conference substitute streamlines and consolidates key definitions for the program. The meaning of agricultural operation is consistent with current law. Conservation activities involve conservation systems,

practices, and management measures. The term has an inclusive plain language meaning to encompass, for example, conservation planning. The Managers recognize that in developing a conservation plan, a producer incurs significant costs in time, labor, management, and foregone income. The specific mention in the statute of inclusions does not exclude conservation activities that are otherwise within the definition. The definition of conservation stewardship plan makes it clear the plan is to inventory and identify priority resource concerns and to contain the additional specified elements encompassing new as well as existing conservation activities. Eligible land is defined to mean private and tribal land on which agricultural commodities, livestock, or forest-related products are produced plus associated land on which priority resource concerns could be addressed through a contract under the program.

A priority resource concern is defined to mean a natural resource concern or problem that is identified at the national, state, or local level as a priority for a particular area, and that represents a significant concern in a state or region that is likely to be addressed successfully through implementing conservation activities. The Managers understand that the process of identifying priority resource concerns should involve consultation at the state and local levels to the maximum extent practicable, such as with State Technical Committees and local work groups. The stewardship threshold is the level of management required to conserve and improve the quality and condition of a natural resource. The stewardship threshold for a natural resource is a science-based standard at an advanced level of conservation providing for the long-term continued productivity, use, and quality of the resource.

The substitute adopts the Senate provision that includes improving and conserving the quality and condition of natural resources as a program purpose.

The substitute adopts the House provision relating to the requirement that the producer meet or exceed the stewardship threshold of at least two priority resource concerns. It further adopts the House provision on the contract renewal requirement that the producer meet at least two additional resource concerns or exceed two existing resource concerns. The Managers encourage the Secretary to place emphasis on adopting new practices; with new contracts addressing at least one additional priority resource concern and renewing contracts that address at least two priority resource concerns.

The substitute also adopts the House provision which allows eligible producers to receive supplemental payments for making improvements to resource-conserving crop rotations. The Managers intend for the supplemental payment to encourage producers to adopt new or additional beneficial crop rotations that provide significant conservation benefits. The payments are to be available to producers across the country and should not be limited to a particular crop, cropping system, or region of the country. In the Southeast, peanuts are an example of a crop that responds well to increased rotation lengths, which help peanut producers, conserve water, more effectively control disease, and reduce inputs to control disease and increase productivity. Alfalfa is another important rotation crop in many parts of the country and plays a role in adding

value to a producer's operation as well as providing natural resource benefits. The Managers recognizes the very significant contributions that sorghum has made to resource conservation as a water-conserving crop and expects the Secretary to include sorghum in any supplemental payments for resource conserving crop rotations made available under the CSP.

The substitute lists six criteria for ranking contract offers, prohibits giving a higher ranking to a contract offer based on the applicant's willingness to accept a reduced payment, and allows the development and use of additional criteria to ensure national, state, and local priority resource concerns are addressed effectively. Such additional criteria, should they be developed and used, are not to supersede or be more heavily weighted than the six statutory ranking criteria. The language includes as one of six ranking factors "the number of applicable priority resource concerns proposed to be treated to meet or exceed the stewardship threshold by the end of the contract." The Managers expect that, in using this factor to rank applications, the Natural Resources Conservation Service (NRCS) will verify not only the number of priority resource concerns proposed to be treated at the initial application ranking stage, but also the extent to which the conservation activity proposed for the priority resource concern will meet or exceed the stewardship threshold for that priority resource concern at the expiration of the contract.

The substitute includes an annual enrollment cap of 10,000,000 acres at $18/acre for the program for the remainder of fiscal year 2014 through fiscal year 2022. (Section 2101)

The Secretary shall prioritize for enrollment in the program lands that are expiring from the CRP in an effort to protect the taxpayer's conservation investment by continuing conservation benefits on those lands and enabling the transition from CRP to a sustainable grass-based or other type of agricultural operation where many of the conservation benefits will continue. The Managers encourage the Secretary to conduct outreach to producers and to facilitate enrollment of such land into the CSP in order to maintain and improve conservation values, such as through grass-based production systems. The subsection also updates the provision excluding land recently converted to cropland.

The Managers believe conservation programs as implemented by USDA should recognize the use of innovative technology such as enhanced efficiency fertilizers. Enhanced efficiency fertilizers, which reduce nitrate losses to the environment, help protect water quality, and reduce greenhouse gas emissions, include slow- and controlled-release fertilizers (absorbed, coated, occluded or reacted) and stabilized nitrogen fertilizers (nitrification inhibitors and nitrogen stabilizers). These tools are recognized in USDA's conservation standards and specifications for nutrient management and related practices and by State regulators of fertilizers.

The Managers recognizes the changing nature of agriculture including technological advances, weather-related factors, and markets under which producers must operate their business. During the term of a 5–year agreement, an agriculture operation may make adjustments in production systems in response to the changing markets, weather-related causes, or other necessary actions es-

sential to the continuing their operation. The Managers expect that the Secretary will ensure producers have the opportunity to adjust their operations while maintaining comparable or enhanced conservation performance of the enrolled acreage and still continuing their contracts.

SUBTITLE C—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

(7) Establishment and Administration

The House bill states that not more than 50 percent of a payment under the Environmental Quality Incentives Program (EQIP) may be made in advance for the purpose of purchasing materials or contracting. Funds not expended in 90 days shall be returned. Additionally, the bill maintains the 60 percent allocation for livestock production and adds a 7.5 percent allocation targeted towards practices benefiting wildlife habitat. The House bill also provides a clerical amendment using the term "Indian Tribes". The bill includes payments to producers for practices that support the restoration, development, protection, and improvement of wildlife habitat as well as recurring practices for the term of the contract. It also adds a new provision for alternative funding arrangements with eligible irrigation associations. (Section 2202)

The Senate amendment changes the practices for forgone income payment and gives greater significance to addressing resource concerns such as: soil health; water quality and quantity improvement; nutrient management; pest management; air quality improvement; wildlife habitat development, including pollinator habitat; invasive species management; or other resource issues of regional or national significance. Additionally, the amendment maintains and consolidates the authority for the Wildlife Habitat Incentive Program (WHIP) within EQIP. The amendment also maintains the 60 percent allocation for livestock production, provides at least a 5 percent allocation targeted towards practices benefiting wildlife habitat, and strikes the subsection providing for alternative funding arrangements for Native American Indian Tribes and Alaska Native Corporations. Additionally, the alternative funding arrangement provision is expanded to include CSP. The Senate amendment does not include recurring practices for the term of the contract and requires the Secretary to consult at least once a year with the State Technical Committees when determining practices eligible for wildlife habitat incentive payments. The Secretary may make wildlife habitat incentive payments to a state or local government to enroll land that is riparian to or submerged under a water body or wetland. (Section 2202)

The Conference substitute adopts the Senate provision updating the list of practices the Secretary may give special significance to in determining income forgone with an amendment. The list is revised to better reflect natural resource objectives.

The Conference substitute adopts the Senate provision with amendment regarding the revision of the practice list the Secretary may give special significance to when determining income forgone. The Managers intend for the revision to better reflect natural resource objectives and to clarify that conservation practices with a longer lifespan may include more than one year of income forgone

when it is necessary to encourage full adoption and maintenance of the practice.

The substitute adopts the House provision that increases the percentage of an EQIP payment that may be made in advance for the purposes of purchasing materials and contracting from 30 percent to 50 percent.

The substitute adopts the Senate provision that maintains the 60 percent allocation for livestock production and further provides for an allocation of at least 5 percent for targeted practices benefiting wildlife habitat. It further adopts the Senate provision striking alternative funding arrangements for Indian Tribes as a conforming amendment to [section 2606] which moves the alternative funding arrangement for EQIP, while adding CSP, to section 1244(l) of the Food Security Act of 1985, as amended. The Managers recognize the broad and significant role of the EQIP program in promoting environmental stewardship among livestock and poultry producers around the country and maintains that 60% of the funding allocation go to these producers. Within six months of enactment, USDA is directed to report to the House Committee on Agriculture and Senate Committee on Agriculture, Nutrition, and Forestry on funds spent over the duration of the last Farm Bill and on whether NRCS has met its statutory obligations.

The substitute adopts the Senate provision on payments to producers for practices that support the restoration, development, protection, and improvement of wildlife habitat. The Managers acknowledge the need to consolidate and streamline conservation programs which is why WHIP was merged within EQIP with the primary goal to provide farmers and ranchers with assistance to improve wildlife habitat on working lands.

The substitute deletes the House provision for alternative funding arrangements with eligible irrigation associations.

The substitute adopts the Senate provision requiring the Secretary to consult at least once a year with the State Technical Committees when determining eligible practices for wildlife habitat incentive payments. The Managers intend that under section 1240B(g)(2) regarding funding of wildlife habitat practices, the Secretary should prioritize fish and wildlife species identified in State, regional, or national wildlife plans and initiatives. However, the Managers did not include the Senate provision that would allow for wildlife habitat incentive payments to a state or local government to enroll land that is riparian to or submerged under a water body or wetland. (Section 2203)

(8) Limitations on Payments

The House bill provides for a payment limitation of $450,000 to a person or legal entity for all EQIP contracts entered during FY 2014 through FY 2018. (Section 2205)

The Senate amendment maintains the $300,000 payment limitation but strikes the six year period timeframe and inserts FY 2014 through FY 2018. The amendment also maintains the waiver authority "for not more than $450,000" in current law. (Section 2205)

The Conference substitute adopts the House provision. (Section 2206)

(9) Conservation Innovation Grants

The House bill adds facilitating on-farm research and demonstration activities and facilitating pilot testing of new technologies or innovative conservation practices to the types of project the Secretary may fund with Conservation Innovation Grants. Additionally, the bill eliminates payments to producers who implement practices to address air quality concerns. (Section 2206)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to include payments to producers who implement practices to address air quality concerns at a reduced funding level of $25 million. (Section 2207) The Managers intend for there to be increased transparency by USDA in the area of innovative conservation projects and monitoring that these innovative conservation approaches are later incorporated into common conservation practices.

(10) Definitions

The Senate amendment combines the definitions of "National Organic Program" and "Organic System Plan" for simplification purposes. (Section 2202)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 2202)

Section 1240B of the Food Security Act of 1985, as amended, provides the Secretary the option to accept financial assistance from other sources. The Secretary should not create additional burdens on the participant, state or private organization in an effort to account for non-Federal resources provided in support of conservation practices installed under the program by this authority.

The Managers intend that conservation programs should recognize the use of innovative technology, such as enhanced efficiency fertilizers (e.g., slow and controlled-release fertilizers, stabilized nitrogen fertilizers). This innovative technology can help producers to protect water quality and reduce greenhouse emissions, and are recognized by State regulators of fertilizers. In the case of EQIP applications involving manure-to-energy projects, the Managers encourage the Secretary to consider whether the projects include an integrative approach to addressing nutrient management and water quality issues.

Additionally, the Managers encourage NRCS to evaluate its education program and make sure that it is providing all potential users within each state an opportunity to become educated about the EQIP program and how each farmer can incorporate EQIP into their farm stewardship management plans. There is concern that not all producers may be fully aware of all of the services, practices, components, and other information needed to participate fully in farm bill conservation programs. The state NRCS offices shall notify producers, in a readily accessible and understandable form, the practices available that may be applicable to various livestock species and crops. These notifications shall also include the payment levels available and the period in which payment for a particular practice is available. The Managers also request a breakdown of livestock and poultry operation practices available by

state, and what practices were funded in each state to be included in the report. Finally, the Managers encourage USDA to continue to make their staff available to attend meetings of agricultural producers at the local, State and national level to educate and inform producers of the programs available to meet natural resource and energy efficiency needs on their operations.

SUBTITLE D—AGRICULTURAL CONSERVATION EASEMENT PROGRAM

(11) Agricultural Conservation Easement Program

The House bill states the definition of "agricultural land easement" for the purposes of the new Agricultural Conservation Easement Program (ACEP). The House bill includes land that is conveyed for the purpose of protecting natural resources and the agriculture nature of the land. It also provides the definition of "eligible land" in the case of an agricultural land easement. It includes agricultural land that the protection of which will further a State or local policy consistent with the purposes of the program. Additionally, there is a definition of "eligible land" in the case of a wetland easement. The bill provides that eligible land includes cropland or grassland that was used for agricultural production prior to the natural overflow of a closed basin lake and adjacent land dependent on it, if the State or other entity is willing to provide 50 percent cost-share. It provides for an exception for grasslands of special environmental significance by allowing the Secretary to pay up to 75 percent of the fair market value as the Federal cost-share of the easement. It authorizes an eligible entity to use its own terms and conditions for an agricultural land easement as long as the Secretary determines such terms and conditions meet several requirements, and establishes the use of permanent easements or easements for the maximum duration allowed under State law for agricultural land easements. The bill establishes the method of enrollment for wetland easements and deems 30-year contracts to be considered 30-year easements for the purposes of the wetlands easements and establishes a land ownership requirement of 24-months. It also provides that, among other things, an owner entering into a wetland easement shall agree to permanently retire any existing base history. The bill states a wetland easement must include, among other things, a term or condition that provides for the efficient and effective establishment of wildlife functions and values, and the bill allows the Secretary to delegate any easement management, monitoring, and enforcement responsibilities to Federal or State agencies that have the appropriate authority, expertise and resources. It adds authority for the Secretary to delegate any easement management responsibilities to other conservation organizations determined by the Secretary. Lastly, it allocates funding for agricultural land easement at no less than 40 percent in FY 2014 through 2017 and no less than 50 percent in fiscal year 2018, and amends the acreage limitation to include the repealed Wetlands Reserve Program (WRP) acres when calculating the 25 percent country acreage cap in addition to CRP and the new wetland easements. (Section 2301)

The Senate amendment is similar to the House but adds the purpose of promoting agriculture viability for future generations,

adds agricultural land the protection of which could conserve grassland or agricultural landscapes of significant ecological value, incorporates "reserve" into the definition of a wetland reserve easement, and does not include the 50 percent cost-share included in the House for closed basin lakes. The Senate amendment includes the same exception as the House but also authorizes the Secretary to waive any portion of the eligible entity cash contribution requirement for projects of special significance, subject to an increase of private landowner voluntary donation equal to the amount of the waiver. It includes a requirement that the terms and conditions are permanent or for the maximum duration allowed under State law. It does not provide that 30-year contracts should be considered as 30-year easements for wetlands purposes. The amendment establishes a land ownership requirement of 12-months and it also agrees to retire allotment history as included in comparable provision of current law. In the amendment, the term or condition must provide for the efficient and effective establishment of wetland functions and values. The amendment also allows the Secretary to delegate any easement management, monitoring, and enforcement responsibilities to Federal or State agencies that have the appropriate authority, expertise and resources or to other conservation organizations as determined by the Secretary. It includes a limitation that the Secretary shall not delegate monitoring or enforcement to conservation organizations. Finally, land enrolled in WRP, GRP, and Farmland Protection Program (FPP) are considered enrolled in the ACEP program, and the amendment adds to the current law exclusion for shelterbelts and windbreaks; wetland and saturated soils, not subjecting such cropland with subclass w in the land capability classes IV through VII. (Section 2301)

The Conference substitute adopts the Senate provision on promoting agriculture viability for future generations with an amendment. The amendment includes a reference to agricultural future viability in the Establishment and Purposes section while striking viability for future generations from the definition of agricultural land easement (ALE). The amendment also adopts the Senate provision incorporating "reserve" in the definition of a wetland reserve easement.

The substitute adopts the House definition of eligible land in the case of an agricultural land easement with an amendment. The amendment uses the Senate's concept of better incorporating grasslands into the definition.

The substitute also adopts the House definition of eligible land in the case of a wetland reserve easement. The Managers do not intend for these slight modifications or adjustments to significantly alter the way NRCS has evaluated, ranked, enrolled and protected wetlands.

The substitute adopts the Senate provision on the waiver of any portion of the cash contribution requirement for projects of special significance with an amendment. The amendment limits the land to property that is in active agricultural production. To ensure the purpose of the GRP is appropriately included in ALE, the term "grassland of special significance" is included as eligible lands for ALE. The term encompasses grasslands with high biodiversity values; large intact natural grassland areas; rare or threatened eco-

systems; grasslands with critical ecosystem importance; and grasslands that meet any one or more of these values that are of importance to local communities and working agriculture land preservation efforts.

The substitute deletes the House provision that deems 30-year contracts as easements with an amendment. The amendment includes language in the definition of wetland reserve easement that gives the Secretary discretion to enter into 30-year contracts with Indian Tribes where relevant.

The substitute adopts the House provision establishing a land ownership requirement of 24-months and the House provision that strikes allotment history. The substitute adopts the Senate language on the administrative delegation of easements. The Managers are aware that NRCS enters into cooperative agreements and Memorandums of Understanding with conservation groups and this provision does not prohibit NRCS from continuing these types of agreements under section 1242(d) of the Food Security Act of 1985, as amended, to help administer and implement easements.

The substitute adopts the Senate language on land considered enrolled in ACEP with an amendment to clarify that this language is consistent with the transition language for the repealed programs.

The substitute deletes the House provision on allocating ACEP funding between the two easements. The Managers expect NRCS to administer the ACEP funding, to the extent practicable, in a manner that allows for State flexibility to prioritize their easement needs while making sure that NRCS distributes funding to address the multiple purposes of the new consolidated program.

The Managers further intend for the Secretary to have the flexibility to make adjustments to this allocation based upon the Department's stewardship responsibilities for lands already enrolled as the easement portfolio increases over time.

The substitute further adopts the House provision amending the acreage limitation to include the cropland acreage currently enrolled under the WRP when calculating the 25 percent country acreage cap in addition to CRP and the new wetland easements.

The substitute adopts the Senate provision adding to the current law exclusion for shelterbelts and windbreaks, wetland and saturated soils, not subjecting such cropland with subclass w in the land capability classes IV through VII to statutory acreage limitations. (Section 2301)

SUBTITLE E—REGIONAL CONSERVATION PARTNERSHIP PROGRAM

(12) Regional Conservation Partnership Program

The House bill provides the definition of "eligible activity" for the new Regional Conservation Partnership Program (RCPP), which includes air quality improvement. It also provides the definition of "eligible land" and the definition of "eligible partner" for the new RCCP program, which includes a water district, irrigation district, rural water district or association, or other organization with specific water delivery authority to producers on agricultural land. The bill establishes the duties of partners under RCPP including conducting outreach to producers for potential participation, and al-

lows the Secretary to give priority to certain applications. It gives the Secretary discretion to adjust program rules for a covered program, and it allows the Secretary to make payments to producers participating in a project that addresses water quantity concerns for five years in an amount sufficient to encourage conversion from irrigation to dryland farming. The bill provides $100 million in mandatory funding during FY 2014 through 2018, reserves 6 percent of funds and acres made available under the covered programs as additional funding to carry out RCPP, and requires the Secretary to allocate, from all funds and acres of the program, 25 percent to projects based on a State competitive process, 50 percent based on a national competitive process, and 25 percent for critical conservation areas. Additionally, the bill requires a report to Congress on December 31, 2014, and every two years thereafter. It states that the Secretary shall designate eight geographical areas as critical conservation areas under RCPP. Lastly, the bill also makes available to the Secretary the authorities under the Watershed Protection and Flood Prevention program (except the Small Watershed Rehabilitation Program) to carry out projects in a designated critical conservation area. (Section 2401)

The Senate amendment is similar to House except that it does not include air quality improvement or water district language. It does include forest restoration, specifies the conversion of irrigated cropland to the production of less water-intensive agricultural commodities or dryland farming under water quality restoration or enhancement projects, includes a municipal water or wastewater treatment entity, and includes education along with outreach to producers for potential participation as a duty of partners under RCPP. The amendment requires the Secretary to give priority to certain applications and allows the Secretary to give priority to others, and priority for providing innovation in the improvement and delivery of water quality or water quantity. Additionally, the amendment provides operational guidance and requirements for a covered program and non-statutory, regulatory rules or provisions. Further, it includes a provision prohibiting the Secretary from limiting eligibility on the basis of irrigation history for States where irrigation has not been significantly used for agricultural purposes. It requires the Secretary to enter into at least 10 but no more than 20 alternative funding arrangements with multi-state water resource agencies or authorities. It also adds producers participating in projects that address water quality concerns in an amount sufficient to encourage adoption of practices that improve nutrient management, and provides $110 million of mandatory funding during FY 2014 through 2018. The amendment reserves 8 percent of funds and acres made available under the covered programs as additional funding to carry out RCPP. It requires the Secretary to allocate, from all funds and acres of the program, 25 percent to projects based on a State competitive process, 40 percent based on a national competitive process, and 35 percent for critical conservation areas, and also requires that a description of how the funds are being administered be included in the report. The Secretary shall designate six geographical areas as critical conservation areas under RCPP. The critical conservation area designation expires

after five years, subject to redesignation. The Secretary may withdraw from such area. (Section 2401)

The Conference substitute adopts the House provision on the definition of eligible activity with an amendment. The amendment narrows the language and adds forest restoration as an eligible activity.

The substitute adopts the House definition of eligible land. It further adopts the House definition of an eligible partner with an amendment. The amendment adds the Senate's inclusion of water or wastewater treatment entity as an eligible partner.

The substitute adopts the Senate provision that includes education along with outreach as a duty of an eligible partner.

The substitute adopts the House provision on priority to certain applications.

The substitute adopts the Senate provision on operational guidance and requirements for a covered program and non-statutory, regulatory rules or provisions with clarifying amendments. It further adopts the Senate provision prohibiting the Secretary from limiting eligibility on the basis of irrigation history for States where irrigation has not been significantly used for agricultural purposes.

The substitute adopts the Senate provision that provides for alternative funding arrangements with an amendment. The amendment allows the Secretary to enter into no more than 20 alternative funding arrangements with multi-state water resource agencies but eliminates the requirement that the Secretary enter into at least 10 of the arrangements.

The substitute adopts the Senate provision on payments to producers for projects that address both water quantity and water quality.

The substitute adopts the House mandatory funding level of $100 million and sets the percentage of acres reserved for the program at 7 percent.

The substitute adopts the Senate provision on the allocation of the percentage of the funds going to the states, the Department and reserved for critical conservation areas. It further adopts the Senate provision on reporting by the Department on how funds are being administered.

The substitute adopts the House provision on the number of critical conservation areas with an amendment. The amendment includes the Senate provisions on expiration of and withdrawal from designation of the critical conservation area.

The substitute includes the House provision on including authorities under P.L. 566 in the Regional program. (Section 2401)

The Managers encourage the Secretary to distribute funding equitably across the nation and to not ignore different natural resource concerns that may be unique to each region. The substitute includes provisions from the Senate amendment regarding education and outreach duties for partners, which the Managers view as a vital component due to the important role those duties will have in the success of the program and in achieving large-scale conservation benefits on the ground. The Managers recognize the existing capabilities of the land grant institutions in each state, including the Cooperative Extension Service system, which have a

proven track record of effectively working with producers providing outreach and education, and encourage the Secretary and potential partners to seek ways to utilize these existing resources and systems.

The Managers intend that projects not be limited solely to geographic areas but that regional and non-contiguous multi-state areas be considered as well, provided that all program requirements are met.

The Managers expect the contribution of the partner to be a significant portion of the overall costs. The Managers urge the Secretary to resist defining this as a set percentage of the cost as a minimum standard to be applied to all applications. The Secretary should evaluate the overall merits of each proposal and the significance of the partner's contribution to the potential successful implementation. There is concern that a set percentage might preclude proposals from partners that require high financial assistance from USDA to the producer while the partner's support is from a smaller, but essential technical assistance contribution.

SUBTITLE F—OTHER CONSERVATION PROGRAMS

(13) Conservation on Private Land

The House bill reauthorizes the Conservation on Private Grazing Land program at previous levels of $60 million per year through FY 2018. (Section 2501)

The Senate amendment reauthorizes the Conservation on Private Grazing Land program at reduced level of $30 million per year through FY 2018. (Section 2501)

The Conference substitute adopts the House provision. (Section 2501)

(14) Grassroots Source Water Protection Program

The House bill reauthorizes the Grassroots Source Water Protection Program at previous levels of $20 million per year through FY 2018. Additionally, it authorizes a one-time $5 million in mandatory money to remain available until expended. (Section 2502)

The Senate amendment reauthorizes the Grassroots Source Water Protection Program at reduced appropriated levels of $15 million per year through FY 2018. (Section 2502)

The Conference substitute adopts the House provision. (Section 2502)

(15) Voluntary Public Access and Habitat Incentive Program

The House bill reauthorizes the Voluntary Public Access and Habitat Incentive Program at a reduced level of $30 million in mandatory money per year from FY 2014 though FY 2018. (Section 2503)

The Senate amendment reauthorizes the Voluntary Public Access and Habitat Incentive Program at a reduced level of $40 million in mandatory money per year from FY 2014 though FY 2018. Amendments become effective October 1, 2013. (Section 2503)

The Conference substitute adopts the Senate provision. (Section 2503)

(16) Small Watershed Rehabilitation Program

The House bill reauthorizes the Small Watershed Rehabilitation Program at previous appropriated levels of $85 million per year through FY 2018 and authorizes $250 million in mandatory money for FY 2014, to remain available until expended. (Section 2505)

The Senate amendment reauthorizes the Small Watershed Rehabilitation Program at previous appropriated levels of $85 million per year through FY 2018. No mandatory money.

The Conference substitute adopts the House provision. (Section 2505)

(17) Agricultural Management Assistance Program

The House bill eliminates tree plantings and soil erosion control from the list of approved uses, and permanently authorizes the Agricultural Management Assistance Program at $10 million in mandatory money each fiscal year. It sets aside 30 percent to NRCS for conservation, 10 percent to the Agricultural Marketing Service for organic certification, and 60 percent to the Risk Management Agency for risk management. (Section 2506)

The Senate amendment eliminates the specific state designations and tree planting authorities. It adds to the authority for organic certification, risk management education and outreach, and management assistance grants for conservation practices and risk mitigation. It provides for $23 million in funding to be distributed at levels of: 50 percent for organic certification; 26 percent for risk management; and 24 percent for conservation and mitigation. (Section 11034)

The Conference substitute deletes both the House and the Senate provisions.

(18) Emergency Watershed Protection Program

The House bill adds a priority for projects that mitigate risks and remediate the effects of catastrophic wildfires on land that is the source of drinking water for landowners and land users. (Section 2507)

The Senate amendment authorizes the Secretary to modify and terminate floodplain easements provided the current landowner agrees, and the modification or termination addresses a compelling public need where there is no practical alternative and it is in the public interest. (Section 2506)

The Conference substitute adopts the Senate provision. (Section 2506)

The substitute provides the Secretary limited authority to modify or terminate a floodplain easement which is similar authority under other conservation programs. The Managers intend for the Secretary to enter into compensatory agreements with third parties to allow for flexibility to modify or terminate the floodplain easements.

(19) Terminal Lakes Assistance

The Senate amendment strikes and replaces current law with a Terminal Lakes Assistance program. It adds a definition for eligible land and terminal lake. Additionally, it adds a new voluntary

land purchase grant program with a $25 million authorization of appropriations, to remain available until expended. The bill includes a transfer of $150 million in mandatory funds to the Bureau of Reclamation. (Section 2507)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 2507)

(20) Soil and Water Resources Conservation

The Senate amendment adds Indian tribes as eligible to cooperate with and participate in the soil and water conservation program. (Section 2509)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 2508)

SUBTITLE G—FUNDING AND ADMINISTRATION

(21) Funding

The House bill provides mandatory funding to carry out CRP including $25 million for FY 2014 through 2018 to facilitate transfer of land from retired or retiring owners and operators to beginning or socially disadvantaged farmers or ranchers. Additionally, the bill provides mandatory funding for ACEP at the following levels: $425 million in FY 2014; $450 million in FY 2015; $475 million in FY 2016; $500 million in FY 2017; $200 million in FY 2018. It also provides mandatory funding for EQIP at $1.75 billion each year for FY 2014 through 2018 and eliminates Regional Equity. (Section 2601)

The Senate amendment provides mandatory funding to carry out CRP including $10 million to provide cost-share payments for thinning activities and $50 million to facilitate transfer of land from retired or retiring owners and operators to beginning or socially disadvantaged farmers or ranchers. It also provides mandatory funding for ACEP at the following levels: $450 million in FY 2014; $475 million in FY 2015; $500 million in FY 2016; $525 million in FY 2017; $250 million in FY 2018. The amendment also provides mandatory funding for EQIP at the following levels: $1.5 billion for FY 2014; $1.6 billion for FY 2015; $1.65 billion FY 2016 through 2018. The Senate amendment also retains regional equity, amends current law by eliminating the $15 million annual requirement, and allows states in the first quarter of the fiscal year to establish that they can use a total of 0.6 percent of certain conservation funds, in which case they may receive such funds exclusive of the CRP funding. (Section 2603)

The Conference substitute adopts the Senate provision on mandatory funding for CRP with an amendment. The amendment includes the funding level for transition payments at $33 million.

The Conference substitute adopts the Senate provision for mandatory funding for ACEP with an amendment. Funding levels are: $400 million in FY 2014; $425 million in FY 2015; $450 million in FY 2016; $500 million in FY 2017; $250 million in FY 2018.

The Conference substitute adopts the Senate provision for EQIP with an amendment. The amendment provides mandatory

funding for EQIP at the following levels: $1.35 billion for FY 2014; $1.6 billion for FY 2015; $1.65 billion for FY 2016; $1.65 billion for FY 2017; and $1.75 billion in FY 2018. (Section 2602)

The Conference adopts the Senate provisions for Regional Equity. (Section 2603)

(22) Technical Assistance

The House bill continues to make mandatory money for conservation programs available for technical assistance and requires a report from the Secretary not later than December 31, 2013, on the amount of funds requested and apportioned. (Section 2602)

The Senate amendment is similar to the House but requires the apportionment for technical assistance be at the sole discretion of the Secretary. Further, the Senate amendment requires the Secretary to give priority to producers who request technical assistance to comply with subtitles B and C for the first time and submit a report not later than 270 days after enactment on the extent to which conservation compliance requirements affect specialty crop growers. The Secretary must also submit, not later than November 1 of each year, a report on highly erodible lands/wetland conservation determinations. (Section 2642)

The Conference substitute adopts the Senate provision. (Section 2602)

(23) Reservation of Funds to Provide Assistance to Certain Farmers or Ranchers for Conservation Access

The House bill reauthorizes the EQIP and CSP set-aside through FY 2018. It also provides a preference for veteran farmers or ranchers eligible under the provision. Amendments take effect on October 1, 2013. (Section 2603)

The Senate amendment is the same as the House, but has no effective date. (Section 2604)

The Conference substitute adopts the Senate provision. (Section 2604)

(24) Annual Report on Program Enrollment and Assistance

The House bill amends the reporting requirement to reflect the repeal of the relevant programs. The amendments take effect on October 1, 2013. (Section 2604)

The Senate amendment is similar to the House, but adds reporting requirements for CSP payments and waivers for grasslands under ACEP. It does not include an effective date. (Section 2605)

The Conference substitute adopts the Senate provision. (Section 2605)

(25) Review of Conservation Practice Standards

The House bill requires the Secretary to review the conservation practice standards in effect on the date of enactment of the Farm Bill. (Section 2605)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate amendment making no change to current law.

(26) Administrative Requirements Applicable to All Conservation Programs

The House bill makes veteran farmers or ranchers eligible for incentives. Additionally, it makes other clarifying and conforming amendments. The amendments take effect October 1, 2013. (Section 2606)

The Senate amendment allows for flexible funding arrangements for Indian Tribes and includes EQIP and CSP as applicable programs. It does not include an effective date. (Section 2606)

The Conference substitute adopts the Senate provision. (Section 2606)

The Conference substitute combines language on improved administrative efficiency and streamlining from individual programs and places it in a central location to apply to all conservation programs. It expands and clarifies requirements for developing a streamlined conservation application process. It clarifies that any payment received under Title II is in addition to and does not affect total payments that an owner or operator is otherwise eligible to receive. The Managers encourage the Secretary to significantly increase the use of computer-based conservation practice planning tools that incorporate Light Detection and Ranging elevation data to modernize and simplify conservation planning, improve efficiency of technical assistance, and improve service to private landowners.

Further, the Managers encourage the Secretary, in delivering conservation programs, to give priority within the tallgrass prairie region to the use of appropriate tallgrass prairie species for watershed management, flood mitigation/prevention, reduction of soil erosion and nutrient loss, biomass crop production, and other conservation measures.

The Managers recognize the unique challenges facing producers whose operations contain muck soils and encourage the Secretary to continue to work with these farmers to allow them to utilize this productive type of ground.

The conferees direct NRCS to ensure agency staff, partners, and producers are aware of new and interim conservation practice standards and conservation activity plans to address herbicide-resistant weeds. The agency is also to make certain there is awareness that financial assistance is available through certain conservation programs to assist producers in their efforts to control these weeds.

The Managers expect that the principles and guidelines developed pursuant to section 103 of the Water Resources Planning Act, or revised pursuant to section 2031 of the Water Resources Development Act of 2007, and any guidelines developed thereunder, shall not apply and require no new administrative process, rulemaking, or administrative procedures for programs administered by NRCS, the Forest Service, RMA, Farm Service Agency (FSA), or Rural Development. With respect to USDA programs, section 103 of the Water Resources Planning Act is intended to only focus on large scale water infrastructure projects, not individual farm based water conservation, water quality, or assistance to rural communities for drinking water.

As NRCS is the agency responsible for helping farmers and ranchers implement voluntary, incentive-based conservation practices that are all locally-led, the federal objective of the principles and guidelines is already being met. Furthermore, the Forest Service, RMA, FSA and Rural Development all play important roles in helping farmers, ranchers, and rural communities with finding critical solutions to problems that are unique to farming, ranching and rural America, and should not face unnecessary burden in complying with this administrative requirement.

The Managers are concerned by reports that Federal agencies other than USDA, as well as State and local governments, are seeking to impose more stringent and larger buffer requirements on land being enrolled in USDA conservation programs. The Managers expect NRCS to continue to utilize their own Field Office Technical Guide and conservation planning tools to determine what is reasonable and needed to accomplish the natural resource concerns to be addressed.

(27) Wetlands Mitigation

The House bill eliminates the requirement to provide equivalent functions and values when more acreage is needed in wetland conversion mitigation than a 1-for-1 acreage basis. (Section 2609)

The Senate amendment requires the Secretary to conduct a wetland mitigation study no later than 180 days after enactment to assess the use of wetland mitigation to determine certain impacts on wildlife. The study also should include recommendations for improving wetland mitigation procedures and increasing use of the wetland mitigation process by producers. Lastly, the Senate amendment requires the Secretary to submit a report of its findings to Congress no later than two years after the date of enactment. (Section 2508)

The Conference substitute adopts neither the House nor Senate provisions but provides $10 million in mandatory funding for mitigation banking efforts. (Section 2609) The Managers recognize that the use of wetlands mitigation is an important tool for wetland habitat development and agriculture crop production. The Managers encourage the Secretary to use mitigation with the conversion of a natural wetland and equivalent wetlands functions at a ratio not to exceed a ratio of 1-to-1 acreage.

(28) Lesser Prairie Chicken Conservation Report

The House bill requires the Secretary to submit a report to Congress no later than 90 days after enactment which considers all USDA administered programs that benefit the lesser prairie-chicken. (Section 2610)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with amendment. The amendment includes the addition of State plans to the list of programs pertaining to the conservation of the lesser prairie-chicken. (Section 2610)

(29) Highly Erodible Land and Wetland Conservation for Crop Insurance

The Senate amendment requires conservation compliance for eligibility to receive premium assistance on crop insurance, creates new provisions for determinations, administration, and penalties unique to crop insurance, and gives technical assistance priority to producers that need to come under compliance. (Section 2609)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with amendment. (Section 2611) The amendment clarifies that for compliance on highly erodible lands ineligibility for premium assistance can only apply for reinsurance years after the year in which there has been a final determination of a violation and cannot apply to the reinsurance year in which the final determination was made nor any reinsurance year prior to the year the final determination was made. A determination is not final until after the producer has exhausted all administrative appeal rights. The substitute revises the application to existing operations with prior violations so that the date for compliance is the date of enactment of this Act. This means that if a person is found to be out of compliance and would have been out of compliance since that date, had they participated in any programs requiring compliance, then they have two reinsurance years to develop and comply with a conservation plan.

The substitute also provides for the coordination of certification processes so that the procedures and paperwork that are required by this section for eligibility based on wetlands compliance are also used for determining eligibility based on highly erodible lands compliance. The amendment clarifies the provisions for compliance with wetlands conservation placing all of the components of compliance for crop insurance premium assistance in a separate subsection. The substitute also makes clear that ineligibility only applies to premium assistance in reinsurance years after the year in which a final determination is made and not to the reinsurance year in which the final determination is made nor to any year prior to that year.

The substitute revises the categories for the application based on the conversion of a wetland. If the wetland is converted at any time after the date of enactment of this Act, the person becomes ineligible for premium assistance in the reinsurance year after final determination, unless an exemption applies or if the wetland converted constitutes less than five acres of the person's entire farm in which case the person can choose to make a contribution to conservation equal to 150 percent of the cost of mitigation. If, however, the wetland was converted at any time prior to the date of enactment of this Act, the person cannot be found in violation and thus ineligible for premium assistance based on that conversion.

Finally, if a new policy or plan of insurance becomes available after the date of enactment, ineligibility for premium assistance can only apply to conversions that take place after the date the new policy or plan of insurance first becomes available to the person. In this case the person has two reinsurance years to mitigate the conversion before ineligibility can apply to the subsequent rein-

surance year. The substitute also clarifies that a person who becomes subject to wetlands compliance solely because of the enactment of this Act has two reinsurance years after the year in which a final determination is made to mitigate the conversion, and that a person who is found to have converted a wetland in good faith is also given two reinsurance years to mitigate the conversion. The Managers do not intend for this language to cause any change in current law or USDA policy relating to third-party or landowner/tenant determinations of compliance, violations, or attribution.

With regard to the provisions for equitable contribution, the Managers expect that the Secretary will determine the period of violation to be the date on which the violation occurred, then adjust for the later of the following: (1) the first certification period for crop insurance assistance following date of enactment, or (2) the first date for which the individual was eligible for and made application for a crop insurance premium subsidy following the date of violation. The maximum amount will include the equivalent of the insurance subsidy provided in the year of the improper certification and all subsequent years through the date of final determination. Payment of the equitable contribution does not remove or limit their responsibility to comply with the soil erosion requirements or wetland conservation, restoration or mitigation requirements within the prescribed timeframes to retain the benefits of premium assistance in subsequent years. (Section 2611)

(30) Adjusted Gross Income Limitation for Conservation Programs

The House bill replaces the two income limitation test (farm and nonfarm income) with a single $950,000 adjusted gross income limitation for commodity and conservation programs. (Section 1604)

The Senate amendment eliminates the Secretary's waiver authority to protect environmentally sensitive land of special significance. (Section 2610)

The Conference substitute adopts the House provision with an amendment. The amendment sets the cap to $900,000. (Section 1605)

SUBTITLE H—REPEAL OF SUPERSEDED PROGRAM AUTHORITIES AND TRANSITIONAL PROVISIONS; TECHNICAL AMENDMENTS

(31) Wetlands Reserve Program

The House bill repeals WRP with transition language for current contracts and easements. It allows the Secretary to use ACEP funds and becomes effective October 1, 2013. (Section 2704)

The Senate amendment allows the use of prior year Commodity Credit Corporation (CCC) funds for contracts entered into before October 1, 2012. (Section 2704)

The Conference substitute adopts the Senate provision with technical and clarifying amendments providing authority for the Secretary to continue the necessary administrative actions and utilize prior year funding to fulfill the commitment and obligations of agreements, contracts, and easements entered into prior to date of enactment. (Section 2703)

The Managers expect USDA to exhaust available prior year funding to address any costs associated with fully implementing

prior year wetland reserve program easement enrollments, including closing, restoration, management, and maintenance of wetland easements in an effort to protect, restore, and enhance wetland functions and values.

Section 2712 of the Conference Report is added to address the variety of effective dates distributed through the conservation title in the House bill and the Senate amendment. By including this language the Managers stress to USDA the importance of continuing program services and providing certainty to farmers and ranchers amid the passage of this bill. Therefore, the Managers intend for USDA to continue to operate the existing conservation programs as necessary through the current fiscal year using existing regulations while the Department works to expediently develop the regulations needed to implement the amendments made by this Title. The Managers further intend for existing regulations to be used for the interim administration of EQIP and CSP while the revisions to these programs are being implemented.

(32) Farmland Protection and Farm Viability Program

The House bill repeals FPP with transition language for current contracts and easements. The bill also allows the Secretary to use ACEP funds. It includes an effective date of October 1, 2013. (Section 2704)

The Senate amendment allows the use of prior year CCC funds for contracts entered into before October 1, 2012. It does not allow the use of ACEP funds. No conforming amendment for heading. (Section 2704)

The Conference substitute adopts the Senate provision with technical and clarifying amendments providing authority for the Secretary to continue the necessary administrative actions and utilize prior year funding to fulfill the commitment and obligations of agreements, contracts, and easements entered into prior to date of enactment. (Section 2704)

(33) Grassland Reserve Program

The House bill repeals GRP with transition language for current contracts, agreements and easements. (Section 2705)

The Senate amendment allows the use of prior year CCC funds for contracts entered into before October 1, 2012. (Section 2705)

The Conference substitute adopts the Senate provision with technical and clarifying amendments providing authority for the Secretary to continue the necessary administrative actions and utilize prior year funding to fulfill the commitment and obligations of agreements, contracts, and easements entered into prior to date of enactment. (Section 2705)

(34) Agricultural Water Enhancement Program

The House bill repeals the Agricultural Water Enhancement Program (AWEP) with transition language for current contracts and agreements. (Section 2706)

The Senate amendment allows the use of prior year CCC funds for contracts entered into before October 1, 2012. (Section 2706)

The Conference substitute adopts the Senate provision with technical and clarifying amendments providing the authority for

the Secretary to continue the necessary administrative actions and utilize prior year funding to fulfill the commitment and obligations of agreements, contracts, and easements entered into prior to date of enactment. (Section 2706)

With the continuation and consolidation of AWEP authorities in the RCPP, the Managers intend the Secretary to continue assistance to agricultural producers that address irrigation and water management challenges across various regions of the country. The Managers urge NRCS to continue to give priority to cost-sharing proposals which incorporate irrigation management systems that involve water metering, soil moisture monitoring, proven irrigation delivery systems, and telemetry to ensure accurate water use measurement and management. The Managers urge NRCS to consider multiple producer applications or applications submitted on behalf of entities representing a group of producers to encourage greater participation in the program and maximize the benefits of water management.

(35) Wildlife Incentive Program

The House bill repeals WHIP with transition language for current contracts. It allows use of EQIP funds. (Section 2707)

The Senate amendment allows the use of prior year CCC funds for contracts entered into before October 1, 2012. EQIP funds may be used but only after prior year funding is exhausted. (Section 2707)

The Conference substitute adopts the Senate provision with technical and clarifying amendments providing authority for the Secretary to continue the necessary administrative actions and utilize prior year funding to fulfill the commitment and obligations of agreements, contracts, and easements entered into prior to date of enactment. (Section 2707)

(36) Great Lakes Basin Program

The House bill repeals the Great Lakes Basin Program with an effective date of October 1, 2013. (Section 2708)

The Senate amendment includes the same provision. (Section 2708)

The Conference substitute adopts the House provision with an amendment of the effective date.

The Managers recognize that the Great Lakes Basin Program has been an important and successful program for 22 years that has implemented over 400 projects that have reduced soil erosion and improved water quality in Great Lakes watersheds. Since 2008, the program has supported implementation of both the Great Lakes Regional Collaboration (GLRC) and the Great Lakes Restoration Initiative (GLRI) by directing resources to priority watersheds. The Managers intend the program to continue serving this purpose for the duration of the GLRI. (Section 2708)

(37) Chesapeake Bay Watershed Program

The House bill repeals the Chesapeake Bay Watershed Program with transition language for current contracts, agreements, and easements. The bill allows use of RCPP funds. (Section 2709)

The Senate amendment allows the use of prior year CCC funds for contracts entered into before October 1, 2012. (Section 2709)

The Conference substitute adopts the Senate provision with technical and clarifying amendments. (Section 2709)

The Managers recognize that the Chesapeake Bay Watershed Program established in 2008 complemented other conservation programs by enhancing their reach and effectiveness within the tributary watersheds. Since 2008, the program has supported farm level implementation of conservation practices benefiting water quality by improving nutrient management, reducing sedimentation, and restoring riparian areas. With the consolidation of the Chesapeake Bay Watershed Program into the Regional Conservation Partnership Program, the Managers intend the RCPP to continue assistance to agricultural producers consistent with the purposes of the Chesapeake Bay Watershed Program.

(38) Cooperative Conservation Partnership Initiative

The House bill repeals the Cooperative Conservation Partnership Initiative with transition language for current contracts and agreements. It allows the use of RCPP funds. (Section 2710)

The Senate amendment allows the use of prior year CCC funds for contracts entered into before October 1, 2012. (Section 2710)

The Conference substitute adopts the Senate provision with technical and clarifying amendments. (Section 2710)

The Managers recognize that the CCPI established in 2008 was built on successful partnership approaches in previous Farm Bills and encouraged the Secretary to work with specific priority regions across the country. As such, the Managers expect the Secretary to build from those lessons learned when and where those projects were most successful.

TITLE III—TRADE

(1) General authority

The House bill clarifies that Title II emergency and non-emergency assistance is to be implemented by the Administrator of the U.S. Agency for International Development (USAID). The objectives of Title II programs are modified to include building resilience to mitigate food crises and reducing the need for future emergency aid. (Section 3001)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 3001)

The Managers modified the general authorities in Title II of the Food for Peace Act to place a greater emphasis on projects which focus on building resiliency in the recipient population where food shortfalls and droughts are common. This change is intended to prompt USAID to require measurable outcomes in multiyear projects in order to reduce dependency on foreign aid.

(2) Support for eligible organizations

The House bill amends section 202(e)(1) of the Food for Peace Act by reducing the maximum allowable cash assistance available for administrative costs in non-emergency programs from 13% to

11% of the total funds made available for the program. (Section 3002)

The Senate amendment amends Section 202(e)(1) to increase the maximum allowable cash assistance available for administrative costs in non-emergency programs from 13% to 15% of the total funds made available for the program. It also allows funds to be used for activities that "enhance" food aid projects. (Section 3001)

The Conference substitute adopts the Senate provision with an amendment. The amendment increases the maximum allowable cash assistance available for administrative costs to 20% of the total funds made available for the program. The amendment also revises the list of purposes for which the cash assistance may be used. (Section 3002)

The Managers expect that additional funds made available under this provision will provide increased flexibility to USAID. The Managers understand that an array of programs and tools are needed to balance the diverse and complex food aid demands of various countries and regions. As such, the Managers sought to provide additional cash assistance to accompany current monetization policy. The increased flexibility gained by additional cash assistance will allow USAID to better respond and prioritize food aid needs in real time and is intended to assist in the transition of programs from emergency interventions to programs which build resiliency in instances of protracted humanitarian crises.

(3) Food aid quality

The House bill amends section 202(h) of the Food for Peace Act by requiring the Administrator to consult with the Secretary in performing the requirements of this subsection related to food aid quality by establishing a mechanism for USDA and USAID to evaluate food aid commodities and implement appropriate changes; by instructing the agencies to update program guidance on the use of new commodities; and by limiting the available funding for these purposes to $1 million. (Section 3003)

The Senate amendment replaces and expands Section 202(h)(1) to require that the Administrator use funds available to carry out Title II to assess types and quality of agricultural commodities donated as food aid; adjust products and formulation as necessary to meet nutrient needs of target populations; test prototypes; adopt new specifications or improve existing specifications for micronutrient food aid products based on the latest development in food and nutrition science; develop new program guidance for eligible organizations to facilitate improved matching of products to purposes; develop improved guidance on how to address nutritional efficiencies among long-term recipients of food aid; and evaluate the performance and cost-effectiveness of new/modified food products and program approaches to meet nutritional needs of vulnerable groups. It also extends authority to fund this section for fiscal years 2014 through FY2018. (Section 3002)

The Conference substitute adopts the Senate provision. (Section 3003)

In May 2011, the Government Accountability Office (GAO) completed a report which cites deficiencies in the nutrition and quality controls of U.S. food aid commodities. Included in that re-

port are recommendations that USAID review food aid packaging, track food aid quality throughout the supply chain, and ensure that available food aid commodities meet the nutritional needs of recipients. The Managers expect USAID to set verifiable goals and to maximize strong public-private partnerships with food manufacturers and other stakeholders to more quickly address the deficiencies highlighted in the May 2011 report by using currently available studies on food aid quality and nutrition. The Managers encourage USAID to establish multi-year approaches to the procurement of high-value products. Longer term procurement, to the extent practicable, is expected to encourage investment of specialized equipment needed to deliver critical products in a timely and cost-effective manner. In recognition of the importance associated with close collaboration between USDA and USAID on approving new products, the Managers expect both agencies to adopt clear guidelines to facilitate the swift adoption of new products in order to quickly capture the benefits of the research and testing under this section.

(4) Food Aid Consultative Group

The House bill amends Section 205 of the Food for Peace Act by reauthorizing the Food Aid Consultative Group (the "Group") through December 31, 2018. Section 205 is also amended by adding representatives from the processing sector to the Group. The provision further requires the Administrator to consult with the Group on the implementation of food aid quality provisions and requires the Administrator to provide the Group at least 45 days for review and comment before a proposed regulation handbook or guideline, or revision thereof, becomes final. (Section 3005)

The Senate amendment reauthorizes FACG through December 31, 2018. (Section 3004)

The Conference substitute adopts the House provision. (Section 3005)

The Managers note that while USAID places significant burdens for the success of programs upon implementing partners and other stakeholders, feedback from these groups through the Food Aid Consultative Group (FACG) is not adequately incorporated into program guidelines. Before new guidance is finalized, the Managers expect USAID to give sufficient notice to stakeholders when changes are made to the Food for Peace Guidelines and require new guidance to be promulgated in a timely manner after any changes to the Food for Peace Act.

(5) Oversight, monitoring, and evaluation

The House bill amends Section 207 (c) by requiring that all regulations and revisions to agency guidance necessary for implementation of the Federal Agricultural Reform and Risk Management Act be issued within 270 days of enactment.

The provision removes authority for purchasing new computer systems, removes obsolete reporting requirements, and provides $10 million per year for monitoring and evaluation. Further, the provision requires a report on the extent of monitoring and evaluation required by eligible organizations participating in Food for Peace programs. (Section 3006)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment provides $17 million per year for monitoring and evaluation for each of fiscal years 2014 through 2018, and permits up to $500,000 of those funds in each fiscal year to be used for maintaining information technology systems. (Section 3006)

The Managers understand that monitoring is essential to ensuring that USAID's food aid programs in developing countries are implemented as intended. As such, the Managers want to convey their strong support for the Famine Early Warning Systems Network (FEWS Net). FEWS Net is an integral component of our nation's ability to effectively and efficiently respond to crisis situations worldwide.

The Managers also expect USAID to complete development of IT systems without additional Food for Peace resources. Funding is continued for additional monitoring and evaluation of programs at a level which reflects resources available for Food for Peace programs. The Managers note that in 2009 the GAO concluded that monitoring of programs was inconsistent and that program management was not modified to reflect information gained from the monitoring and evaluation conducted by or for USAID. The Managers expect USAID to make improvements in program guidance based on the monitoring and evaluation conducted.

(6) General monetization provisions

The House bill amends section 403 of the Food for Peace Act by requiring USDA and USAID to seek information on the potential benefits of monetization to local economies. The provision clarifies that implementing partners should sell monetized commodities at "fair market value." The Secretary and the Administrator are also instructed to coordinate assessments which guide the use of monetization to ensure consistency across programs. The provision requires USAID to issue a report detailing the use of funds made available for implementing partners, including funds for administrative and indirect costs. (Section 3008)

The Senate amendment amends Section 403 of the Food for Peace Act to require that the rate of return for a commodity monetized (sold in recipient countries) be at least 70 percent. The "rate of return" is defined as equal to the proportion that the proceeds the implementing partners generate through monetization bears to the cost to the federal government to procure and ship the commodities to a recipient country for monetization. (Section 3007)

The Conference substitute adopts the House provision with an amendment. The amendment strikes the clarification regarding monetizing commodities at fair market value and the provision requiring that the Secretary and Administrator coordinate assessments. The amendment revises the report on use of funds to require that the Administrator report on the amount of funds spent on each project; how the funds were used; the rate of return on monetized commodities; and for rates of return less than 70 percent, the reason for such rate of return. (Section 3008)

In June 2011, GAO reported on inefficiencies and adverse impacts of monetization. The Managers agree that both USDA and USAID should have consistent policies governing both agencies'

monetization activities. The Managers expect USAID to consider the full impact of monetization when considering a proposal under Food for Peace. The Managers note existing requirements for USDA and USAID to approve only those sales which will not disrupt the usual marketing and processing of commodities in the recipient country. The Managers support the use of a variety of food assistance modalities in responding to emergency and non-emergency food aid needs, including the use of monetized in-kind commodities. However, the Managers are aware of concerns with lack of accountability and efficiency, including low rates of return realized on monetized commodities. As such, the report requested in this Act seeks to enhance transparency and increase accountability while ensuring rates of return which reflect reasonable market prices on monetized commodities. This is a part of the Managers' larger effort to provide greater flexibility to USAID and USDA so the agencies have the ability to use the most effective food assistance tool in each situation.

(7) Additional prepositioning sites and testing

The House bill allows the Administrator discretion to establish additional prepositioning sites based on the results of assessments of need, technology, feasibility, and cost. Funding for prepositioning is increased to $15,000,000 per year. (Section 3009)

The Senate amendment allows funds to be used for the testing of food aid shipments. (Section 3009)

The Conference substitute adopts the House provision. (Section 3009)

The Managers note the rapid response which was possible due to prepositioned commodities when USAID responded to a natural disaster in 2013 in the Philippines. The Conference substitute clarifies existing authority for USAID to consider additional prepositioning sites, and the Managers expect that additional funds ensure USAID will be able to effectively deploy and manage critical commodities ahead of any future crisis. The Managers also note USAID's efforts to field additional food aid products and expect prepositioning these products will be useful in responding quickly to acute humanitarian needs.

(8) Annual report on food aid programs and activities

The House bill amends section 407(f) of the Food for Peace Act by requiring the annual report regarding food aid programs and activities to include information on the actual beneficiaries of the programs and by specifying the report include the McGovern-Dole International Food for Education and Child Nutrition Program. (Section 3010)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 3010)

(9) Funding

The House bill amends section 412 of the Food for Peace Act by reducing the authorization for appropriations from $2.5 to $2 billion per year. (Section 3012)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate position.

(10) Safebox funding

The House bill requires a minimum of $400 million be expended for nonemergency assistance in each of fiscal years 2014 through 2018. (Section 3012)

The Senate amendment repeals Section 412(e) and requires that of funds made available under the Food for Peace Act, not less than 20% nor more than 30% shall be expended for nonemergency food aid under Title II. Further, the amount made available to carry out nonemergency food aid programs under Title II shall not be less than $275 million for any fiscal year. (Section 3011)

The Conference substitute adopts the Senate provision with an amendment. The amendment sets the minimum level of nonemergency assistance at $350,000,000. (Section 3012)

The Managers affirm the importance of maintaining strong development programs in support of building030 resilient communities and reducing dependency on foreign assistance. The Managers expect this flexibility to help USAID efficiently and effectively allocate funds in a timely manner. By including a percentage structure to be applied to annual appropriations, the managers intend to provide USAID the flexibility to respond to urgent situations when needed or to allocate additional funds for development in years without significant emergency needs.

(11) Farmer-to-Farmer program

The House bill provides for the Farmer-to-Farmer program not less than the greater of $15,000,000 or 0.5 percent of the funds made available to carry out the Act. (Section 3014)

The Senate amendment provides for the Farmer-to-Farmer program not less than the greater of $10,000,000 or 0.6 percent of the funds made available to carry out the Act. (Section 3014)

The Conference substitute adopts the House provision with an amendment. The amendment provides not less than the greater of $15,000,000 or 0.6% of the funds made available to carry out this Act for the Farmer-to-Farmer program. The amendment adds a GAO report to review the program and provide recommendations to improve the monitoring and evaluation of the program. (Section 3014)

(12) Flexibility of CCC funds

The Senate amendment revises Section 406 of the Food for Peace Act to permit the use of funds available under the Act to pay costs of up to 20% of activities conducted in recipient countries by nonprofit voluntary organizations, cooperative, or intergovernmental organizations. (Section 3008)

The House bill contains no comparable provision.

The Conference substitute adopts the House position.

(13) Coordination of foreign assistance programs report

The Senate amendment strikes the language requiring a report on improved procurement planning. (Section 3012)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 3015)

(14) Prohibition on assistance for North Korea

The Senate amendment states that Title II funds cannot be used to provide assistance to North Korea. The President can waive this funding prohibition if the President determines and certifies to the House and Senate Agriculture Committees, the House Foreign Affairs Committee and the Senate Foreign Relations Committee that the waiver is in the national interest of the United States. (Section 3015)

The House bill contains no comparable provision.

The Conference substitute adopts the House position.

(15) Export Credit Guarantee programs

The House bill amends section 211 of the Agricultural Trade Act of 1978 by reauthorizing funding for the Export Credit Guarantee Program through 2018. (Section 3101)

The Senate amendment extends funding through fiscal year 2018 and reduces the amount of allowable credit guarantees to $4.5 billion. (Section 3101)

The Conference substitute adopts the House provision with an amendment. The amendment removes outdated language applicable to previous fiscal years and allows the Secretary to implement the program in a manner consistent with WTO obligations by including language authorizing the Secretary to adjust the program; reducing the maximum tenor for loan guarantees made available under the program to 24 months; striking a provision requiring that the Secretary maximize the amount of credit guarantees made available each fiscal year; and by striking a provision restricting the Secretary's ability to adjust program fees. (Section 3101)

The Managers affirm the importance of export programs that yield mutual benefits for both American agriculture and international trading partners. The Managers are aware of outstanding questions generated by the World Trade Organization dispute WTO/DS267, and the Conference substitute includes reforms to improve existing programs. It is the Managers' strong intent that any discretion provided to the Administration with regard to dispute WTO/DS267 be used to reach a negotiated solution to the dispute.

(16) Food for Progress

The Senate amendment permits use of funds available under the Food for Peace Act to pay costs of up to 20% of activities conducted in recipient countries by nonprofit voluntary organizations, cooperative, or intergovernmental organizations. It requires that the rate of return for a commodity monetized (sold in recipient countries) be at least 70%. The "rate of return" is defined as equal to the proportion that the proceeds the implementing partners generate through monetization bears to the cost to the federal government to procure and ship the commodities to a recipient country for monetization. (Section 3201)

The House bill contains no comparable provision.

The Conference substitute adopts the House position.

(17) Spiny Dogfish study

The House bill requires the Secretary of Agriculture to conduct a study on the market for the U.S. Atlantic Spiny Dogfish. (Section 3205)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 3205)

(18) Global Crop Diversity Trust

The House bill amends section 3202(c) of the Food, Conservation, and Energy Act of 2008 by reauthorizing USAID to make a contribution of up to $50 million over 5 years to the Global Crop Diversity Trust. (Section 3206)

The Senate amendment reauthorizes U.S. contribution to the Global Crop Diversity Trust for fiscal years 2014–2018 at current levels. (Section 3206)

The Conference substitute adopts the Senate provision. (Section 3206)

(19) Undersecretary for Foreign Agricultural Services

The House bill amends Subtitle B of the Department of Agriculture Reorganization Act of 1994 by adding a new section allowing USDA to establish the position of Under Secretary for Foreign Agricultural Services, which would be appointed by the President with the advice and consent of the Senate. (Section 3207)

The Senate amendment requires the Secretary, in consultation with the House and Senate Agriculture Committees and House and Senate Appropriations Committees to propose a plan for reorganization of the trade functions of USDA, including the establishment of an Under Secretary of Agriculture for Trade and Foreign Agricultural Affairs. The Secretary is required to report on the plan 180 days after the farm bill's enactment, and within one year of submission of the report, the Secretary shall implement the reorganization plan including establishment of the Under Secretary position. (Section 3209)

The Conference substitute adopts the Senate provision. (Section 3208)

The Managers recognize that international trade is critically important to the economic vitality of the U.S. agriculture and food industry and a major engine of U.S. economic growth. Trade currently accounts for more than 25 percent of U.S. farm receipts, and the production from one out of every three acres planted is exported. Our vast and efficient export system, including handling, processing and distribution of our food and agricultural products, creates millions of U.S. jobs and helps feed hundreds of millions all over the globe. Our $32 billion net trade balance in agriculture and food products in 2012 represented the single largest contribution to our balance of payments.

The trade organizational structure at USDA has remained unchanged since it was last reorganized in 1978. Over this period, the value and nature of U.S. agriculture exports has changed dramatically. In 1978, U.S. agriculture exports totaled $29 billion, whereas in 2012 they reached $136 billion. Meanwhile, over the last 30 years the challenges that U.S. agriculture faces in global markets

have increased and markedly changed from primarily tariff barriers to phytosanitary and other non-tariff trade barriers.

The Managers agree that an Under Secretary for Trade and Foreign Agricultural Affairs will provide a singular focus on trade and foster more effective coordination of transparent, rules-based trade policies in other USDA agencies. Such a position will bring unified, high level representation to key trade negotiations with senior, foreign officials and within the Executive Branch. Furthermore, the creation of this Under Secretary position will help streamline management, create greater efficiencies and enhance emphasis in the Office of the Under Secretary responsible for key domestic programs.

Given the importance of this provision, the Managers expect USDA to keep Congress regularly informed as to the progress on the preparation of the reorganization report and, once completed, its efforts to implement the reorganization plan within the statutory deadlines.

(20) USDA certificates of origin

The House bill requires the Secretary of Agriculture to seek to ensure that USDA certificates of origin are accepted by any country with which the United States has entered into a Free Trade Agreement providing preferential duty treatment. (Section 3208)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate position.

(21) Local and regional food aid procurement projects

The Senate amendment establishes a local and regional procurement program with appropriations of $60 million authorized for each of fiscal years 2014 through 2018. Preference in carrying out this program may be given to eligible organizations that have, or are working toward, projects under the McGovern-Dole International Food for Education and Child Nutrition Program. (Section 3207)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment authorizes appropriations of $80,000,000 for each of fiscal years 2014 through 2018. (Section 3207)

The Managers further note that the Local and Regional Procurement (LRP) pilot program authorized by Section 3206 of the Food, Conservation, and Energy Act of 2008 was completed, with 23 field-based projects carried out in 2009–2011 by the UN World Food Program and PVOs. A study of the projects was undertaken by a consortium of PVOs participating in the pilot and economists at Cornell University, as well as an independent study conducted as required in the legislation. The statutorily required study found that in the majority of circumstances, food aid commodities procured locally or regionally were both less costly for some commodities and delivered more quickly than comparable commodities sourced in the United States and shipped to the study countries. However, the Managers note the absence of any comparison to prepositioned commodities when reviewing timeliness of deliveries. The Managers further note on page 1 of the study, that "LRP may

pose risks for local markets and vulnerable households", indicating care should be taken in pursuing the most appropriate areas in which to implement LRP projects. In support of the broader emphasis on building resiliency, the Managers expect USDA to give priority to projects with the greatest long-term developmental benefits.

Section 3207 extends the LRP pilot program into an authorized program to improve U.S. international food assistance, by providing a new, more flexible programming tool. The Managers intend for the new program to complement existing food aid programs, especially the McGovern-Dole program, and to fill in nutritional gaps for targeted populations or food availability gaps generated by unexpected emergencies. To be eligible for this program, such gaps should be readily addressable by procurement from local or regional food supplies. In order to facilitate meeting the latter objective, some portion of available funds should be reserved for dispersal during the second half of each fiscal year, to be available to address emergencies occurring after program proposal deadlines expire. If, as certified by the Administrator, no such emergencies occur, the conference substitute provides authority for the Secretary to award reserved funds to augment projects approved earlier in the fiscal year.

(22) Donald Payne Horn of Africa Food Resilience Program

The Senate amendment establishes a pilot program to effectively integrate all U.S.-funded emergency and long-term development activities that aim to improve food security in the Horn of Africa. It authorizes $10 million to carry out the pilot project, subject to appropriations, and also requires the USAID Administrator to report to appropriate committees of Congress on the outcomes of the project. (Section 3208)

The House bill contains no comparable provision.

The Conference substitute adopts the House position.

TITLE IV—NUTRITION

(1) 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

The House bill prevents the use of benefits to pay for substantial bottle deposits that can be returned for a cash refund. (Section 4001)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4001)

(2) Retail food stores

The House bill requires retailers to provide perishable items in at least three of the staple food categories. (Section 4002(a)) The House bill requires that retailers will be responsible for purchasing and paying for point-of-sale equipment and supplies and terminates the use of manual vouchers except in cases of disasters or other similar situations and requires parties providing electronic

benefit transfer services to maintain unique terminal identification numbers throughout the Supplemental Nutrition Assistance Program (SNAP) routing system. Retailers are also required to maintain a unique business identification number. (Section 4002(b)) The House bill amends section 7 of the Act by removing outdated language related to the use of coupons (Section 4002(c)), and amends section 9 of the Act by allowing the Secretary to consider the location of applicants in areas with significantly limited access to food when approving retailers. The House bill also adds and strengthens requirements about the adequacy of the store's Electronic Benefits Transfer (EBT) service. (Section 4002(d))

The Senate amendment requires that retailers will be responsible for purchasing and paying for point-of-sale equipment and supplies and terminates the use of manual vouchers except in cases of disasters or other similar situations. The Senate amendment requires parties providing electronic benefit transfer services to maintain unique terminal identification numbers throughout the SNAP routing system. The Senate amendment removes outdated language related to the use of coupons and allows the Secretary to consider the location of applicants in areas with significantly limited access to food when approving retailers. The Senate amendment gives USDA authority to consider a store's depth of stock, variety of staple food items, and the sale of excepted items when approving a retailer. (Section 4006(b))

The Conference substitute adopts the Senate provision with an amendment. The amendment strikes the language providing USDA authority to consider a store's depth of stock, variety of staple food items, and the sale of excepted items when approving a retailer. The amendment requires that retailers offer for sale on a continuous basis a variety of at least seven foods in each of the four categories of staple foods categories. The amendment requires that point of sale systems set and enforce sales restrictions based on item eligibility through scanning or product lookup entry and deny benefit tenders for manually entered sales of ineligible items. The amendment also requires that retailer purchase invoices and other program-related records be made available for auditing. (Section 4002)

The conference substitute reduces fraud at retail stores by requiring a more rigorous standard for stores to become eligible to process SNAP benefits. Section 4002 requires participating retailers to stock perishable items in at least three of the four staple food categories: dairy products; meat, poultry, or fish; fruits or vegetables; and bread or cereals. Currently, a store stocking as few as twelve food items, many of which have limited nutritional value, could be eligible to be a SNAP retailer. To address this, the conference substitute requires retailers to stock, at a minimum, seven food items in each of the staple food categories to be eligible. The Managers intend for this requirement to serve as a minimum requirement and do not intend in any way to discourage or prevent more robust depth of stock. The Managers remain concerned with retailers that meet the minimum of the existing regulations as a way to gain entry into SNAP for the sole purpose of expanding sales of excepted items, including liquor and tobacco, which is decidedly contrary to the intent of the program.

To further combat fraud, this section places additional preventative control requirements on EBT systems and provides USDA the authority to inspect additional invoice and other program-related records. The Managers intend for these measures to be implemented in a way that reduces fraud without reducing access, stigmatizing SNAP participants, or requiring overly burdensome recordkeeping. Specifically regarding the new EBT system requirements, the Managers expect that USDA will work to ensure that these changes will not result in a considerable increase in transaction errors, will not prevent split transactions, will not increase delays in check-out lines, and will not otherwise increase instances in which SNAP participants are differentiated from other retail customers. Regarding purchase invoices and other program-related records, the Managers believe that retention for not longer than 36 months is an appropriate requirement, and is consistent with requirements in other federal nutrition assistance programs.

This section also requires SNAP retailers to pay 100 percent of the cost of electronic benefit transfer (EBT) machines, with some exemptions, and restricts states from issuing manual vouchers for SNAP unless the Secretary deems it necessary for emergency purposes. By including this provision, the Managers are targeting fraud within the program, and do not intend for credit card companies, banks, or others to impose any additional fees in regard to the acceptance of SNAP EBT benefits. Additionally, the Managers expect the Secretary to work with retailers and relevant stakeholders in developing regulations to implement a unique terminal identification system. Credit card associations are considering implementation of this practice across the entire retail industry in the near future, and it is imperative that the Secretary work with SNAP-approved retailers to ensure there are no additional costs or burdens that are duplicative or inconsistent with common commercial practices. The Managers acknowledge that many small businesses and direct-to-consumer retailers continue to face challenges related to the cost of utilizing EBT and advanced technologies.

Having placed new requirements on retailers, the Managers are concerned by the unpredictable and growing variation in the timeline for retailer application approvals. The Managers encourage the Secretary to work with retailers in the licensing approval process in a timely manner.

The Managers recognize that current SNAP EBT transactions running on the QUEST network do so efficiently and at minimal or no cost to the retailer. The Managers encourage USDA to continue to work with the states to ensure that all retailers maintain the ability to use the QUEST network and do so without being assessed new or added fees for its use.

Recognizing that issuance of SNAP benefits to all participants on the same date within a month creates many challenges both for suppliers and retailers, the Managers encourage the Secretary to work with states to stagger the monthly issuance of SNAP benefits across an entire month.

The Managers support preserving food access in food shortage areas and encourage the Secretary to give broad consideration to the impacts additional requirements will have on food access in food deserts or other areas with limited food access.

The Managers also encourage the Secretary to continue to identify innovative ways in which to assist stores that do provide critical food access to SNAP recipients in improving inventory standards and stocking a robust supply of staple food items.

The Managers also recognize that, in remote communities in non-contiguous states, it is not unusual for there to be only one retail food store in operation. These retail stores are typically located in communities that are connected neither to the rest of the state's road network nor to a major electrical grid. Food is typically transported to the community via small aircraft, and diesel generators generally provide electrical power to such communities, posing challenges for such stores to operate adequate refrigeration and freezing equipment to store perishable foods. The Managers intend for the Secretary to consider all of the aforementioned unique criteria when evaluating applications by retail food stores located in remote communities in non-contiguous states that are either applying to participate in the SNAP program or currently participate in the program.

(3) Food distribution program on Indian reservations

The House bill reauthorizes the Traditional and Locally-Grown Food Fund in the Food Distribution Program on Indian Reservations (FDPIR). (Section 4004) The House bill requires USDA to study the feasibility of a demonstration project for Tribes administering nutrition assistance programs in lieu of states. (Section 4041)

The Senate amendment requires USDA to study the feasibility of a demonstration project for Tribes to administer nutrition assistance programs in lieu of states. The Senate amendment allows Tribes to substitute local, tribal foods for up to five percent of their FDPIR entitlement commodities. (Section 4002)

The Conference substitute adopts the Senate provision with an amendment.

The amendment provides $1,000,000 to conduct the study. The amendment strikes the provision stating that up to five percent of entitlement commodities may be used for purchasing local and tribal foods and directs the Secretary to carry out a demonstration project for the purchase of traditional and local foods. (Section 4004)

The Managers recognize that federal regulations and certification requirements can often be burdensome for small producers, especially those on reservations. Often located in remote locations, producers on reservations may not be close to the Agricultural Marketing Service (AMS) inspectors necessary for certification needed to provide fruits, vegetables, and other agricultural commodities to federal nutrition programs. Costs, including payments for inspector travel time, make certification unachievable for many producers on reservations. As a result, federal nutrition program recipients lose access to locally produced, fresh commodities, and producers lose access to a local market that would assist economic development on reservations. To address this issue, the Managers encourage the Secretary to work with Tribal Organizations to enable the use of accredited third party certifiers; existing infrastructure on reservations, such as extension agents; or properly trained

and certified Tribal employees or officers to certify producers on reservations.

(4) Updating program eligibility

The House bill restricts categorical eligibility for SNAP to only those households receiving cash assistance through other low-income assistance programs. (Section 4005)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate position.

(5) Exclusion of medical marijuana from excess medical expense deduction

The House bill prohibits medical marijuana from being treated as a medical expense for purposes of income deductions. (Section 4006)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4005)

Currently, eighteen States have State statutory provisions that allow for the prescription of medicinal marijuana to patients in limited circumstances. Five states had previously allowed for the deduction of medicinal marijuana as an allowable medical expense when calculating SNAP benefits. In July 2012, USDA issued guidance to states, reaffirming its long-standing policy that households may not receive a medical deduction for medicinal marijuana. Because the Controlled Substance Act (21 U.S.C. 801 et seq.) currently classifies marijuana as a Schedule I controlled substance that has no currently accepted medical use and cannot be prescribed for medicinal purposes, the Managers expect that the Secretary will continue to administer this provision in accordance with current practice and procedures for illegal substances under federal law.

(6) Standard utility allowances based on the receipt of energy assistance payments

The House bill provides that only Low Income Home Energy Assistance Program (LIHEAP) payments above $20 would trigger a standard utility allowance ("SUA") deduction. (Section 4007)

The Senate amendment provides that only LIHEAP payments above $10 would trigger a SUA deduction. (Section 4003)

The Conference substitute adopts the House provision. (Section 4006)

(7) Repeal of work program waiver authority

The House bill requires all able-bodied adults to meet applicable work requirements by eliminating the ability of the Secretary to grant waivers for states in areas of high unemployment. The House bill maintains states' ability to provide an exemption from the work requirements for 15 percent of their Able-Bodied Adults Without Dependents (ABAWD) population. (Section 4009)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate position.

(8) Technology modernization for retail food stores

The House bill requires the Secretary of Agriculture to implement a pilot program to test the feasibility of allowing retailers to accept SNAP benefits through mobile transactions. (Section 4012)

The Senate amendment requires the Secretary of Agriculture to conduct demonstration projects to authorize redemption of SNAP benefits online and with mobile technologies. By 2016, the Secretary shall allow redemption by these processes in all States unless the results of the demonstrations indicate these activities will not be beneficial to the program. (Section 4008)

The Conference substitute adopts the Senate provision. (Section 4011)

(9) Mandating State immigration verification

The House bill requires states to use an electronic immigration status verification system to verify applicants' immigration status. (Section 4015)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4015)

(10) Data exchange standardization for improved interoperability

The House bill establishes requirements, consistent with other means tested programs, for the electronic content and format of data used in the administration of SNAP. (Section 4016)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4016)

The Conference substitute expands upon the bipartisan work begun by the Committee on Ways and Means Human Resources Subcommittee to allow data both within and across key federal assistance programs to operate more efficiently. These standardization activities promote transparency, flexibility, and consistency so data can be shared across the various information technology platforms established by federal and state agencies, increasing administrative efficiency and reducing improper payments. This provision is not intended to provide additional authority to standardize data but to drive the process to occur across multiple federal agencies. As identity theft and manipulation based fraud is on the rise in the United States, the Managers direct the Secretary to carefully analyze the possibility of identity theft and manipulation-based fraud on SNAP participants and to ensure that the Secretary is taking necessary steps to protect program beneficiaries' personally identifiable information against unauthorized disclosure.

(11) Pilot projects to improve Federal-State cooperation in identifying and reducing fraud in the Supplemental Nutrition Assistance Program

The House bill requires USDA to implement a pilot program to allow states to operate EBT retailer fraud investigation programs. (Section 4017)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4017)

(12) Prohibiting government-sponsored recruitment activities

The House bill prevents USDA from conducting recruitment activities, advertising the SNAP program through television, radio and billboard advertisements and from entering into agreements with foreign governments to promote SNAP benefits. The section further prevents States from being reimbursed for similar activities. (Section 4018)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4018)

The Managers do not intend to prohibit activities that provide basic program information including rights, program rules, client responsibilities, and benefits. The Managers acknowledge that certain vulnerable populations such as elderly, homeless, or disabled individuals may require additional assistance in applying for SNAP. The Managers do not intend to preclude any specialized services for these populations.

(13) Performance bonus payments

The House bill eliminates the performance bonuses provided to states for effectively administering SNAP. (Section 4019)

The Senate amendment requires states to reinvest bonus payments to prevent fraud and abuse and improve the administration of the SNAP program. (Section 4012)

The Conference substitute adopts the Senate provision. (Section 4021)

(14) Funding of employment and training programs

The House bill reduces the formula-funded allocation to State agencies to carry out employment and training programs from $90 million to $79 million per year. (Section 4020)

The Senate amendment provides $90 million in mandatory funds in FY2014, FY2015, FY2016, and FY2017. The Senate amendment reduces mandatory funding to $80 million for 2018 and each fiscal year thereafter. (Section 4013)

The Conference substitute adopts the Senate provision with an amendment. The amendment provides $90 million per year in mandatory funds. (Section 4022)

(15) Monitoring employment and training programs

The House bill requires that the Secretary of Agriculture implement monitoring and performance measures for State employment and training programs. The section requires that the Secretary of Agriculture, in consultation with the Secretary of Labor, develop reporting measures for participants in employment and training programs and that states report annually on such measures. The section further provides that if a State agency's performance is inadequate, the Secretary of Agriculture may require the State agency to modify its employment and training plan. (Section 4021)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4022)

(16) Cooperation with program research and evaluation

The House bill requires entities that participate in SNAP to cooperate with the Department of Agriculture and its agents in conducting evaluations and studies authorized under the Act. (Section 4022)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4023)

(17) Pilot projects to reduce dependency and increase work requirements and work effort under Supplemental Nutrition Assistance Program

The House bill requires USDA to conduct a pilot project to identify best practices for employment and training programs to raise the number of work registrants who obtain unsubsidized employment, increase their earned income, and reduce their dependence on public assistance. (Section 4023)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment incorporates certain provisions of the House language into the pilot project described in (32), below. (Section 4022)

(18) Authorization of appropriations

The House bill reauthorizes appropriations for SNAP and related programs through FY2016. (Section 4024)

The Senate amendment reauthorizes appropriations for SNAP and related programs through FY2018. (Section 4014)

The Conference substitute adopts the Senate provision. (Section 4024)

(19) Review, report, and regulation of cash nutrition assistance program benefits provided to Puerto Rico

The House bill ensures that no funds made available to the Commonwealth of Puerto Rico may be used to provide nutrition assistance in the form of cash. (Section 4025)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment directs the Secretary to conduct a review of, and report on, the provision of nutrition assistance in the form of cash in Puerto Rico. The Secretary is directed to phase out the provision of cash assistance by FY 2021. Notwithstanding the phase-out, the Secretary may approve a plan that provides cash to certain categories of participants if the Secretary determines that discontinuation of cash benefits will cause significant adverse effects. (Section 4025)

Since 1982, Puerto Rico has operated the Nutrition Assistance Program (NAP) from federal funds received as a block grant instead of the Supplemental Nutrition Assistance Program (SNAP). Under the terms of the block grant, Puerto Rico has had broad authority in its administration of these funds, and currently permits up to 25 percent of benefits to be issued in the form of cash. Permission to issue benefits in cash was granted in 2001, intended to alleviate concerns regarding lack of EBT access in Puerto Rico.

With advancement in technologies and the institution of a Commonwealth-wide sales tax in 2006, the vast majority of food retailers in Puerto Rico now accept EBT unless they choose not to. With this change in EBT capability and the Managers' ongoing interest in ensuring that each dollar of nutrition funding be used to reduce food insecurity, rigorous review and phase-out of the use of cash benefits is necessary.

However, as noted in the 2010 study conducted by Insight Policy research on behalf of the Food and Nutrition Service (FNS), *Supplemental Nutrition Assistance Program in Puerto Rico: A Feasibility Study,* "It is difficult to determine what the full impact of a completely non-cash allotment would be on Puerto Rico retailers and participants." Recognizing this and that there are factors in Puerto Rico that complicate the ability of program participants to access nutrition through EBT redemption, the Managers have directed the Secretary to review the situation. The Managers expect the Secretary to consider all relevant factors in exercising the discretion provided in exempting program participants or categories of participants that may be harmed by the discontinuation of cash benefits.

(20) Assistance for community food projects

The House bill provides an additional $10 million per fiscal year for Community Food Projects and directs that $5 million be used for incentives. (Section 4026)

The Senate amendment continues support for Community Food Projects while incorporating an increased food insecurity focus, along with hunger-free communities goals. Grants under this program are subject to a 50 percent matching requirement and periodic effectiveness reports. The Senate amendment eliminates the Healthy Urban Food Enterprise Development Center and Innovative Programs for Addressing Common Community Problems provisions. Funding remains at $5 million in annual mandatory funds. (Section 4015)

The Conference substitute adopts the Senate provision with an amendment. The amendment provides $9 million in annual mandatory funds. (Section 4026)

(21) Emergency food assistance

The House bill provides an additional $70 million in FY2014 and FY2015 and an additional $20 million per fiscal year thereafter for Emergency Food Assistance. Inflation adjustments remain in place. (Section 4027)

The Senate amendment increases funding by $54 million over 10 years. Entitlement commodity funding increases are in the first five years of the budget window: +$22 million for FY2014, +$18 million for FY2015, +$10 million for FY2016, +$4 million for FY2017. Inflation adjustment between years remains in place. (Section 4016)

The Conference substitute adopts the House provision with an amendment. The amendment provides an increase in funding of $50 million for fiscal year 2015, $40,000,000 for fiscal year 2016, $20,000,000 for fiscal year 2017, and $15,000,000 for fiscal year 2018. Funding for fiscal year 2019 and each fiscal year thereafter

will be indexed from the fiscal year 2018 funding level. (Section 4027)

The Managers strongly encourage the Secretary to review potential bonus and surplus removal purchases on a real-time basis and adjust the timing of mandatory food purchases and deliveries to address periods when bonus and specialty crop deliveries are expected to be low. Having a more balanced delivery of both mandatory and bonus food purchases will enable emergency feeding organizations to better serve those in need.

The Managers also intend for the Secretary to consider the cost of regulatory changes on the operation of emergency feeding operations in order to prevent such regulatory changes from adversely affecting the services provided by the emergency feeding organizations. The Managers encourage the Secretary to work with emergency feeding organizations to address these concerns.

Recognizing that some food banks also provide Commodity Supplemental Food Program (CSFP) commodities, the Managers understand the importance of CSFP as a critical nutrition program. Currently, CSFP provides nutritious food, often in the forms of food boxes for home delivery, that are designed to meet the dietary needs of seniors, women and children in 39 states, two Indian tribal organizations, and the District of Columbia. In fiscal year 2013, 97 percent of the recipients were elderly individuals with an annual income at or below $14,937. CSFP serves a unique niche by providing nutritious commodities to homebound seniors who are at severe risk for hunger.

The Managers fully support the continued operation of the program and recognize the need for expansion of the CSFP to reach additional elderly Americans at severe risk for hunger. The Managers note that there are six states that have currently been approved by USDA for entry into CSFP, subject to the availability of appropriations. Provided that sufficient funds are appropriated by Congress, the Managers encourage the Secretary to approve all remaining states for participation and to take action to reach all seniors at severe risk for hunger in all participating states and other jurisdictions.

(22) Nutrition education

The House bill adds "promoting physical activity" as an allowable use of funding. (Section 4028) The House bill reduces funding for FY2014 from $401 million to $372 million and then adjusts for inflation in subsequent years.

The Senate amendment adds "promoting physical activity" as an allowable use of funding. (Section 4017)

The Conference substitute adopts the Senate provision. (Section 4028)

(23) Retail food store and recipient trafficking

The House bill provides USDA $5 million annually in additional mandatory funding to track and prevent SNAP trafficking. (Section 4029)

The Senate amendment provides USDA $5 million in FY2014 in additional mandatory funding to track and prevent SNAP trafficking using data mining technologies. The Senate amendment

also authorizes $12 million subject to appropriations for each year FY2014–FY2018. (Section 4018)

The Conference substitute adopts the Senate provision with an amendment. The amendment provides one-time mandatory funding of $15 million in FY 2014 to remain available until expended, and an authorization of $5 million per year. (Section 4029)

(24) Tolerance level for excluding small errors

The House bill prevents the Secretary from excluding payment errors greater than $25 from improper payments calculations. (Section 4031)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment sets the tolerance level for excluding payment errors from improper payment calculations at $37 and indexes the level to the thrifty food plan. (Section 4019)

(25) Commonwealth of the Northern Mariana Islands pilot program

The House bill requires the Secretary of Agriculture to conduct a study to assess the capabilities of the Commonwealth of the Northern Mariana Islands (CNMI) to operate the SNAP program in the same manner it is operated in the states. The section requires that if, following the study, the Secretary of Agriculture determines that it is feasible for the CNMI to operate the SNAP program in the same manner it is operated by the states, the Secretary of Agriculture shall establish a pilot program in CNMI for such purposes. (Section 4032)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment provides that if the Secretary does not conduct a pilot with the funds provided in this section, the funds shall be used for program administration within CNMI. (Section 4031)

(26) Annual State report on verification of SNAP participation

The House bill requires states to submit an annual report to the Secretary sufficient to show that the state is verifying that its SNAP recipients are not receiving benefits in more than one state, no benefits are being paid to deceased individuals, and no benefits are being paid to previously disqualified individuals. (Section 4033)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment sets the penalty for failure to comply at up to 50 percent of the state's administrative match. The amendment provides that the Secretary is to complete a study on methods to prevent payment of benefits to recipients in multiple states and report to Congress on how to implement the results of the study. (Section 4032)

(27) Termination of existing agreement

The House bill terminates the existing agreement for SNAP Outreach between USDA FNS and the Mexican government. (Section 4034)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4211)

(28) Service of traditional foods in public facilities

The House bill grants the Secretary of Agriculture authority to permit the donation, preparation and consumption of traditional Native food in public facilities primarily serving Alaska Natives and American Indians. (Section 4035)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment makes technical and clarifying revisions, including ensuring that food safety laws apply to the donation, preparation, and consumption of foods provided under this section. (Section 4033)

(29) Testing applicants for unlawful use of controlled substances

The House bill allows states to conduct drug testing on SNAP applicants at state expense as a condition for receiving benefits. (Section 4036)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate position.

(30) Eligibility disqualifications for certain convicted felons

The Senate amendment bars individuals convicted of specified federal crimes (including murder, rape, certain crimes against children), and state offenses determined by the Attorney General to be substantially similar, from receiving SNAP. The Senate amendment still allows the disqualified ex-offender's household members to apply for and potentially receive benefits. The Senate amendment requires the state agency to collect, in writing, information on SNAP applicants' convictions. (Section 4020)

The House bill is similar to the Senate amendment but specifies that restrictions will only apply to individuals with convictions after the date of enactment. (Section 4037)

The Conference substitute adopts the House provision with an amendment. The amendment provides that the restrictions only apply to an individual convicted of the stated crimes if the individual is not in compliance with the terms of their sentence. (Section 4008)

(31) Expungement of unused SNAP benefits

The House bill requires a state agency to expunge SNAP benefits that have not been accessed by a household after a period of 60 days. (Section 4038)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate position.

(32) Pilot projects to promote work and increase State accountability in SNAP

The House bill creates a pilot program to allow states to engage able-bodied parents in Temporary Assistance for Needy Families (TANF)-type work and job training as part of receiving SNAP benefits. The House bill provides that employment and training

(E&T) cost share funds are only available to states that adopt the work provisions within this section. (Section 4039)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment directs the Secretary to carry out a pilot program in up to ten states to develop and test methods, including operating work programs that engage able-bodied adults in TANF-type work and job training requirements, for employment and training programs and services to raise the number of work registrants who obtain unsubsidized employment, increase the earned income of the registrants, and reduce the reliance of the registrants on public assistance. $200 million in mandatory funds are provided to operate the pilots.

States must commit to participate in the evaluation described in this section, collaborate with the state workforce board, and not supplant existing employment and training funds. The Secretary is required to select a range of pilot projects in various geographic areas, including projects that require mandatory participation and voluntary participation, as well as projects that target groups of individuals with varying skills and work experience.

States that require mandatory participation in work activities are provided specific authority to sanction individuals for failure to participate. The Secretary is required to establish standards for certain employment activities to ensure that failure to work for reasons beyond an individual's control shall not result in ineligibility. Various protections currently provided in SNAP E&T law are incorporated into the program, including ensuring that individuals subject to mandatory work requirements be offered a corresponding work or training activity, individuals be provided adequate transportation and childcare, and that elderly, disabled and those responsible for the care of children under the age of six are exempt from work requirements. (Section 4022)

The Managers recognize the need for better data and outcomes from current E&T programs. To further improve the accountability of the SNAP E&T program, the conference substitute demands outcomes by requiring states to set performance goals relating to enhancement of skills, training, work, or experience that leads to work, for SNAP participants. In addition, states must report annually on these goals.

The Managers also recognize that the best way to improve the lives of beneficiaries is through sustainable employment and increased income. Therefore, the Managers direct the Secretary to operate up to ten pilot projects to develop and improve innovative approaches to raise the number of beneficiaries who obtain unsubsidized employment and decrease the need for nutrition assistance. The Managers intend that all state expenses, including for wraparound services, related to the pilot projects may be reimbursed out of the funds provided under section 16(h)(1)(F)(viii).

The Managers expect the Secretary to approve pilot projects that test a range of strategies to ensure Congress is provided data on the effectiveness of various employment and training programs. This range should include those that require mandatory participation in a program and are subject to sanctions for non-participation, and those that allow individuals to volunteer to participate in

the programs. All pilots shall be subject to the protections and conditions of participation and duration of ineligibility provided under section 6(d) of the Food and Nutrition Act (including household ineligibility provided under paragraph (B)).

The Managers recognize that a number of states are currently operating innovative and effective employment and training programs and expect the Secretary to test the ability to expand and replicate such programs. The Managers also recognize that some states have developed effective employment and training programs through the TANF Program and encourage the Secretary to test similar mandatory employment and training programs that transition beneficiaries to stable employment.

(33) Improved wage verification using the National Directory of New Hires

The House bill requires all states to data-match with the National Directory of New Hires. (Section 4040)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment clarifies that states are only required to data-match at the time of certification. (Section 4013)

(34) Farmers' market nutrition program

The House bill expands the program purposes to allow additional at-risk populations to be served and by requiring the Secretary to specify terms and conditions to encourage expanding the participation of small scale farmers in federal nutrition programs. The House bill requires that 50 percent of the funds be reserved for seniors. (Section 4046)

The Senate amendment reauthorizes and continues to provide Commodity Credit Corporation (CCC) mandatory funding of $20.6 million annually through FY2018. (Section 4202)

The Conference substitute adopts the Senate provision. (Section 4203)

(35) Pilot project for canned, frozen, or dried fruits and vegetables

The House bill expands the forms of fruits and vegetables made available to students through the Fresh Fruit and Vegetable Program to include canned, frozen, and dried. (Section 4048)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment reauthorizes the Fresh Fruit and Vegetable program without revision. The amendment adds a new section creating a pilot project in schools participating in the Fresh Fruit and Vegetable Program in not less than five states to evaluate the impact of allowing schools to offer all forms of fruits and vegetables as part of the Program. $5 million in mandatory funding is provided to carry out the pilot project. (Section 4214)

The Managers recognize that the Fresh Fruit and Vegetable Program (FFVP) has been highly effective in increasing consumption of fruits and vegetables among low income students. Studies have shown that children participating in FFVP have a statistically significant (15 percent) increase in consumption of fruits and vegetables. The Managers do not intend to minimize the effectiveness

of the current FFVP by establishing pilots for all forms. The Managers expect USDA to determine interested schools in an efficient manner and to implement the pilot at the start of the 2014 school year. The Managers expect USDA to quickly inform schools of the ability to participate in the pilot and to develop criteria based on recent school nutrition regulations and the Dietary Guidelines for Americans. Recognizing that food packaging technologies include processes such as shelf-stable cups and pouches that allow for safe handling while maximizing quality and nutrient retention, the Secretary should ensure that this program does not exclude these additional packaging methods. The Managers encourage USDA to work closely with participating schools to gather information on the types of schools that participate, identify how the pilot program is implemented in those schools, determine continued interest in participating in such a program, and learn from students and teachers about students' attitudes and actual behavior during the pilot program. The Managers intend for USDA to conduct a robust evaluation of the outcomes of these pilots, and the Secretary shall provide periodic updates to the House and Senate Committees on Agriculture on the implementation, operation, and evaluation of this pilot.

(36) Additional authority for purchase of fresh fruits, vegetables, and other specialty food crops/encouraging locally and regionally grown and raised food

The House bill includes a pilot program that would allow five states to use the fresh fruit and vegetable funding for their own local sourcing of produce. (Section 4049) The House bill allows USDA to permit school food authorities with low annual commodity entitlement values to substitute local foods entirely or partially for USDA provided foods. The House bill gives USDA discretion to establish cost-neutral farm-to-school demonstration projects. (Section 4050)

The Senate amendment continues the "DoD Fresh Program" through FY2018. (Section 4201) The Senate amendment requires USDA to conduct demonstration projects "to facilitate the purchase of unprocessed and minimally processed locally grown and locally raised agricultural products" for schools that participate in the National School Lunch and Breakfast program. (Section 4208)

The Conference substitute adopts the House provision with an amendment. The amendment directs the Secretary to carry out a pilot project in not more than eight states that provides the selected states flexibility in procuring unprocessed fruits and vegetables by allowing the states to use multiple suppliers and products and by allowing geographic preference. (Sections 4201 and 4202)

The Managers acknowledge that USDA is already conducting pilot projects in two states for the purpose of developing new methods for local procurement. The Conference substitute pilots are intended to complement these efforts. The Managers expect the Secretary to select states with a variety of in-state agricultural economies, noting that states, such as Vermont, Oregon, and New York, have demonstrated an assortment of local procurement practices. The Managers expect the Secretary to work with the selected states in order to maximize flexibility for geographic preferences,

including allowing schools to specifically request local products as long as competition is maintained, during procurement. Further, the Managers expect the Secretary to tailor the pilots to state specific needs regarding the size and structure of school systems and enactment of reporting requirements.

(37) Review of public health benefits of white potatoes

The House bill requires the Secretary to conduct a review of the economic and public health benefits of white potatoes on low-income families at nutritional risk. (Section 4051)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate position.

(38) Review of sole-source contracts in Federal nutrition programs

The House bill directs USDA to conduct a study on sole-source contracting in federal nutrition programs to evaluate the effects such contracts have on program participation, program goals, non-program consumers, retailers and free market dynamics. (Section 4053)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4212)

(39) Purchase of Halal and Kosher food for emergency food assistance program

The House bill requires USDA to facilitate purchases of Kosher and Halal foods within the Emergency Food Assistance Program. (Section 4054)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 4207)

(40) Quality control standards

The Senate amendment strikes the Secretary's authority to waive quality control (QC) penalties. (Section 4011)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4020)

(41) Food Insecurity Nutrition Incentive

The Senate amendment amends the hunger-free community grants to establish "incentive grants" for projects that incentivize SNAP participants to buy fruits and vegetables. The Senate amendment limits federal cost share to 50 percent and provides $100 million in mandatory funding over five years. The Senate amendment provides discretionary authority of $5 million per year. (Section 4204)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment renames the program the Food Insecurity Nutrition Incentive. (Section 4208)

The Managers intend for these grants to improve access to and reduce the cost of fruits and vegetables for SNAP recipients. The Managers intend for the grants to test new methods and tech-

nologies that facilitate the purchase of fresh fruits and vegetables by SNAP recipients from a variety of sources, including direct to consumer markets. The Managers encourage the Secretary to consult with non-profit organizations with experience conducting similar programs on the design and implementation of the incentive grants.

(42) Pulse crop products

The Senate amendment creates a pilot project to purchase pulse crops (dry beans, dry peas, lentils, and chick peas) and pulse crop products for schools. The Senate amendment authorizes up to $10 million in discretionary appropriations. (Section 4206)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4213)

(43) Dietary Guidelines for Americans

The Senate amendment requires that the guidelines include specifications for pregnant women and children under the age of two years, by no later than the 2020 edition. (Section 4207)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4204)

(44) Multiagency task force

The Senate amendment requires USDA to establish a multiagency task force to provide guidance to the commodity distribution programs. The task force must be composed of at least four members, representing FNS's Food Distribution Division, Agricultural Marketing Service (AMS), Farm Service Agency (FSA), and Food Safety and Inspection Service (FSIS). The task force is to report to Congress not later than one year after convening. (Section 4209)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 4205)

(45) Food and agriculture service learning program

The Senate amendment creates a Food and Agriculture Service Learning Program with statutory purposes that include: increasing capacity for food, garden, and nutrition education; complementing the work of the federal farm-to-school grants; and coordinating with the related National Institute of Food and Agriculture (NIFA) work. USDA is to evaluate the program regularly and report the results to congressional committees of jurisdiction. $25 million is authorized to be appropriated and is to remain available until expended. 20 percent of funds are set aside for NIFA for particular purposes, and funding is to "supplement not supplant" current efforts. (Section 4210)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment places the program under the jurisdiction of the National Institute of Food and Agriculture (NIFA) and structures it as a competitive grant program. Further, the amendment deletes the "Definitions" subsection and removes the

20 percent funding set-aside previously designated to NIFA for housing, training, and overseeing participants. (Section 4209)

TITLE V—CREDIT

(1) Persons Eligible for Real Estate Loans

The House bill adds "and such other legal entities as the Secretary deems appropriate". It also requires that an owner-operator own at least 75 percent of an embedded entity and gives the Secretary authority to set the appropriate ownership level. It also gives authority to the Secretary to define the acceptable experience necessary to qualify for direct farm ownership loans. (Section 5001)

The Senate amendment is similar to the House provision but does not require 75 percent ownership of an embedded entity, and does not explicitly require that a farmer prove "sufficient" credit is obtainable elsewhere. (Section 3101)

The Conference substitute adopts the House provision.

(2) Conservation Loan and Loan Guarantee Program

The House bill gives USDA discretion to allow alternative legal entities to qualify for conservation loans and increases the maximum conservation loan guarantee to 90 percent. It additionally authorizes the conservation loan program through FY 2018. (Section 5002)

The Senate amendment gives USDA similar discretion, by reference. (Section 3103)

The Conference substitute adopts the House provision with an amendment. The amendment increases the amount of the conservation loan guarantee from 75 percent to 80 percent. For socially disadvantaged farmers or ranchers and beginning farmers and ranchers, the conservation loan guarantee is increased to 90 percent. The program is authorized to be appropriated $150,000,000 through fiscal year 2018. (Section 5002)

(3) Down payment loan program

The House bill increases the maximum down payment loan to 45 percent of $667,000. (Section 5003)

The Senate amendment is the same as the House bill. (Section 3107)

The Conference substitute adopts the House provision. (Section 5005)

(4) Mineral rights

The House bill eliminates the requirement that mineral rights be appraised. (Section 5004)

The Senate amendment is the same as current law. (Section 3105)

The Conference substitute adopts the House provision. (Section 5004)

(5) Operating loans, Persons who are eligible

The House bill gives USDA discretion to allow alternative legal entities to qualify for farm operating loans and allows an embedded entity of a borrower to be deemed eligible for an operating loan if

the entity borrower owns at least 75 percent of the embedded entity. (Section 5101)

The Senate amendment is the same as the House bill. (Section 3201)

The Conference substitute adopts the House provision. (Section 5101)

(5.1) Term Limits on Direct Loans

The House bill is the same as current law.

The Senate amendment extends direct loan term limits to ten years and allows borrowers to earn back eligibility, one year in the program for every year out. (Section 3201)

The Conference substitute adopts the House provision with an amendment. The amendment maintains current law but requires the Secretary of Agriculture to submit an annual report to Congress that details the status of the Department's direct farm operation loan program, and the impact of term limits on direct loan borrowers. (Section 5104)

(5.2) Term Limits on Guaranteed Loans

The House bill is the same as current law.

The Senate amendment removes the provision.

The Conference substitute adopts the Senate provision. (Section 5107)

(6) Operating loans, rural residency requirements

The House bill eliminates the rural residency requirement for youth loans. (Section 5102)

The Senate amendment is the same as current law.

The Conference substitute adopts the House provision. (Section 5102)

(7) Personal liability of youth loan borrower

The House bill gives USDA the option to waive personal liability for youth loans if default is due to circumstances beyond the borrower's control. (Section 5103)

The Senate amendment allows a borrower who defaults on a youth loan to still qualify for educational loans. (Section 3201)

The Conference substitute adopts the Senate provision with an amendment. The amendment authorizes the Secretary of Agriculture to, on a case by case basis, provide debt forgiveness of a youth loan if the borrower was unable to repay the loan due to circumstances beyond the control of the borrower. The debt forgiveness provided by this section shall not be used by other Federal agencies in determining eligibility of the borrower for any loan made or guaranteed by that agency. In no case shall a delinquent borrower or a borrower provided debt forgiveness be denied a loan or loan guarantee from the Federal government to pay for educational expenses of the borrower. (Section 5103)

(8) Microloans

The House bill authorizes the Secretary to make operating loans of $35,000 to eligible borrowers with a total microloan indebtedness of $70,000 to any borrower. It also authorizes intermediary

lending projects and exempts microloans from counting toward direct loan limits. The bill applies limited resource loan rates to beginning and veteran farmers or ranchers. (Section 5104)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment sets the total indebtedness level at $50,000. It also authorizes the Secretary to conduct a pilot project to contract with community development financial institutions to make or guarantee microloans and to provide business, financial and marketing services to borrowers. The Secretary is limited to $10 million worth of loans through the new pilot project in any fiscal year. (Section 5106)

To further clarify, the Conference substitute authorizes the Department of Agriculture to establish cooperative lending pilot projects to aid administration of microloans. The Managers believe that the Farm Service Agency should maintain its mission focus on direct lending, and consider the agency's existing staffing and expertise when determining how to operate a pilot. The Managers expect the Secretary to carefully review intermediaries' loan loss reserve funds, underwriting standards, and other factors that preserve program integrity. Therefore, the Conference substitute provides that when carrying out this pilot program, the Department should utilize community financial institutions that have been approved by the Department of the Treasury in order to maximize the effectiveness of U.S. government resources.

(9) Emergency loans eligibility

The House bill gives USDA discretion to allow alternative legal entities to qualify for an emergency loan. Additionally, it allows an embedded entity of a borrower to be deemed eligible for an operating loan if the entity borrower owns at least 75 percent of the embedded entity. (Section 5201)

The Senate amendment is the same as the House bill. (Section 3301)

The Conference substitute adopts the House provision. (Section 5201)

(10) Beginning Farmer and Rancher individual development pilot program

The House bill authorizes current law through 2018. (Section 5301)

The Senate amendment is the same as the House bill. (Section 3428)

The Conference substitute adopts the Senate provision. (Section 5301)

(11) Eligible Beginning Farmers and Ranchers

The House bill expands the definition of a qualified beginning farmer or rancher to include "or other such legal entity". It also changes the acreage ownership limitation from 30 percent of the median acreage of farms in the county to 30 percent of the average acreage of farms in the county. (Section 5302)

The Senate amendment replaces "median" with "average" in the definition and has the same 30 percent limitation, but does not

give USDA discretion to allow alternative legal entities to qualify as a beginning farmer or rancher. (Section 3002)

The Conference substitute adopts the House provision with an amendment. The amendment includes language that will ensure that any legal entity included in the definition of beginning farmer or rancher for purposes of qualifying for USDA loans (including cooperatives, corporations, partnerships, joint operations, or other such legal entities as the Secretary considers appropriate), will have members, stockholders, partners, or joint operators who all qualify individually as beginning farmers. This provision is meant to ensure that any priorities given to beginning farmers or ranchers are restricted to individual beginning farmers or ranchers or entities comprised entirely of beginning farmers or ranchers. (Section 5303)

(12) Loan Authorization Levels

The House bill reauthorizes the Secretary's ability to make loans under each subtitle through 2018. (Section 5303)

The Senate amendment is the same as the House bill. (Section 3431)

The Conference substitute adopts the House provision. (Section 5304)

(13) Beginning Farmer and Rancher, priorities

The House bill adds a new priority for beginning farmer and rancher direct loans to those applicants who apply under the down payment loan program or with joint financing arrangements. (Section 5304)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment establishes a floating interest rate with a floor of 2.5 percent for joint financing arrangements (arrangements where the direct farm ownership loan does not exceed 50 percent of any total loan). (Section 5003)

The Managers intend for modifications to the interest rates for joint financing arrangements (in Sec. 307(a)(3)(D) of the Con Act) to encourage Beginning Farmer and Rancher borrowers to first rely on the down payment loan program (in Sec. 310E of the Con Act) for their ownership credit needs. They should then look to joint financing arrangements, and lastly, to the Direct Farm Ownership Loan programs. This will help maximize the number of borrowers served by prioritizing programs that incorporate public-private partnerships or personal investments

(14) Loan Fund Set-Asides

The House bill reauthorizes the loan fund set asides through 2018. (Section 5305)

The Senate amendment is the same as the House bill. (Section 3431)

The Conference substitute adopts the Senate provision. (Section 5304)

(15) Conforming amendment

The House bill strikes "section 302(a)(2) or 311(a)(2)" and inserts "section 302(a)(1)(B) or 311 (a)(1)(B)". (Section 5306)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 5306)

(16) Agricultural Mediation programs

The House bill reauthorizes the state agricultural mediation programs through 2018. (Section 5401)

The Senate amendment is the same as the House. (Section 5101)

The Conference substitute adopts the Senate provision. (Section 5401)

(17) Loans to Purchasers of Highly Fractionated Land

The House bill authorizes the use of a revolving loan fund for purchasers of highly fractionated land. (Section 5501)

The Senate amendment includes the House language, updates references to other laws, and requires interagency consultation between USDA and the Department of the Interior. Additionally, it simplifies appraisals for purchasers of highly fractionated land by requesting only one appraisal recognized by USDA or the Department of the Interior. (Section 5102 and Section 5103)

The Conference substitute adopts the Senate provision with an amendment. The amendment strikes the requirement that USDA consult with the Department of Interior. (Sections 5402 and 5403)

It is the intent of the Managers that the Department should consult with the Secretary of the Interior when determining regulations and procedures to define eligible purchasers of highly fractionated land relevant to provisions (Sections 5402 and 5403) in this Title.

(18) Compensation disclosure by farm credit system institutions

The Senate amendment requires the Farm Credit Administration to review rules regarding compensation packages of senior officers in order to improve compensation disclosure. (Section 5104)

The House bill contains no comparable provisions.

The Conference substitute adopts the Senate provision. (Section 5404)

The Managers support reasonable transparency practices at Farm Credit System (FCS) institutions that support stockholders' understanding of the operation of those institutions. The Managers also recognize that the Farm Credit Act clearly authorizes the Farm Credit Administration (FCA) to require appropriate disclosure from FCS institutions, including disclosures describing compensation practices. The Farm Credit Act does not explicitly contemplate stockholder voting on specific issues such as compensation, and the Managers are concerned such actions could interfere with the explicit responsibility and duty of the board. Therefore, the Agency should take this into consideration as it reviews its regulation.

(19) Emergency loan, equine farmers

The House bill is the same as current law.

The Senate amendment does not mention equine farmers and ranchers (nor in Sec. 3301). (Section 3002)

The Conference substitute adopts the House provision. (Section 5201)

(20) Repayment Requirements for Farm Ownership Loans

The House bill is the same as current law.

The Senate amendment is substantially similar to current law. (Section 3105)

The Conference substitute adopts the House provision.

(21) Limited-Resource Loans

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3106)

The Conference substitute adopts the House provision.

(22) Beginning Farmer and Socially Disadvantaged Farmer Contract Land Sales Program

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3108)

The Conference substitute adopts the Senate provision.

(23) Loans to gleaners

The Senate amendment creates a pilot program to support Healthy Foods for the Hungry. It authorizes individual loans of between $500 and $5,000 to gleaners and other regular farm operating loan borrowers for the purpose of assisting the borrowers in providing food for the hungry. The program is funded from within the farm operating loan program, up to a maximum total of $500,000 for the entire program. (Section 3201)

The House bill contains no comparable provision.

The Conference substitute amends and moves this section to Title IV. (Section 4026)

(24) Direct loans, locally produced agriculture products

The Senate amendment adds the assistance of a farmer in the production of a locally or regionally produced agricultural food product as a new purpose for direct loans. (Section 3202 (a)(11))

The House bill contains no comparable provision.

The Conference substitute adopts the House provision.

Pertaining to (24), (25), (25.1), and (25.2) of this conference report, the Managers affirm the Department's authority to directly lend to and guarantee loans for producers of local/regional foods. Congress expects the Department to incorporate information on local/regional markets and food production into its loan officer training and into any borrower or potential borrower outreach. The Managers also intend that valuations of local/regional food under Section 5105 will be incorporated into this training and outreach. Given the potential for price premiums paid for local/regional food, the valuation is an important part of understanding the markets

for local/regional foods. The Managers expect the Secretary to develop a publically available and defensible methodology for assessing and factoring local food price premiums into loan decisions made by the Department.

(25) Loan officers, training for loans to local/regional farmers

The Senate amendment requires the Secretary to train loan officers in pricing of local and regional food production. (Section 3202(e)(1))

The House bill contains no comparable provision.

The Conference substitute adopts the House provision.

(25.1) Valuation for local/regional crops for purposes of lending

The Senate amendment requires the Secretary to develop valuation methods for local/regional food for purposes of lending to local/regional food producers. (Section 3202(e)(2)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 5105)

(25.2) Outreach for lending to local/regional food producers

The Senate amendment requires the Secretary to develop an outreach strategy to provide loans to local/regional food producers. (Section 3302(e)(3))

The House bill contains no comparable provision.

The Conference substitute adopts the House provision.

(26) Emergency loans, commercial fishermen

The Senate amendment adds commercial fishermen to the list of eligible borrowers for emergency loans. (Section 3301(a))

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision.

(27) Hazard insurance, poultry farmers exception

The Senate amendment omits any exception for poultry farmers in the hazard insurance requirement. (Section 3301(d))

The House bill contains no comparable provision.

The Conference substitute adopts the House provision.

(28) Basic Terms for Loans

The House bill is the same as current law.

The Senate amendment does not include section 307(a)(5)(B).

The Conference substitute adopts the House position.

The Managers of the House Agriculture Committee and the Senate Committee on Agriculture, Nutrition, and Forestry believe it is important to periodically review and update statutory language such as the Consolidated Farm and Rural Development Act and will do so as time allows.

(29) Guaranteed Farmer Loans

The House bill is the same as current law.

The Senate amendment is substantially similar to current law though it eliminates coordination with the state in (i). (Section 3402)

The Conference substitute adopts the House provision.

(30) Administrative Provisions

The House bill is the same as current law.

The Senate amendment does not include Section 309(b)–(g) (the Federal Credit reform Act of 1990 rendered these provisions—no longer a revolving fund). Also does not include section 309(i).

The Conference substitute adopts the House provision.

(31) Soil Conservation District Loans

The House bill is the same as current law.

The Senate amendment does not include Section 314.

The Conference substitute adopts the House provision.

(32) Interest rate, term of loan, and line of credit

The House bill is the same as current law.

The Senate amendment does not include section 316(b) except for the first two sentences that provide the operating loan at seven years. (Section 3411)

The Conference substitute adopts the House provision.

(32.1) Line of Credit Loans, Qualifying Commodities

The House bill is the same as current law.

The Senate amendment does not include Section 316(c)(5)(B) which made line of credit loans available to commodities eligible for price support programs before the 1996 Farm Bill.

The Conference substitute adopts the House provision.

(33) Purpose for emergency loans

The House bill is the same as current law.

The Senate amendment does not include Section 321(b)(3).

The Conference substitute adopts the House provision.

(34) Considerations for making emergency loans

The House bill is the same as current law.

The Senate amendment does not include Section 322(a) nor 322(b).

The Conference substitute adopts the House provision.

(35) Emergency Credit Revolving Fund

The House bill is the same as current law.

The Senate amendment does not include Section 326.

The Conference substitute adopts the House provision.

(36) Liquidation of loans become part of the Emergency Credit Revolving Fund

The House bill is the same as current law.

The Senate amendment does not include Section 327.

The Conference substitute adopts the House provision.

(37) General Powers all loan programs

The House bill is the same as current law.

The Senate amendment does not include Section 331(a), but see "Section 3403" below.

The Conference substitute adopts the House provision.

(38) Timing for the processing of farm loan applications

The House bill is the same as current law.

The Senate amendment does not include Section 333A(d)–(e), but instead includes Section 3403 as follows:

"Section 3403. Provision of information to borrowers.

"Approval Notification—The Secretary shall approve or disapprove an application for a loan or loan guarantee made under this subtitle, and notify the applicant of such action, not later than 60 days after the date on which the Secretary has received a complete application for the loan or loan guarantee.

"(b) List of Lenders.—The Secretary shall make available to any farmer, on request, a list of lenders in the area that participate in guaranteed farmer program loan programs established under this subtitle, and other lenders in the area that express a desire to participate in the programs and that request inclusion on the list.

"(c) Other Information.—

"(1) In general.—On the request of a borrower, the Secretary shall make available to the borrower—

"(A) a copy of each document signed by the borrower; "

"(B) a copy of each appraisal performed with respect to the loan; and

"(C) any document that the Secretary is required to provide to the borrower under any law in effect on the date of the request.

(2) Rule of construction.—Paragraph (1) shall not supersede any duty imposed on the Secretary by a law in effect on January 5, 1988, unless the duty directly conflicts with a duty under paragraph (1)."

The Conference substitute adopts the House provision.

(39) Rules and Regulations for Debt Service and Margin Requirements

The House bill is the same as current law.

The Senate amendment does not include Section 339(b) or Section 339(e).

The Conference substitute adopts the House provision.

(40) Notice of Loan Service Programs

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3404)

The Conference substitute adopts the House provision.

(41) Planting and Production History Guidelines

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3405)

The Conference substitute adopts the House provision.

(42) Special Conditions and Limitations on Loans

The House bill is the same as current law.

The Senate amendment is similar to current law though it deletes the word "sufficient". It also combines the provisions of Section 333 and 333A in current law. (Section 3406)

The Conference substitute adopts the House provision.

(43) Graduation of Borrowers

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3407)

The Conference substitute adopts the House provision.

(44) Debt Adjustment and Credit Counseling

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3408)

The Conference substitute adopts the House provision.

(45) Security Servicing

The House bill is the same as current law.

The Senate amendment is substantially similar to current law. (Section 3409)

The Conference substitute adopts the House provision.

(46) Contracts on Loan Security Properties

The House bill is the same as current law.

The Senate amendment is substantially similar to current law. (Section 3410)

The Conference substitute adopts the House provision.

(47) Debt Restructuring and Loan Servicing

The House bill is the same as current law.

The Senate amendment is substantially similar to current law. (Section 3411)

The Conference substitute adopts the House provision.

(48) Relief for Mobilized military Reservists from Certain Agricultural loan obligations

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3412)

The Conference substitute adopts the House provision.

(49) Interest Rate Reduction Program

The House bill is the same as current law.

The Senate amendment is substantially similar to current law though it restricts the program to loans under this "subtitle". (Section 3413)

The Conference substitute adopts the House provision.

(50) Rules and Regulations for Debt Service and Margin Requirements

The House bill is the same as current law.

The Senate amendment does not include Section 339(b) or 339(e).

The Conference substitute adopts the House provision.

(51) Homestead Property

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3414)

The Conference substitute adopts the House provision.

(52) Transfer of Inventory Land

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3415)

The Conference substitute adopts the House provision.

(53) Target Participation Rates

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3416)

The Conference substitute adopts the House provision.

(54) Compromise or adjustment of debts or claims by guaranteed lender

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3417)

The Conference substitute adopts the House provision.

(55) Waiver of Mediation Rights by Borrowers

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3418)

The Conference substitute adopts the House provision.

(56) Borrower Training

The House bill is the same as current law.

The Senate amendment is substantially similar to current law. It eliminates the "(as determined by the appropriate county committee)". (Section 3419)

The Conference substitute adopts the House provision.

(57) Loan Assessments

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3420)

The Conference substitute adopts the House provision.

(58) Supervised Credit

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3421)

The Conference substitute adopts the House provision.

(59) Market Placement

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3422)

The Conference substitute adopts the House provision.

(60) Recordkeeping of Loans by Gender of Borrower

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3423)

The Conference substitute adopts the House provision.

(61) Crop Insurance Requirement

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3424)

The Conference substitute adopts the House provision.

(62) Loan and Loan Servicing Limitations

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3425)

The Conference substitute adopts the House provision.

(63) Short Form Certification of Farm Program Borrower Compliance

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3426)

The Conference substitute adopts the House provision.

(64) Underwriting Forms and Standards

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3427)

The Conference substitute adopts the House provision.

(65) Farmer Loan Pilot Projects

The House bill is the same as current law.

The Senate amendment authorizes the Secretary to conduct pilot projects of limited scope and duration to evaluate processes and techniques that may improve the efficiency and effectiveness of the programs carried out by this subtitle. (Section 3429)

The Conference substitute adopts the Senate provision. (Section 5302)

(66) Prohibition on use of Loans for Certain Purposes

The House bill is the same as current law.

The Senate amendment is the same as current law. (Section 3430)

The Conference substitute adopts the House provision.

(67) Repeal of the application of the Bankhead Jones Act

The House bill is the same as current law.

The Senate amendment outlines an AGRICULTURAL CREDIT INSURANCE FUND. The fund established pursuant to section 11(a) of the Bankhead-Jones Farm Tenant Act (60 Stat. 1075, chapter 964) shall be known as the Agricultural Credit Insurance Fund (referred to in this section as the 'Fund', unless the context otherwise requires) for the discharge of the obligations of the Secretary under agreements insuring loans under this subtitle and loans and mortgages insured under prior authority. (Section 3401)

The Conference substitute adopts the House provision.

(68) Definitions

The House bill is the same as current law.

The Senate amendment contains the definition of the terms "farmer", "beginning farmer or rancher", "United States", "direct loan", "farmer program loan", "qualified beginning farmer", "debt forgiveness", "rural area", "borrower", "loan service program", and "primary loan servicing program". Additionally, it does not include the definitions of the terms "owner-operator", "insured", "contract of insurance", "joint operation", and "preservation loan servicing program". (Section 3002)

The Conference substitute adopts the House provision.

(69) Limitations for insured loans and guaranteed loans

The House bill is the same as current law.

The Senate amendment does not include Section 344.

The Conference substitute adopts the House provision.

(70) Maximum amounts for loans authorized, long-term cost projections

The House bill is the same as current law.

The Senate amendment does not include Section 346(a).

The Conference substitute adopts the House provision.

(71) Other Federal agencies provisions of technical assistance to farmer with loans

The House bill is the same as current law.

The Senate amendment does not include Section 347.

The Conference substitute adopts the House provision.

(72) Debt for nature

The House bill is the same as current law.

The Senate amendment defines the terms "highly erodible land" and "wildlife" in Section 3002, but does not include definitions for the terms "governmental entity" and "recreational purposes". (Section 3002)

The Conference substitute adopts the House provision.

(73) Purposes of farm loan programs

The House bill is the same as current law.

The Senate amendment does not include Section 350.

The Conference substitute adopts the House provision.

(74) Debt restructuring and loan servicing

The House bill is the same as current law.

The Senate amendment does not include Section 353(f) or (h).
The Conference substitute adopts the House provision.

(75) Rural Development and Farm Loan Program Activities

The House bill is the same as current law.
The Senate amendment is the same as current law—included in (Section 3913).
The Conference substitute adopts the House provision.

(76) Payment of Interest as a condition of loan servicing for borrowers

The House bill is the same as current law.
The Senate amendment does not include Section 372.
The Conference substitute adopts the House provision.

(77) Making and Servicing of Loans by Personnel of State, County or Area Committees

The House bill is the same as current law.
The Senate amendment does not include Section 376.
The Conference substitute adopts the House provision.

(78) Eligibility of Employees of State, County, or Area Committee for loans and loan Guarantees

The House bill is the same as current law.
The Senate amendment does not include Section 377.
The Conference substitute adopts the House provision.

TITLE VI—RURAL DEVELOPMENT

(1) Water, Waste Disposal, and Wastewater Facility Grants

The House bill reauthorizes the authorization of appropriations for fiscal years 2014 through 2018. (Section 6001)
The Senate amendment is the same as the House. (Section 6001)
The Conference substitute adopts the House provision. (Section 6001)

(2) Rural Business Opportunity Grants

The House bill reauthorizes the authorization of appropriations for fiscal years 2014 through 2018. (Section 6002)
The Senate amendment authorizes appropriations of $65,000,000 for fiscal years 2014 through 2018 and combines the Rural Business Enterprise Grant and RBOG programs. (Section 6001)
The Conference substitute adopts the Senate provision with an amendment. The amendment strikes Sections 310B(c) and 306(a)(11) in the Con Act and replaces them with the Rural Business Development Grant authority, allocating not more than 10 percent of amounts appropriated for the purposes previously authorized under the Rural Business Opportunity Grant authority. (Section 6012)
The Managers made an effort to streamline and consolidate programs whenever possible. The conference substitute combines two existing programs, the Rural Business Opportunity Grants pro-

gram and the Rural Business Enterprise Grants program, into a single program to be known as the Rural Business Development Grants program. The Managers intend for this new program to function in a manner similar to its predecessors and to award competitive grants to public agencies and non-profit community development organizations for business development, planning, technical assistance, or job training in rural areas.

(3) Elimination of Reservation of Community Facilities Grant Program Funds

The House bill repeals the reservation of funds. (Section 6003)

The Senate amendment does not include the reservation of funds. (Section 6001)

The Conference substitute adopts the House provision. (Section 6002)

(4) Utilization of Loan Guarantees for Community Facilities

The House bill authorizes the Secretary to utilize loan guarantees for community facilities to the maximum extent possible. (Section 6004)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 6004)

(5) Rural Water and Wastewater Circuit Rider Program

The House bill authorizes the Secretary to continue a national rural water and wastewater circuit rider program. Additionally, the bill authorizes appropriations of $20,000,000 for each fiscal year. (Section 6005)

The Senate amendment authorizes appropriations of $25,000,000 for each fiscal year.

The Conference substitute adopts the House provision. (Section 6003)

(6) Tribal College and University Essential Community Facilities

The House bill authorizes appropriations of $5,000,000 for fiscal years 2014 through 2018. (Section 6006)

The Senate amendment authorizes appropriations of $10,000,000 for fiscal years 2014 through 2018. Additionally, the amendment authorizes the Secretary to establish the maximum percentage of the cost of the project covered by this grant and limits the amount of non-Federal support to no more than 5 percent of the total cost of the project. The amendment also establishes grant priorities, the maximum grant amount, grant rate and local share requirements applicable to these grants. (Section 6001)

The Conference substitute adopts the Senate provision with an amendment. The amendment reauthorizes the authorization of appropriations through 2018. (Section 6005)

(7) Essential Community Facilities Technical Assistance and Training

The House bill authorizes technical assistance and training for essential community facilities. Additionally, the bill reserves not less than 3 nor more than 5 percent of any funds appropriated to

carry out each of the community facilities programs authorized under subsection 306(a). (Section 6007)

The Senate amendment authorizes technical assistance to applicants and participants for community facilities programs. Additionally, under the amendment, the Secretary may not use more than 3 percent of the amount of funds made available to participants for a fiscal year for a community facilities program to provide technical assistance. (Section 6001)

The Conference substitute adopts the House provision. (Section 6006)

The Managers understand that rural communities, primarily due to limited staffing, often need technical assistance when developing funding applications. The conference substitute authorizes as much as 5 percent of the funding available through the Community Facilities Loan and Grant Program for technical assistance to help smaller communities in the development of their applications to the program.

(8) Emergency Imminent Community Water Assistance Grant Program

The House bill authorizes appropriations of $27,000,000 for fiscal years 2014 through 2018. (Section 6008)

The Senate amendment authorizes appropriations of $35,000,000 for fiscal years 2014 through 2018. (Section 6001)

The Conference substitute adopts the Senate provision with an amendment. The amendment reauthorizes the authorization of appropriations through 2018. (Section 6007)

(9) Household Water Well Systems

The House bill authorizes appropriations of $5,000,000 for fiscal years 2014 through 2018. (Section 6009)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 6009)

(10) Rural Business and Industry Loan Program

The House bill amends subsection 310B(a) to include working capital as a loan purpose. Additionally, paragraph 310B(g)(7) is amended to authorize the Secretary, when determining whether a cooperative organization is eligible for a guaranteed business and industry loan, to take accounts receivable as security for obligations, and a borrower may use accounts receivable as collateral to secure a loan. (Section 6010)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment clarifies that the additional loan purpose is the financing of working capital. (Section 6010)

The Managers recognize the importance of "Main Street" businesses to rural communities, and that the recent economic downturn has reduced the affordability of credit in rural areas, putting considerable strain on these small businesses. The Conference substitute addresses this issue through changes to the Business & Industry (B&I) Loan Program intended to ensure working capital is an eligible use of funds.

The Conference substitute also provides flexibility for the Secretary to consider accounts receivable for the purposes of collateral to allow lenders to help meet the capital needs of small businesses in rural areas. The Managers encourage USDA to examine additional ways to guarantee lending to small brick-and-mortar, community-owned businesses, such as an increased loan guarantee percentage for smaller loans, a streamlined process for making B&I loans of less than $250,000, and making operating lines of credit eligible as a program use.

Additionally, the Managers encourage USDA to better coordinate with the Small Business Administration on outreach to rural lenders related to the B&I loan guarantee program.

(11) Rural Cooperative Development Grants

The House bill authorizes appropriations of $40,000,000 for fiscal years 2014 through 2018. (Section 6011)

The Senate amendment authorizes appropriations of $50,000,000 for fiscal years 2014 through 2018 and an interagency working group to foster cooperative development and ensure coordination with Federal agencies and cooperative organizations.

The Conference substitute adopts the House provision with an amendment. The amendment authorizes appropriations of $40,000,000 for each fiscal year 2014 through 2018 and an interagency working group to foster cooperative development and ensure coordination with Federal agencies and cooperative organizations. (Section 6013)

(12) Locally or Regionally Produced Agricultural Food Products

The House bill authorizes a reservation of funds through fiscal year 2018 of not less than 5 percent and not more than 7 percent of the funds made available to carry out subsection (g), business and industry direct and guaranteed loans. (Section 6012)

The Senate amendment authorizes a reservation of funds for fiscal years 2014 through 2018, not less than 5 percent of the total amount of funds made available to carry out subsection (e), loans to private business enterprises and business and industry direct and guaranteed loans. (Section 6001)

The Conference substitute adopts the Senate provision with an amendment. The amendment reauthorizes the reservation of funds through 2018. (Section 6014)

(13) Intermediary Relending Program

The House bill moves the authorization of the Intermediary Relending Program (IRP) to the Consolidated Farm and Rural Development Act (Con Act). Additionally, it authorizes $10,000,000 for fiscal years 2014 through 2018. (Section 6013)

The Senate amendment moves authorization of IRP to the Con Act. Additionally, it authorizes $50,000,000 for fiscal years 2014 through 2018. (Section 6001)

The Conference substitute adopts the Senate provision with an amendment. The amendment prohibits the Secretary from making IRP loans under another authority, authorizes appropriations of $25,000,000 for each fiscal year 2014 through 2018, and eliminates another authority for the program. (Section 6017)

(14) Rural College Coordinated Strategy

The House bill authorizes the Secretary to develop a rural community college coordinated strategy across the Rural Development mission area. (Section 6014)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 6018)

The Managers recognize the contributions that rural community and technical colleges make in the development of a well-trained workforce in rural communities. These institutions serve over 3.5 million students, and train sixty-percent of first responders and allied health care providers in rural communities. The Managers expect the Secretary to work closely with the rural community and technical colleges to create a coordinated strategy which would guide the investments USDA already makes through rural development programs. Noting that a number of programs have varying eligibility criteria and purposes, the Managers expect the Secretary to look across the entire suite of rural development programs when creating a coordinated strategy to help deploy the most appropriate resources for each of the needs identified in consultation with representatives from the rural community and technical colleges. These investments should continue to utilize appropriate authorities under both the Rural Electrification Act and the Consolidated Farm and Rural Development Act, including investments in technology and facilities, to better serve rural students.

(15) Rural Water and Waste Disposal Infrastructure

The House bill authorizes the Secretary, with respect to water and waste disposal direct and guaranteed loans, to encourage to the maximum extent practicable, private or cooperative lenders to finance rural water and waste disposal facilities by maximizing the use of loan guarantees in communities where the population exceeds 5,500, maximizing the use of direct loans where the impact on rate payers will be material when compared to a loan guarantee, in the case of projects that require interim financing above $500,000 requiring those projects to initially seek such financing from a private or cooperative lender and determining if existing direct borrowers can refinance with a private or cooperative lender prior to providing a new direct loan. (Section 6015)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 6019)

The Managers note that there is over $3 billion in pending applications for water and wastewater projects throughout rural America. Reauthorization of water infrastructure programs is a vital component to rural economic development. Access to water systems promotes the health of rural communities and attracts businesses to invest in communities which are well supported by critical infrastructure. To address the current backlog, the Conference substitute directs USDA to maximize the use of guarantees through private or cooperative lenders for projects for larger communities. The Managers expect these provisions to leverage available funds to serve more communities than might otherwise be served solely through direct loans.

(16) Simplified Applications

The House bill requires the Secretary, to the maximum extent practicable, to develop a simplified application process for covered programs authorized by the Con Act. It also requires a report to Congress on implementation of the simplified applications. (Section 6016)

The Senate amendment requires the Secretary to expedite the process of creating user-friendly and accessible application forms and procedures prioritizing programs and applications at the individual level. It also requires the Secretary to offer a simplified application form and process for project proposals requesting less than $50,000 for VAPG. (Section 6001)

The Conference substitute adopts the House provision. (Section 6020)

(17) Grants for NOAA Weather Radio Transmitters

The House bill authorizes appropriations of $1,000,000 for fiscal years 2014 through 2018. (Section 6017)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 6022)

(18) Rural Microentrepreneur Assistance Program

The House bill authorizes appropriations of $20,000,000 for fiscal years 2014 through 2018. (Section 6018)

The Senate amendment allots the CCC $3,000,000 funds for each of fiscal years 2014 through 2018 to be available until expended. Additionally, the amendment defines Microenterprise Development Organization to include an organization that is a collaboration of rural nonprofit entities serving a region or State, if one lead nonprofit entity is the sole underwriter of all loans and is responsible for associated risks. The amendment defines the term "training" to mean teaching broad business principles or general business skills in a group or public setting and the term "technical assistance" to mean working with a business client in a one-to-one manner. The amendment requires 15 percent matching funds, the form of which can be community development block grants. (Section 6001)

The Conference substitute adopts the House provision with an amendment. The amendment authorizes of funds from the Commodity Credit Corporation $3,000,000 for each fiscal year 2014 through 2018 and reauthorizes the authorization of appropriations through 2018. (Section 6023)

(19) Delta Regional Authority

The House bill authorizes appropriations of $12,000,000 for fiscal years 2014 through 2018. It also extends the termination of authority until October 1, 2018. (Section 6019)

The Senate amendment authorizes appropriations of $30,000,000 for fiscal years 2014 through 2018. The termination extension is the same as the House. (Section 6001)

The Conference substitute adopts the Senate provision with an amendment. The amendment reauthorizes the Authority through

2018 and the authorization of appropriations for fiscal years 2014 through 2018. (Section 6026)

(20) Northern Great Plains Regional Authority

The House bill authorizes appropriations of $2,000,000 for fiscal years 2014 through 2018 and extends the termination of authority. (Section 6020)

The Senate amendment authorizes appropriations of $30,000,000 for fiscal years 2014 through 2018, has a similar termination of authority provision as the House, and amends the annual audit requirement. (Section 6001)

The Conference substitute adopts the Senate provision with an amendment. The amendment reauthorizes the authority through 2018 and the authorization of appropriations for fiscal years 2014 through 2018, as well as requires an annual audit only if funds are appropriated to the subtitle. (Section 6027)

(21) Rural Business Investment Program

The House bill authorizes appropriations of $20,000,000 for fiscal years 2014 through 2018. (Section 6021)

The Senate amendment authorizes appropriations of $25,000,000 through fiscal year 2018 and requires each rural business investment company to meet capital requirements as provided by the Secretary. (Section 6001)

The Conference substitute adopts the House provision. (Section 6028)

(22) Definitions, "Section 3002", Apply to Both Credit and RD in Rewrite

The Senate amendment rewrote and reorganized portions of the Consolidated Farm and Rural Development Act. (Section 6001)

The House bill is the same as current law.

The Conference substitute adopts the House provision.

(23) Water and Waste Disposal Loans, Loan Guarantees, and Grants

The Senate amendment rewrote and reorganized portions of the Consolidated Farm and Rural Development Act. (Section 6001)

The House bill is the same as current law.

The Conference substitute adopts the House provision.

(24) Water and Waste Facility Loans and Grants to Alleviate Health Risks and Alaska Water

The Senate amendment authorizes water and waste facility loans and grants to alleviate health risks and give the Secretary the authority to give priority to applications from eligible entities that provide services to colonias, the residents of Indian reservations, rural or native villages in Alaska and Native Hawaiian Home Lands. The amendment authorizes appropriations for grants at $60,000,000 for each fiscal year and for loans at $60,000,000 for each fiscal year. In addition to the match requirement from the State of Alaska for grants awarded to its rural or native villages, grants to native tribal health consortiums and public agencies shall

require a match from the State in which the project shall occur. (Section 6001)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment reauthorizes the authorization of appropriations through 2018. (Section 6008)

(25) Solid Waste Management Grants

The Senate amendment authorizes solid waste management grants and authorizes appropriations of $10,000,000 for each fiscal year 2014 through 2018. (Section 6001)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment authorizes appropriations of $10,000,000 for each fiscal year 2014 through 2018. (Section 6011)

(26–31) Consolidated Farm and Rural Development Act

The Senate amendments rewrote and reorganized portions of the Consolidated Farm and Rural Development Act. (Section 6001)

The House bill is the same as current law.

The Conference substitute adopts the House provisions.

(32) Delta Health

The Senate amendment authorizes appropriations of $3,000,000 for fiscal years 2014 through 2018. (Section 6001)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment reauthorizes the authorization of appropriations for each fiscal year 2014 through 2018. (Section 6024)

(33) Value-Added Agricultural Product Market Development Grants

The Senate amendment allows the Secretary to award grants and gives independent producers direction regarding grantee strategies. The amendment states that priority is given to projects that contribute to increasing opportunities for operators of small and medium sized farms. Priority is given to projects at least ¼ of the recipients of which are beginning farmers or socially disadvantaged farmers. The Secretary shall provide substantial weight to these priorities. (Section 6001)

The House bill contains no comparable provision.

The Conference substitute adopts the House provision.

(34) Appropriate Technology Transfer for Rural Areas Program

The Senate amendment authorizes the Appropriate Technology Transfer for Rural Areas program, and authorizes appropriations of $5,000,000 for each fiscal year 2014 through 2018. (Section 6001)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment reauthorizes the authorization of appropriations for each fiscal year 2014 through 2018. (Section 6015)

(35) B&I Loans

The Senate amendment rewrote and reorganized portions of the Consolidated Farm and Rural Development Act.

The House bill is the same as current law.

The Conference substitute adopts the House provision.

(36) General Provisions for Loans and Grants

The Senate amendment rewrote and reorganized portions of the Consolidated Farm and Rural Development Act.

The House bill is the same as current law.

The Conference substitute adopts the House provision.

(37) Regional Authority

The Senate amendment authorizes a regional priority, including a reservation of funds from funding available for functional categories, for projects that are part of a multijurisdictional development plan. (Section 6001)

The House bill has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment authorizes a priority for specific rural development programs only if an eligible application is carried out solely in a rural area (as described for its functional category) and also supports development plans on a multijurisdictional basis. A higher priority shall be awarded to applications that support multijurisdictional development plans with particular attributes. A ten percent reservation of funds is made available from funding available for functional categories. Any approved application may be amended to qualify for the reservation of funds. All funding, including the reservation of funds, is available to certain approved applications. (Section 6025)

The Managers expect rural entities to utilize Rural Development programs in a manner that supports projects and initiatives that develop long-term community and economic growth strategies. Traditionally, rural development programs have been used to meet an immediate need. The Managers recognize that it is essential that versatile programs such as the Community Facilities Loan and Grant Program are available to rural residents to address pressing needs and concerns, and the Managers want to ensure that the programs authorized in this title continue to provide that type of assistance. The Managers also understand that regional plans cannot always address every need, and expect USDA will only devote funds specifically to regional projects beyond the funds set aside for this purpose if such can be done without preventing the funding of otherwise eligible projects in areas where regional plans have not been developed or the applicant does not feel it is in their best interest to pursue a regional approach.

To the extent possible, the Managers encourage USDA to work with rural communities to consider how they might use Rural Development resources to address multi-jurisdictional needs, by leveraging federal, state, local or private funding, or otherwise capitalize upon the unique strengths of the rural area to support successful community and economic development. The Managers recognize the work conducted by the national network of 540 multijurisdictional regional planning and development organizations to develop such plans and expect that, where possible, USDA will ensure any priority given to applications under this section to rely on these plans. Further, the Managers expect that priority will be

given only to proposals that are consistent with an adopted regional economic or community development plan.

The Managers believe that projects that reflect the characteristics described above can help to maximize the impact of resources available at all levels of government and ultimately help rural communities reach their full potential. For these reasons, the conference substitute has provided the Secretary with the discretion to prioritize applications for funding that reflect an applicant's efforts to maximize resources and support strategic community and economic development and reserved funding within select programs for this purpose.

(38) Rural Development Insurance Fund

The Senate amendment rewrote and reorganized portions of the Consolidated Farm and Rural Development Act.

The House bill is the same as current law.

The Conference substitute adopts the House provision.

(39) Rural Economic Area Partnership Zones

The Senate authorizes the Secretary to carry out rural economic area partnership zones in effect on the date of enactment of this Act. It also authorizes the Secretary to designate additional rural economic area partnership zones. (Section 6001)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment authorizes the Secretary to carry out rural economic area partnership zones in effect on the date of enactment of this Act. (Section 6016)

(40) Rural Development Partnership

The Senate amendment authorizes the State Rural Development Partnership. It does not include the Coordinating Committee in the Partnership. It outlines that the purposes of the Partnership are to be accomplished in a manner that maximizes collaborative public-and-private-sector cooperation and minimizes regulatory redundancy. The Coordinating Panel includes representatives from State rural development councils and shall facilitate effective communication among members of the Partnership. It also authorizes Federal agencies to enter into cooperative agreements with and provide grants and other assistance to State rural development councils and authorizes State rural development councils, but does not include a duty to work with the Coordinating Committee on strategies. It authorizes an annual plan and report to the Secretary and authorizes appropriations of $5,000,000 for each fiscal year 2014 through 2018. Federal agencies are authorized to enter into several types of agreements with State rural development councils and terminates such authority on Sept. 30, 2018. (Section 6001)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment reauthorizes the National Rural Development Partnership through 2018. (Section 6021)

(41–76) Consolidated Farm and Rural Development Act

The Senate amendment rewrote and reorganized portions of the Consolidated Farm and Rural Development Act. (Section 6001)

The House bill is the same as current law.

The Conference substitute adopts the House provisions.

(77) Energy Efficiency

The House bill authorizes the Secretary to make loans to borrowers for the purpose of relending to ultimate consumers for energy efficiency. It also authorizes the Secretary, acting through the Rural Utilities Service, to make loans and grants from the Cushion Credit subaccount. (Section 6101)

The Senate amendment authorizes a Rural Energy Savings Program to create jobs, promote rural development, and help rural families and small businesses achieve cost savings by providing loans to qualified consumers to implement durable cost-effective energy efficiency measures. The program provides 0% interest rate loans to eligible Rural Utilities Service borrowers to fund loans to qualified consumers to implement energy efficiency measures. (Section 6203)

The Conference substitute adopts the Senate provision with an amendment. The amendment authorizes a Rural Energy Savings Program to create jobs, promote rural development, and help rural families and small businesses achieve cost savings by providing loans to qualified consumers to implement durable cost-effective energy efficiency measures. The program provides 0% interest rate loans to eligible Rural Utilities Service borrowers to fund loans to qualified consumers. The amendment strikes the authority for Fast Start Demonstration projects and rulemaking requirements as well as authorizes appropriations of $75,000,000 for each fiscal year 2014 through 2018. (Section 6205)

The Managers have authorized this new authority as an addition to any other authority the Secretary may have to offer loans.

(78) Fees for Certain Loan Guarantees

The House bill authorizes the Secretary, at the request of the borrower, to charge an upfront fee to cover the cost of an electrification base load generation loan guarantee equal to the cost of the loan guarantee. (Section 6102)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 6101)

(79) Rural Utilities Service Contracting Authority

The House bill amends current law to update its reference to the "Rural Utilities Service", reflect the current authorization of cooperative agreements and not allow a contract funded by a borrower to be considered a public contract within the meaning of title 41 of the U.S. Code. (Section 6103)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(80) Access to Broadband Telecommunications Services in Rural Areas

The House bill amends paragraph (c)(2) of the Rural Electrification Act of 1936 to provide the highest priority to applicants that offer to provide broadband service to the greatest proportion of households that would otherwise not have a service provider. It authorizes a priority to applicants where the application is not predominantly for business service only, but offers to provide broadband service to at least 25 percent of customers that are commercial interests. Additionally, it amends paragraph (d)(5) to require the Secretary to publish a notice for each application describing the application including the amount and type of support requested and a list of the census block groups or tracts proposed to be so served. It amends subsection (d) to require the Secretary to establish a process where an incumbent service provider who provides broadband service to a remote rural area may submit to the Secretary information regarding the broadband services that a provider offers in a proposed service territory so that the Secretary may assess whether the application is an eligible project. The bill also amends subsection (e) to require the Secretary, when considering the technology needs of customers in a proposed service territory, to take into consideration the upgrade or replacement cost for the construction or acquisition of facilities and equipment in the territory. Lastly, the House bill reauthorizes the authorization of appropriations and the termination of authority through fiscal year 2018. (Section 6106)

The Senate amendment amends paragraph (c)(2) to provide the highest priority to applicants that offer to provide broadband service to the greatest proportion of households that would otherwise not have broadband service that meets a minimum acceptable level. It authorizes a priority to projects that serve rural communities with a population of less than 20,000, experiencing outmigration, with a high percentage of low-income residents and which are isolated. It also authorizes evaluation periods each fiscal year to compare applications and prioritize awards to rural communities that do not have residential broadband service that meets a minimum acceptable level. Paragraph (d)(8) requires the Secretary to post on the RUS website information that identifies an applicant, the amount and type of support requested by each applicant and a list of the census block groups or proposed service territory. It amends paragraph (d)(5) to require the Secretary to publish a notice of each application describing the estimated number and proportion relative to the service territory of households without terrestrial-based broadband service. Paragraph (d)(8) requires the Secretary to allow broadband service providers to submit information about the broadband services that the providers offer in the groups or tracts in the list of the census block groups or proposed service territory so that the Secretary may assess whether the application is an eligible project. It authorizes appropriations for $50,000,000 through fiscal year 2018 and program authority through fiscal year 2018.

Additionally, the amendment amends subsection (l) (as redesignated) to authorize from amounts made available for each fiscal

year a set aside of at least 1 percent for oversight and implementing accountability measures.

It also amends Section 601 of the Rural Electrification Act of 1936 by authorizing a grant program for facilities and equipment for broadband service in rural areas, and amends paragraph (b)(3) to define "rural area" as any area described in section 3002 of the Consolidated Farm and Rural Development Act. It amends subsection (b) to define the term "ultra-high speed service".

It also amends clause (d)(1)(A)(i) to require an eligible entity to demonstrate the ability to furnish, improve in order to meet a minimum acceptable level of broadband service, or extend service to all or part of an unserved rural area or an area below a minimum acceptable level of broadband service or to demonstrate the ability to carry out a project under a pilot program that provides a proposed service territory with ultra-high speed service. Clause (d)(2)(A)(i) is amended to authorize assistance only if not less than 25 percent of the households in the proposed service territory are unserved or have service levels below a minimum acceptable level. Clause (d)(2)(A)(ii) is amended to authorize assistance only if broadband service is not provided in any part of the proposed service territory by 2 or more incumbent service providers. Subparagraph (d)(2)(B) is amended to authorize an increase or decrease to the 25 percent requirement under certain circumstances. Clause (d)(2)(C)(i) is amended to provide an exception to the 3 or more incumbent service provider requirement if the incumbent service provider is upgrading broadband service to a minimum acceptable level of service. Clause (d)(2)(C)(ii) is amended to not apply the exception to the 3 or more incumbent service provider requirement if the project is being carried out under a pilot program to provide a proposed service territory with ultra-high speed service, unless an incumbent is providing ultra-high speed service. Subparagraph (d)(2)(C) is amended to require a market survey be certified by an affected community and demonstrated on a broadband map. Paragraph (d)(4) is amended to authorize pilot programs to address areas that are unserved or have service levels below a minimum acceptable level of service, or provide a proposed service territory with ultra-high speed service.

It amends subsection (d) to authorize certain reporting requirements by the entity receiving assistance to the Secretary including the use by the entity of the assistance and the progress towards fulfilling the objective of the assistance. The Secretary is required to maintain a fully searchable database accessible on the Internet and at no cost to the public that contains information regarding applicants and data regarding entities receiving assistance. The Secretary must also establish written procedures for all broadband programs administered by the Secretary. The Secretary may also establish additional report and information requirements for recipients to ensure compliance. The Secretary is also authorized, if no broadband service provider submits information in regard to whether an application submitted meets the eligibility requirements in the program, to consider the number of providers in the group or tract to be established.

Subsection (e) is amended to define the minimum acceptable level of broadband service as at least 4-Mbps downstream trans-

mission capacity and a 1-Mbps upstream transmission capacity. The Senate amendment authorizes the Secretary to adjust the minimum acceptable level of service and consider whether the broadband service is fixed or mobile. Paragraph (g)(2) is amended to authorize the Secretary to establish a limited initial deferral period or comparable terms necessary to achieve the financial feasibility and long-term sustainability of the project. Subsection (j) is amended to require the Administrator to report on the number of loans applied for and provided, including any loan terms or conditions for which the Secretary provided additional assistance to unserved areas and the overall progress towards fulfilling the goal of improving the quality of rural life by expanding rural broadband access, as demonstrated by metrics. It amends Section 601 by authorizing the Secretary to require address-level broadband buildout data.

The Conference substitute adopts the Senate provision with an amendment. The amendment requires the Secretary to establish at least 2 evaluation periods each year to compare applications to the program and prioritize applications for all or part of rural communities that do not have residential service that meets the minimum acceptable level of broadband service defined as at least 4-Mbps downstream and 1-Mbps upstream transmission capacity, as reviewed and adjusted by the Secretary. Priority is also authorized for applicants that offer to provide service, not predominantly for businesses, where at least 25 percent of the customers would be commercial interests. The highest priority shall be given to applicants that offer to provide broadband service to the greatest proportion of unserved households or households that do not have service that meets the minimum acceptable level of service as defined. The Secretary is directed to give equal consideration to all qualified applicants, whether or not they are a previous USDA borrower in the program.

The amendment requires eligible entities to demonstrate the ability to furnish, improve in order to meet the minimum acceptable level of broadband service as defined or extend service to an unserved rural area or an area below the minimum acceptable level of broadband service as defined. An eligible project, in general, requires not less than 15 percent of the households in the proposed service territory to be unserved or have service levels below the minimum acceptable level of broadband service as defined. The incumbent service provider requirement for project eligibility will not apply if an incumbent service provider is upgrading broadband service for an existing service territory to meet the minimum acceptable level of broadband service as defined. Information submitted for the market survey requirement must be certified or demonstrated with address-level data or the National Broadband Map.

The amendment requires the Secretary to promptly provide a fully searchable database on the RUS website that contains certain information regarding applications received and entities receiving assistance. The Secretary will require any entity receiving assistance to submit a semiannual report for 3 years after completion of the project including certain information. The Secretary is also directed, to the maximum extent practicable, to establish written pro-

cedures for all broadband programs administered by the RUS to recover funds from loan defaults, deobligate any awards, re-award funds and minimize overlap among programs. The Secretary is directed to allow broadband service providers to submit information concerning the service that they offer in relation to applications received and information posted on the RUS website in order to assess whether the application is eligible and, if no information is received, to consider the number of providers by using the most current National Broadband Map or other data. The amendment authorizes the Secretary to consider whether the recipient is or would be serving an unserved area or one with service levels below the minimum acceptable level of broadband service as defined when determining the terms and conditions of a loan or loan guarantee, and if such determination is made, the Secretary may establish a limited initial deferral period. The Secretary is also required to submit in his annual report information that includes any loan terms or conditions for which the Secretary provided additional assistance to unserved areas, as well as overall progress towards expanding rural broadband access as demonstrated by metrics. The amendment authorizes a study of the ways that data collected under USDA broadband programs could be shared with the FCC to support the national Broadband Map. The amendment reauthorizes the program and authorization of appropriations through 2018.

It also authorizes the Rural Gigabit Network Pilot Program to provide grants, loans or loan guarantees to furnish or extend ultra-high speed service to rural areas, with an authorization of appropriations of $10,000,000 for each of fiscal years 2014 through 2018. (Sections 6104 and 6105)

Through the Broadband Program, USDA provides funds for the construction, improvement, and acquisition of facilities and equipment needed to provide broadband service in rural communities. The conference substitute directs the program to target funds to rural communities currently unserved or without a minimum acceptable level of broadband service.

The conference substitute provides that equal consideration should be given to all qualified applicants, including those that have not previously received loans or loan guarantees. The Managers expect this provision not to be interpreted in a manner that would compel the agency to make loans, regardless of the technology utilized, to provide broadband service in geographic areas in which it has an outstanding telecom or broadband loan. Further, the Managers also expect the agency to have in place processes that ensure that all incumbent service providers, particularly those with existing agency loans, are made aware of all applications in their service areas along with a mechanism for these companies to provide the agency with relevant information on the impact of the proposal. Finally, the managers intend that the provision in subsection (c)(2)(C) be interpreted by the Secretary as not reducing the priority of applications for loans or loan guarantees from applicants with an existing loan or loan guarantee under this program to the extent that the application for additional financing is designed to ensure the financial viability of the project and reduce the risk of loss for the Secretary and taxpayers with respect to the existing loan or loan guarantee.

The Managers expect the Secretary, when reviewing the minimum broadband speed, to provide updates in the Federal Register through a notice only, and not through a formal rulemaking process.

The Managers are aware of concerns about network security and data surety, especially as broadband networks expand in part due to efforts supported by this program to promote wider broadband coverage throughout the country. The House Permanent Select Committee on Intelligence has released an investigative report on network security issues in recent months, and the Managers encourage the Department to take reports such as this one into consideration as it administers this program.

The Conference substitute adopts provisions which encourage USDA to consider the number of business subscribers in a potential project. With economic development at the core of the broadband loan program, the Managers expect USDA to consider the benefits to the community of projects which will provide sufficient levels of service for business connections, both in main-street establishments and those businesses which are operated out of the owner's residence.

The conference substitute also makes the application process more transparent and strengthens the reporting requirements for successful applicants to ensure the public can access information as to how program funding is utilized.

(81) Definition of Rural Area

The Senate amendment amends current law to define the term "rural area" as any area described in clause 3002(28)(A)(i) of the Consolidated Farm and Rural Development Act, as amended by Section 6001. That clause defines "rural" and "rural area" to mean any area other than a city or town that has a population of greater than 50,000 inhabitants. (Section 6101)

The House bill has no comparable provision.

The Conference substitute adopts the House provision.

(82) Distance Learning and Telemedicine

The House bill authorizes appropriations of $65,000,000 for fiscal years 2014 through 2018. (Section 6201)

The Senate amendment authorizes appropriations of $100,000,000 through fiscal year 2018. (Section 6201)

The Conference substitute adopts the Senate provision with an amendment. The amendment authorizes appropriations of $75,000,000 for each fiscal year 2014 through 2018. (Section 6201)

(83) Value-Added Agricultural Market Development Program Grants

The House bill authorizes $50,000,000 of the funds of the Commodity Credit Corporation and reauthorizes appropriations through fiscal year 2018. (Section 6202)

The Senate amendment reauthorizes appropriations through fiscal year 2017. It also amends section 231(b)(6) to authorize priority for projects that contribute to increasing opportunities for veteran farmers or ranchers. (Section 6207)

The Conference substitute adopts the Senate provision with an amendment. The amendment authorizes a priority to operators of small and medium sized farms and ranches, beginning farmers and ranchers, socially disadvantaged farmers or ranchers and veteran farmers or ranchers when awarding grants to eligible independent producers. The amendment also authorizes a priority to projects that create or increase marketing opportunities for those same groups when awarding grants to eligible agricultural producer groups, cooperatives and majority-controlled producer-based ventures. The amendment also authorizes $63,000,000 in mandatory funding on the date of enactment of this Act and reauthorizes the authorization of appropriations through 2018. (Section 6203)

The conference substitute includes $63 million in mandatory funding for the Value-Added Agricultural Product Market Development Grant Program. The Managers are aware of the increasing interest of local and regional supply chains and food hubs in securing assistance through the program. Mid-tier value chains that include independent producers or farm cooperatives and businesses controlled by producers as full partners in marketing and pricing strategy decisions already have funds reserved for them under the program. The Managers encourage the Department to define those eligible for the mid-tier value chain reserved fund to include food distribution networks and centers that coordinate agricultural production and the aggregation, storage, processing, distribution, or marketing of locally or regionally produced agricultural products, provided that such entities and networks are otherwise eligible.

The Managers recognize the importance of ensuring a diverse portfolio of projects which help to build markets for farmers and farmer cooperatives. While the conference substitute maintains set-asides established in the 2008 Farm Bill designed to encourage the participation of selected groups, the Managers are cognizant of concerns expressed by some stakeholders that program funds have been too narrowly targeted. The Managers urge USDA to ensure the program funds a range of projects. In particular, the Managers recognize that farmer cooperatives efficiently spread the benefits of the VAPG among a large number of producers in the aggregate. Cooperatives by their nature bring many producers together who individually do not have the size, expertise and resources to take advantage of the value chain beyond the farm gate, and they give them the opportunity to profit from those down-stream activities. Therefore, funds invested and the benefits of projects generated by cooperatives through the VAPG are distributed to a wide number of producers. Likewise, by investing in initiatives of cooperatives, such projects lower the overall costs to the government in program administration per individual farmer that benefits. Therefore, the Managers encourage USDA to view cooperatives as a priority in administering the VAPG.

(84) Agriculture Innovation Center Demonstration Program

The House bill allots $1,000,000 authorization of appropriations for fiscal years 2014 through 2018. (Section 6203)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 6204)

(85) Program Metrics

The House bill requires the Secretary to collect data regarding economic activities created through grants and loans, including any technical assistance provided as a component of the grant or loan, and measure the short and long term viability of award recipients and any entities to whom those recipients provide assistance using award funds under certain covered programs. It also requires the Secretary to submit a periodic report to Congress. (Section 6204)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment requires the Secretary to collect data regarding economic activities created through grants and loans, including technical assistance, and measure the short and long term viability of award recipients and any entities to whom those recipients provide assistance using award funds under certain covered programs. The amendment requires the Secretary to submit a periodic report to Congress with information including the percentage increase of employees and the number of business starts and clients served. (Section 6209)

In recognition of GAO recommendations to measure the effectiveness of rural development programs, the Managers expect the Secretary to collect data regarding economic activity created through the loans and grants provided to rural communities. The Managers expect these efforts will create a harmonized baseline of information for effective use by USDA and Congress. It is the intent of the Managers that this collected information be integrated with program changes and rulemaking. Through implementation of this section, the Managers expect USDA to create a universal form or appropriate type of notice to ensure applicants are aware of the reporting requirements and will be prepared to provide the information in a timely manner.

(86) Study of Rural Transportation Issues

The House bill authorizes an updated version of the study described in Section 6206 to be reported to Congress. It also amends the study to include the sufficiency of infrastructure along waterways of the U.S. and the impact on the movement of agricultural goods, as well as the benefits derived through upgrades and repairs to locks and dams. (Section 6205)

The Senate amendment reauthorizes the study in Section 6206 to be reported to Congress. It also requires a triennial update of the study. (Section 6205)

The Conference substitute adopts the House provision. (Section 6206)

The Managers agree that collecting information to determine the status of critical river infrastructure is an important component of updating the study, but expect USDA to seek available information from the Army Corps of Engineers, or any other appropriate Federal entity, to the greatest extent practicable in order to expedite the collection of data and to minimize the time and cost of implementing this section.

(87) Certain Federal Actions not to be Considered Major

The House bill states that an action by the Secretary that does not involve the provision of Federal dollars or a Federal loan guarantee shall not be considered a major Federal action in the case of a loan, loan guarantee, or grant program in the rural development mission area of USDA. (Section 6206)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

The Managers intend for the Secretary, acting through the Rural Utilities Service, to act in accordance with 7 C.F.R. 1794.3 as finalized in 1998, consistent with applicable law.

(88) Telemedicine and Distance Learning Services in Rural Areas

The House bill amends subsection 2333 (d) to authorize a priority based on whether the applicant is located in a designated health professional shortage area. (Section 6207)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(89) Definition of Rural Area for Purposes of the Housing Act of 1949

The Senate amendment amends section 520 of the Housing Act of 1949 so that any area with a population of less than 35,000 that has been deemed to be a "rural area" for purposes of this title any time prior to or after October 1, 1990, and any time during the period between January 1, 2000, and ending on December 31, 2010, shall continue to be so deemed until the 2020 Census data is received by USDA. (Section 6202)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6208)

(90) Funding of Pending Rural Development Loan and Grant Applications

The Senate amendment funds pending rural development loan and grant applications according to the terms and conditions in Section 6029 from Commodity Credit Corporation funds in the amount of $150,000,000, to remain available until expended. (Section 6204)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 6210)

(91) Agriculture Transportation Policy

The Senate amendment amends Section 203 of the Agricultural Marketing Act of 1946 to direct the Secretary to participate in all proceedings of the Surface Transportation Board that may establish freight rail transportation policy affecting agriculture and rural America. (Section 6206)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment authorizes the Secretary to make complaint to or petition the Surface Transportation Board. (Section 6202)

TITLE VII—RESEARCH

SUBTITLE A—NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

(1) Option to be included as Non-Land-Grant College of Agriculture

The House bill authorizes a Hispanic-serving Agricultural College and University and any institution eligible to receive funds under the McIntire-Stennis Cooperative Forestry Act of 1962 to opt out of their respective designation in order to qualify as a Non-Land-Grant College of Agriculture. (Section 7101)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment allows a Hispanic-serving agricultural college and university and any institution eligible to receive funds under the McIntire-Stennis Cooperative Forestry Act to opt out of their respective designation in order to qualify as a Non-Land-Grant College of Agriculture. The amendment also requires a NLGCA institution to offer a baccalaureate or higher degrees in the study of food and agricultural sciences and the Secretary to establish a process for NLGCA designation. (Section 7101)

The Managers do not take a position on how an institution should be designated, but have provided the Hispanic Serving Agricultural Colleges and Universities, as well as institutions eligible to receive funding under the McIntire-Stennis Cooperative Forestry Research Program, with the option to choose whether to be designated as such or to opt out of their designation for purposes of access to program funding eligibility. The Managers believe institutions with degree programs in the agricultural sciences that may automatically qualify as a Hispanic Serving Institution or as a McIntire-Stennis Cooperative Forestry Research institution should not be precluded from being able to opt out of those programs in favor of qualifying as a Non-Land-Grant College of Agriculture.

(2) Specialty Crop Committee

The House bill authorizes the current annual report to include recommendations regarding the improvement of quality and taste of processed specialty crops and programs that would improve remote sensing. (Section 7103)

The Senate amendment authorizes the current annual report to include an analysis of alignment of Specialty Crop Committee recommendations with specialty crop research initiative grants, requires membership on the Specialty Crop Committee to reflect diversity in the specialty crops represented and that the Specialty Crop Committee to consult on an ongoing basis with diverse sectors of the specialty crop industry. (Section 7102)

The Conference substitute adopts the Senate provision, including Section 12212, with an amendment. The amendment requires that the Specialty Crop Committee membership reflect diversity in the specialty crops represented, that the annual report include recommendations regarding the improvement of quality and taste of processed specialty crops, programs that would improve remote sensing, and an analysis of alignment of committee recommendations with specialty crop research grants and that the specialty

crops committee to consult with diverse sectors of the specialty crop industry. The amendment also establishes a Citrus Disease Subcommittee and its duties. (Section 7103)

The Managers intend the NAREEEAB and Specialty Crop Committee to consult with industry groups on agricultural research, extension, education, and economics, and to make recommendations to the Secretary and Congress based on that consultation.

In creating the NAREEEAB and Specialty Crop Committee, Congress intended for these entities to recommend policies, to identify short and long-term national priorities for REE programs, and to evaluate program results and effectiveness among other assigned duties. Congress has since added multiple duties and consultative functions to the Board's mandate. In doing so, the Managers are aware that the work load and learning curve of the volunteer members is high. It has become apparent to the Managers that it can take several years for new board members to become comfortable not only with the diverse subject matter under review, but likewise the law and administrative functions they are required to evaluate. While the statute defines the length of a board member's individual term, Congress has never intended for board members to be subject to a limit on the number of terms they can serve. Unfortunately, the Managers have become aware that USDA has instituted an arbitrary term limit policy on advisory board members that inhibits the individual members and the advisory board's effectiveness. The Managers strongly encourage the Secretary to reverse this policy.

The Managers recognize the interest in growing agricultural commodities in less traditional production areas. As such, the Managers encourage the Secretary in consultation with the NAREEEAB, in both the intramural research carried out by the Agricultural Research Service and in the competitive grants programs carried out through AFRI and other authorities, to carry out and fund research into the unique situations facing producers in urban areas. These unique situations may include reclaiming land previously used for industrial purposes or neglected residential areas, and addressing needs such as the remediation of soils to make them capable of producing agricultural commodities for human consumption.

(3) Veterinary Services Grant program

The House authorizes a Veterinary Services Grant program to award competitive grants to develop, implement and sustain veterinary services. (Section 7104)

The Senate amendment authorizes a Veterinary Service Grant program to award competitive grants to develop, implement and sustain veterinary services. The amendment authorizes the Secretary to develop additional grant preferences and requires a 25 percent match requirement unless waived by the Secretary. (Section 7103)

The Conference substitute adopts the House provision. (Section 7104)

Our veterinary workforce is responsible for ensuring that the food we eat is safe, but the nation faces a critical shortage in the

public, private, industrial and academic sectors. Our nation's large-animal veterinarians are truly on the front lines of food safety, public health, animal health and national security. The demand for large-animal veterinarians is increasing, and the lack of these specialists in many areas of the country will continue to put our agricultural economy and the safety of our food supply at risk.

Since the fall of 2000, the House and Senate Agriculture Committees have worked on ways of resolving the serious veterinary shortage problem confronting many rural communities. With the passage of the National Veterinary Medical Service Act in December of 2003, a program was authorized to incentivize large animal veterinarians to practice in communities that USDA designated as veterinarian shortage areas. With this program in place, large animal veterinarians are able to apply on a competitive basis for educational loan repayment assistance in exchange for their commitment to practice in shortage areas.

To the extent that the loan program is successful, it is important to consider that this was just the first step. While this assistance will be very helpful in attracting veterinarians to these communities, gaps remain in veterinarian recruitment, attracting and training technical support staff, and simply meeting the long-term costs of operating veterinarian practices in these communities.

The Veterinarian Services Investment Act is meant to address these secondary needs and is designed to complement the loan repayment program to help large animal veterinarians become established in these rural communities.

The Conference substitute recognizes and addresses a real problem in rural America by authorizing grants to address workforce shortages based on the needs of underserved areas. For example, grants could be used to recruit veterinarians and veterinary technicians in shortage areas and communities, expanding and establishing practices in high-need areas. The program could also establish mobile portable clinics and televet services and establish education programs, including continuing education, distance education, and increase recruitment in veterinary science.

(4) Policy Research Centers

The House bill requires the Secretary, acting through the Office of the Chief Economist, to make competitive grants to or enter into cooperative agreements with eligible recipients that possess a history of providing unbiased, nonpartisan economic analysis to Congress. The provision authorizes other public research institutions and organizations as eligible recipients. The Secretary is directed to give a preference to policy research centers that have extensive databases, models and demonstrated experience in providing Congress with agricultural market projections, rural development and agricultural policy analysis and baseline projections at the farm, multiregional, national, and international levels. The bill also authorizes appropriations of $5,000,000 for each fiscal years 2014 through 2018. (Section 7106)

The Senate amendment requires the Secretary, acting through the Office of the Chief Economist, to enter into agreements with eligible recipients that possess a history of providing unbiased, nonpartisan economic analysis to Congress. The amendment author-

izes other public research institutions and organizations as eligible recipients. The Secretary is directed to give a preference to policy research centers that have extensive databases, models and demonstrated experience in providing Congress with agricultural market projections, rural development and agricultural policy analysis and baseline projections at the farm, multiregional, national, and international levels, including information, analysis and research relating to drought mitigation. The amendment also authorizes appropriations of $10,000,000 for fiscal year 2013 and each fiscal year thereafter and authorizes funding for activities including developing theoretical applied and research methods. (Section 7015)

The Conference substitute adopts the Senate provision with an amendment. The amendment requires the Secretary, acting through the Office of the Chief Economist, to make competitive grants or cooperative agreements with eligible recipients and to award a preference to policy research centers with extensive databases, models and demonstrated experience in providing Congress with various types of information or drought mitigation information, analysis and research. The amendment also authorizes funding for applied research methods and authorizes appropriations of $10,000,000 for each of fiscal years 2014 through 2018. (Section 7106)

The Managers recognize the invaluable role that the Drought Monitor, produced at the National Drought Mitigation Center, in coordination with USDA and the National Oceanic and Atmospheric Administration, plays on several fronts. The conference substitute includes the provision of information, analysis and research relating to drought mitigation as one of the preferences for funding under this section. The Managers expect that the Drought Monitor will continue to be available for use in determining eligibility for Federal disaster response programs, as well as providing invaluable information for other segments of government, agricultural producers and the sectors that support agricultural production.

(5) Human Nutrition Intervention and Health Promotion Research program

The House bill repeals section 1424. (Section 7107)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7108)

The Conference substitute builds upon the efforts from 2008, either repealing or allowing unfunded and unused program authorities to expire with fiscal year 2013, and combining, consolidating and streamlining authorities to make a more concentrated and effective use of limited funding. The remaining authorities are extended through fiscal year 2018 with few changes.

(6) Pilot research program to combine medical and agricultural research

The House bill repeals section 1424A. (Section 7108)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7109)

(7) Continuing animal health and disease research programs

The House bill authorizes appropriations of $15,000,000 for each fiscal year 2014 through 2018. (Section 7110)

The Senate amendment reauthorizes appropriations through fiscal year 2018. (Section 7108)

The Conference substitute adopts the Senate provision with an amendment. The amendment reauthorizes and allocates the authorization of appropriations through 2018 between the capacity program in current law and the newly authorized competitive grant program. (Section 7111)

The Managers have heard concerns from stakeholders that there has been a lack of emphasis on animal science by USDA. Additional focus needs to be placed on critical issues facing animal agriculture. Advancements in animal science will play an important role in meeting a growing global demand for food while making efficient use of natural resources, strengthening the competitiveness of American agriculture and addressing critical animal health issues. The expansion of Section 1433 includes a competitive mechanism that will enable the Department to better focus resources on key animal science priorities.

The Managers appreciate the efforts brought forward by the Farm Animal Integrated Research 2012 (FAIR 2012) priority setting process which identified food security, one health and stewardship as key focal areas for future investments in animal science. The Managers encourage the Department to use these focal areas and the underlying priorities identified in FAIR 2012 as a starting point and to regularly consult with industry when developing requests for proposal under the new competitive component of Section 1433.

(8) Research on national or regional programs

The House bill repeals section 1434. (Section 7111)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

The Conference substitute reauthorizes many critical agricultural research programs. In so doing, the Managers recognize the need to streamline the authorities in this title and permitted some authorities that had not received funding in recent years to expire.

(9) Grants to upgrade agriculture and food science facilities and equipment at insular area land-grant institutions

The House bill authorizes grants to support tropical and subtropical agricultural research, including pest and disease research and reauthorizes appropriations through fiscal year 2018. (Section 7113)

The Senate amendment reauthorizes appropriations through fiscal year 2018. (Section 7110)

The Conference substitute adopts the House provision. (Section 7113)

(10) National research and training virtual centers

The House bill repeals section 1448. (Section 7114)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7114)

(11) Competitive grants program for Hispanic agricultural workers and youth

The House bill authorizes the award of competitive grants to provide for training in the food and agricultural sciences of Hispanic agricultural workers and Hispanic youth working in the food and agricultural sciences. (Section 7116)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7116)

(12) Research equipment grants

The House bill declares repeals section 1462A. (Section 7118)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7118)

(13) Auditing, reporting, bookkeeping, and administrative requirements

The House bill states that notwithstanding any other provision of law, the Secretary may retain not more than 4 percent of amounts made available for agricultural research, extension, and teaching assistance programs for the administration of those programs authorized under this Act or any other Act, except for peer panel expenses or any other provision that contains a limitation of less than 4 percent. The Secretary is authorized, to the maximum extent practicable and for the purposes of supporting ongoing research and information dissemination activities, to enter into grants, contracts, cooperative agreements, or other legal instruments with former Department of Agriculture agricultural research facilities. The Secretary is also authorized, for the purposes of receiving support for agricultural research, to enter into grants, contracts, cooperative agreements or other legal instruments with agricultural research organizations. (Section 7121)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment authorizes the Secretary to enter into agreements with former USDA agricultural research facilities. (Section 7121)

Agricultural research, extension, and education programs serve the food and agriculture sector, consumers of American agricultural products, and rural communities throughout the United States. Research programs and funding are primarily delivered by two agencies at USDA: the Agriculture Research Service (ARS), which focuses on 'intramural' research and basic research; and the National Institute of Food and Agriculture (NIFA) which was created by the 2008 Farm Bill to restructure, combine and improve 'extramural' research functions at USDA to make better use of limited funds.

The Managers are concerned about the increasing use of assessments, fees, and higher indirect costs rates imposed on its university partners by ARS. These university partners play a major role in achieving ARS research priorities and objectives. In a time

of scarce budgetary resources, ARS must ensure limited research dollars are maximized and administrative costs are reduced to the fullest extent possible. In recent years, ARS has imposed a variety of administrative assessments on its university partners, effectively reducing funds intended for important research projects. The Managers expect ARS to operate within historical administrative cost parameters, namely by imposing a total indirect cost rate not exceeding four percent. All administrative assessments, fees, dues, or charges, of any type, must be included within this overall administrative cost cap. ARS must administer its programs more efficiently to ensure valuable research funds are maximized so it may continue to maintain a robust agricultural research enterprise. The Managers encourage ARS to continue university research partnerships to ensure our nation's premier educational and clinical institutions play a major role in achieving ARS and congressional research objectives.

The Managers encourage the Secretary, acting through ARS, to continue and expand the Agricultural Technology Innovation Partnership (ATIP). The Managers recognize the success of the ATIP initiative in facilitating technology transfer from USDA to the private sector, and particularly encourage the Secretary to support the further development of public-private partnerships to provide venture development training, promote the sustainability of soil health for multiple agricultural uses, and expand the National Nutrient Database to facilitate a healthier food supply.

The Managers encourage the Secretary to review and assess technological solutions for the disposal of acid whey associated with the production of certain dairy products. The Managers recognize that USDA and the ARS can maximize resources through public-private partnerships to develop technologies to effectively process acid whey in an effort to address concerns of the dairy and food industries.

(14) Special authorization for biosecurity planning and response

The House bill authorizes authorization of appropriations of such sums as necessary through fiscal year 2013 and $10,000,000 for fiscal years 2014 through 2018. (Section 7126)

The Senate amendment amends the authorization of appropriations of such sums as necessary through fiscal year 2013 and $20,000,000 for each fiscal year 2014 through 2018. (Section 7119)

The Conference substitute adopts the Senate provision. (Section 7126)

(15) Matching funds requirement

The House bill authorizes the requirement of matching funds from the recipient of competitive grants under certain covered laws. The recipient shall provide, from sources other than funds provided through the grant, funds or in-kind contributions or a combination of both to match at least 100 percent of the amount of the grant. The match requirement shall not apply to grants awarded to a research agency of the USDA, an entity eligible to receive funds under a capacity and infrastructure program as defined in the Department of Agriculture Reorganization Act of 1994 or to the partner of such eligible entity. (Section 7128)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment requires at least a 100 percent match from the recipient of competitive grants under certain covered laws but exempts grants awarded to a research agency of the USDA and entities, including their partners, that are eligible to receive capacity funds. The amendment authorizes the Secretary to waive the match requirement if the grant involves research or extension activities that the NAREEE Advisory Board has determined is a national priority specific to a statutory purpose of the program under which the grant is awarded. The match policy will apply to new grants awarded after October 1, 2014. (Section 7128)

The use of matching funds has proven to be an effective tool in leveraging limited Federal resources with commitments from those benefitting from agricultural research and extension. Unfortunately, concerns about the consistency of USDA's application of these policies have been brought to the attention of the Managers.

Efforts by the Congress to develop a comprehensive policy on research and extension matching funds originated during the development of the 2008 farm bill. At the time, it was noted that as research programs have been authorized or modified, the incorporation of matching requirements was done in a subjective manner. An effort was initiated during the 2008 farm bill conference to harmonize the matching requirements, but due to the complexity of the task and time constraints, the effort was dropped with the understanding that the Congress and USDA would undertake a stakeholder process designed to provide recommendations in advance of the 2012 farm bill. Unfortunately that process never materialized after passage of the 2008 bill.

The House Agriculture Committee maintained an interest in engaging stakeholders in a discussion about how to harmonize these policies to improve consistency and transparency in their application. Several requests were made for suggestions on how best to approach this issue and the consensus seemed to be that the Committee should propose a discussion draft. The language included in the 2012 House Committee legislation was the result of technical assistance received by the USDA and was meant to begin this discussion.

As part of the discussion that commenced following release of the 2012 House Agriculture Committee farm bill draft, several comments were received and a consensus was formed regarding an effort to utilize matching fund policies to leverage Federal investment, while at the same time reducing the administrative and accounting burden on USDA and grant recipients.

The Conference substitute recognizes the value of matching funds, but likewise takes into account the long-standing Federal investment in research, extension and teaching capacity and infrastructure programs (as defined in Sec. 251(f)(1)(C) of the Department of Agriculture Reorganization Act of 1994). Whereas the 2012 House draft bill allowed for capacity and infrastructure program funds to be utilized in meeting the matching requirement for competitive research and extension grants, the resulting accounting burden was deemed to be counterproductive. In the conference substitute, eligibility to receive capacity and infrastructure program

funds is deemed to be sufficient to authorize a blanket exemption from competitive grant matching requirements. Likewise, any individual grant awarded to multiple recipients would be exempt from matching requirements if at least one of the recipients is eligible to receive capacity and infrastructure program funds from USDA.

The Conference substitute includes a provision requiring the Secretary to establish an ongoing process through which institutions may apply for designation as a Non-Land Grant College of Agriculture. The Managers expect the Secretary to take all reasonable steps for the purposes of ensuring additional institutions that meet the criteria can be designated as a Non-Land Grant College of Agriculture.

Additionally, the conference substitute provides the Secretary the authority to issue a waiver of the matching funds requirement for competitively awarded grants that support research or extension activities that the National Agricultural Research, Extension, Education, and Economics Advisory Board has deemed to be a national priority. The Managers expect the national priorities identified by the Board to be consistent with the priorities established in the authorizing statute for the various agricultural research, education and extension programs.

(16) Sense of Congress regarding expansion of the Land Grant program

The House bill provides a Sense of Congress that land-grant programs should be expanded to include enhanced funding and additional institutions should be considered. (Section 7129)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment designates Central State University as a land grant institution, but prohibits the University from receiving formula funds for two years. (Section 7129)

(17) Education grants program for Alaska and Hawaiian Native serving institutions

The Senate amendment eliminates grants without regard to any requirement for competition and reauthorizes appropriations through 2018. (Section 7106)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 7107)

SUBTITLE B—FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

(18) Sustainable agriculture technology development and transfer

The House bill authorizes authorization of appropriations of $5,000,000 for fiscal years 2014 through 2018. (Section 7203)

The Senate amendment amends authorization of appropriations of such sums as necessary for fiscal years 2014 through 2018. (Section 7203)

The Conference substitute adopts the House provision. (Section 7203)

(19) National Agricultural Weather Information System

The House bill repeals Title XVI. (Section 7206)

The Senate amendment authorizes appropriations of $1,000,000 for fiscal years 2014 through 2018. (Section 7206)

The Conference substitute adopts the Senate provision. (Section 7206)

The Managers are aware that advanced weather forecasts, using systems such as Tropospheric Airborne Meteorological Data Reporting, have been utilized by various Federal agencies for nearly a decade. The Managers support advanced forecasting in that it enhances U.S. meteorological forecasting systems, which are particularly useful in agricultural weather forecasts. The Managers therefore encourage continued use of these systems.

(20) Rural Electronic Commerce Extension Program

The House bill repeals section 1670. (Section 7207)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7207)

(21) Agricultural Genome Initiative

The House bill repeals Section 1671. (Section 7208)

The Senate amendment authorizes the Secretary to encourage awards to consortia of eligible entities. (Section 7207)

The Conference substitute adopts the Senate provision. (Section 7208)

(22) High-priority research and extension initiatives

The House bill repeals high-priority research and extension areas in subsections (e), (f) and (i). Pollinator protection is reauthorized through fiscal year 2018 and an annual report is amended to address honey bee health disorders and best management practices. A coffee plant health initiative is authorized as well as the authorization of appropriations through 2018. Section 7405(b)(2)(C) addresses research needs regarding cervidae and Section 6405 authorizes a Pulse Health Initiative. (Section 7209)

The Senate amendment repeals certain high-priority research and extension areas. Pollinator protection is reauthorized through fiscal year 2018. A cervidae initiative, a Corn, Soybean Meal, Cereal Grains, and Grain Byproducts Research and Extension priority, Forestry Products Advanced Utilization Research, Training Coordination for Food and Agriculture Protection, and Farm Animal Agriculture Integrated Research are authorized as well as the authorization of appropriations through 2018. (Section 7208)

The Conference substitute adopts the Senate provision with an amendment. The amendment reauthorizes the authorization of appropriations through 2018, strikes certain high-priority research and extension areas, authorizes a coffee plant health initiative, a corn and soy meal high-priority research and extension area, a pulse crop health initiative, and training coordination for food and agriculture protection. Pollinator protection is reauthorized and amended to include health and population status surveillance. The amendment also authorizes Forestry products advanced utilization research in Section 7310. (Section 7209 and 7310)

The Managers recognize that it is in the economic interest of agricultural producers and American consumers to ensure a healthy, sustainable population of native and managed pollinators, including managed honey bees. Pollinators are essential to the production of an estimated one-third of the human diet and to the reproduction of at least 80 percent of flowering plants. Insect-pollinated agricultural commodities result in significant income for agricultural producers and account for about $20 billion in U.S. agricultural output yearly.

The Managers remain concerned about the decline in the health and viability of managed honey bees due in part to a loss of appropriate habitat. As a result, the conference substitute continues to include a priority for creating pollinator habitat utilizing the Title II conservation programs. The Managers remain committed to pollinator protection activities, including the granting of priority treatment to conservation program applicants who commit to providing pollinator habitat. The Managers expect the Secretary to continue to utilize conservation programs to create, restore and enhance native and managed pollinator habitat quantity and quality, and specifically encourage the Secretary to ensure that conservation programs are resulting in sufficient high-quality pollinator habitat for managed honey bees—habitat that includes common alfalfa and sweet clover varieties utilized effectively in farm bill conservation programs.

The Conference substitute also continues the authorization for research on pollinator protection, and adds a consideration for honey bee health disorders and best management practices related to colony collapse disorder to the annual report that the Secretary is required to submit to Congress. The Managers also recognize the need to assist honey bee producers who suffer from disasters in the commodity title with the funding provided for the emergency assistance program that includes honey bees. Additionally, the Managers are aware that specialty crop producers groups are working collaboratively with institutions of higher learning on research and education activities. The Managers applaud these actions and encourage the Secretary to support their efforts.

The Cooperative Extension system is a nationwide, non-formal educational network. Each state, territory, and the District of Columbia has an office at its land-grant universities and a network of local or regional offices which are staffed by experts who provide practical, research-based education to agricultural producers, small business owners, youth, consumers, and others in rural and urban communities. The Managers encourage the Secretary to ensure that Cooperative Extension is effectively utilized to deliver the educational component of USDA programs. The Secretary is also encouraged to engage in discussions with other federal departments and agencies to consider ways to use the Cooperative Extension to deliver education for other federal programs as practicable.

In addition, the Managers recognize the unique knowledge and information that the Cooperative Extension system experts provide to various groups regarding farm and food systems. As mentioned, this education and information is disseminated through a network of local or regional offices, and when the Secretary utilizes the Cooperative Extension to deliver the educational component of the

various programs at the Department, to the extent practicable, the Rural Development mission area programs should be included.

During the creation of the Reservation Extension Agent Program, the Congress required the Secretary to consult with Native American farmers and ranchers in establishing Extension programs on Indian reservations and tribal jurisdictions. The Managers understand that changes in the operation of grant programs have impacted this consultation, and expect that the Secretary would find ways to continue the dialogue on the operation of these Extension programs with the populations that they are serving.

The Conference substitute moves the Forestry Products Advanced Utilization Research Initiative provision from High Priority Research and includes it as a separate provision in the Agricultural Research, Extension, and Education Reform Act of 1998. The Managers intend for this provision to address research needs of the forestry sector and their respective regions. The Conference substitute directs the Secretary to ensure that this program is administered in coordination with the U.S. Forest Service Research and Development Program and the Forest Products Laboratory. The Managers encourage the U.S. Forest Service Research and Development Program to contribute funding to carry out this initiative. The Managers also recognize the benefits the Land Grant System can offer this initiative in terms of developing and disseminating science-based tools through research and extension activities.

(23) Nutrient management research and extension initiative

The House bill repeals section 1672A. (Section 7210)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7210)

(24) Organic agriculture research and extension initiative

The House bill eliminates the funds transfer, encourages farm business management, authorizes $20,000,000 in mandatory funding for each fiscal year 2014 through 2018 and reauthorizes appropriations for 2014 through 2018. (Section 7211)

The Senate amendment eliminates the funds transfer and authorizes $16,000,000 in mandatory funding for each fiscal year 2014 through 2018. (Section 7209)

The Conference substitute adopts the House provision with an amendment. The amendment authorizes competitive grant purposes, including farm business management, reauthorizes the authorization of appropriations and authorizes $20,000,000 of Commodity Credit Corporation funds for each fiscal year 2014 through 2018. (Section 7211)

The Conference substitute provides additional funding for the Organic Research and Education Initiative. One of the primary activities necessary to encourage continued market growth, improved food safety and risk management for both of these industries is adequate dedicated research support. The Managers recognize that research is one of the primary means by which the Farm Bill provides assistance to organic farmers, so conference substitute increases funding beyond the levels in the 2008 Farm Bill, consistent with increased market needs.

The Managers encourage the USDA to explore technology that meets the requirements of the National Organic Program and that can control weeds and pests while maintaining healthy water resources.

(25) Agricultural bioenergy feedstock and energy efficiency research and extension initiative

The House bill repeals section 1672C. (Section 7212)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7212)

(26) Centers of excellence

The House bill moves the authority in subsection 1672(i) requiring the Secretary to prioritize any center of excellence established for specific agricultural commodities for the receipt of funding for any competitive research or extension program administered by the Secretary. A center of excellence is composed of 1 or more eligible entities specified in subsection (b)(7) of the Competitive, Special, and Facilities Research Grant Act that provide financial or in-kind support to the center. Certain criteria will be considered for recognition as a center of excellence and where practicable, the criteria for consideration shall include efforts to improve teaching capacity and infrastructure at colleges and universities. (Section 7214)

The Senate amendment moves the authority in subsection 1672(i) providing that the Secretary may prioritize regional centers of excellence established for specific agricultural commodities for the receipt of funding and authorizes appropriations of $10,000,000 for fiscal years 2014 through 2018. (Section 7211)

The Conference substitute adopts the House provision with an amendment. The amendment authorizes the Secretary to prioritize centers of excellence established for the purposes of carrying out research, extension, and education activities relating to the food and agricultural sciences for the receipt of funding for any competitive research or extension program. (Section 7214)

With limited resources to invest in critical programs, the Managers considered multiple options by which Federal funds can be leveraged to improve overall program effectiveness. With the recognition that multiple institutions and organizations participate in projects of similar interest, the Managers have sought to incentivize the formation of formal partnerships and other organizational structures as Centers of Excellence. The conference substitute directs that such centers that meet established criteria be granted priority in receipt of competitive research and extension grants.

The Managers would recommend that USDA establish procedures to implement this provision in accordance with appropriate regulatory procedures in order to allow interested stakeholders to gain a firm understanding of USDA's implementation of the provision.

(27) Red Meat Safety Research Center

The House bill repeals section 1676. (Section 7215)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7215)

(28) Assistive Technology Program for Farmers with Disabilities

The House bill authorizes appropriations of $6,000,000 for fiscal year 2013 and $3,000,000 for each fiscal year 2014 through 2018. (Section 7216)

The Senate amendment authorizes appropriations of $6,000,000 for fiscal year 2013 and $5,000,000 for each fiscal year 2014 through 2018. (Section 7212)

The Conference substitute adopts the Senate provision. (Section 7216)

SUBTITLE C—AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION REFORM ACT OF 1998

(29) Coordinated program to improve visibility of small and medium size dairy, livestock and poultry operations

The House bill repeals section 407. (Section 7303)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(30) Fusarium Graminearum

The House bill authorizes appropriations of such sums as necessary through fiscal year 2013 and $7,500,000 for each fiscal year 2014 through 2018. (Section 7304)

The Senate amendment authorizes appropriations of $10,000,000 for each fiscal year 2014 through 2018. (Section 7303)

The Conference substitute adopts the Senate provision. (Section 7303)

(31) Bovine Johne's Disease Control Program

The House bill repeals section 409. (Section 7305)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7304)

(32) Specialty Crop Research Initiative

The House bill authorizes research in plant breeding, genetics and genomics to include other methods and also authorizes handling and processing. It authorizes the Secretary to award competitive grants on the basis of an initial scientific peer review and a final funding determination made by the Secretary based on a review and ranking for merit, relevance and impact conducted by a panel of specialty crop industry representatives for the specific crop. $50,000,000 of mandatory monies is authorized for fiscal years 2014 and 2015, $55,000,000 for fiscal years 2016 and 2017, and $65,000,000 for fiscal year 2018 and each fiscal year thereafter and the authorization of appropriations is reauthorized for 2014 through 2018. Section 6128 provides a universal match policy that applies to this provision. (Section 7307)

The Senate amendment authorizes the Secretary to consult with the Specialty Crops Committee during the peer and merit re-

view process. $25,000,000 of mandatory monies is authorized for fiscal year 2014, $30,000,000 for fiscal years 2015 and 2016, $65,000,000 for fiscal year 2017 and $50,000,000 fiscal year 2018 and each fiscal year thereafter. The amendment also eliminates the non-federal funds limitation on the match requirement. (Section 7305)

The Conference substitute adopts the House provision with an amendment. The amendment authorizes the initiative to address research in genomics and other methods as well as efforts to improve handling and processing. The Secretary is directed to award competitive grants on the basis of a scientific peer review and a review and ranking for merit, relevance and impact and to consult each fiscal year with the Specialty Crops Committee and report to Congress the results of the consultation and the committee's review of the grants awarded in the previous year, including the Citrus Disease subcommittee's consultation and grant review in Section 1408(g) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977. The amendment also authorizes $80,000,000 of Commodity Credit Corporation funds for fiscal year 2014 and each fiscal year thereafter and reauthorizes the authorization of appropriations for each year 2014 through 2018.

The amendment also adopts the Senate amendment, Section 12212, with an amendment, authorizing an Emergency Citrus Disease Research and Extension Program with a reservation of Commodity Credit Corporation funds authorized for SCRI of $25,000,000 for fiscal year 2014 through 2018, available and reserved until expended, and an authorization of appropriations of $25,000,000 for each fiscal year 2014 through 2018. (Section 7306)

The Managers are aware of concerns that the current merit review process for competitive research grants generally and the Specialty Crops Research Initiative can provide a significantly better approach to evaluating the relevancy of the proposed research projects through industry participation. The conference substitute incorporates amendments to strengthen the merit review process to address these shortcomings.

As the Secretary implements the amendments to sections 103 and 412 of the Agricultural Research, Extension, and Education Reform Act of 1998; and section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, the Managers intend the Secretary to institute a grant review process that will consist of a scientific peer review and a merit/relevance review of proposals to be conducted by panels of industry representatives for the specific crop or livestock species being evaluated to assess industry relevance.

While the Managers do not specify the order of review between scientific peer review and merit/relevance review, it is understood that there exists an initial preference among industry, academia and the Department that merit/relevance review should be sequenced first. If the Secretary chooses to sequence merit/relevance review prior to scientific peer review, the Managers expect future modifications to the overall process to be guided by an ongoing evaluation to be conducted by the National Agricultural Research, Extension, Education, and Economics Advisory Board, and the Specialty Crop Committee (for merit/relevance review related

to the Specialty Crop Research Initiative). The advisory committee review of this process should occur before and after each annual funding cycle. The results of these reviews should be made publicly available and forwarded to the House Committee on Agriculture, the Senate Committee on Agriculture, Nutrition and Forestry, and the Appropriations Subcommittees on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies in the House and Senate.

The Managers further understand that the Department is considering a pre-proposal process to conduct an enhanced merit/relevance review. While a pre-proposal process is neither authorized nor prohibited, the Managers expect that if the Secretary uses his discretion to pursue this process, this too would be evaluated as part of the ongoing review of program effectiveness.

In order to sufficiently evaluate the pre-proposals for merit/relevance, the Managers expect the submission must include: the process used to obtain stakeholder input to identify the industry need and proposed project objectives; the problem, rationale, significance, and hypotheses; how the proposed research approach will address each objective; the process to be used for continued stakeholder engagement to achieve project objectives; how the project will translate results into delivery of usable information to the entire stakeholder community in a timely fashion; and documentation of the relevance of the Principal Investigator(s) scientific background to project objectives.

Applicants submitting project pre-proposals that are found to rank high on merit/relevance review would then be invited to submit full proposals for scientific peer review conducted by a panel of subject matter experts from Federal agencies, non-Federal entities, and the industry. Among those project proposals that pass scientific peer review, final awards determinations should, to the maximum extent practicable, emphasize the results of the merit/relevance review process.

The Managers encourage the Secretary to prioritize competitive grants to address imminent threats which may impact the future of specialty crop production in this country.

The Conference substitute provides additional funding for the Initiative. One of the primary activities necessary to encourage continued market growth, improved food safety, and risk management is adequate dedicated research support. The Managers recognize that research is one of the primary means by which the Farm Bill provides assistance to specialty crop producers, so the reported bill significantly increases funding beyond the levels in the 2008 Farm Bill, consistent with increased market needs.

The U.S. citrus industry has been devastated by huanglongbing, an invasive disease also known as citrus greening disease, which has been spread by a foreign pest known as the Asian Citrus Psyllid. Citrus greening poses an imminent threat to the viability of this multibillion dollar industry in several states and promises to ravage the rest of the U.S. citrus producing sector if a cure or effective treatment is not found expeditiously. USDA has already affirmed this emergency with the citrus quarantine for Florida, Alabama, Georgia, Hawaii, Louisiana, and Mississippi as well as parts of California, South Carolina, and Arizona in October

2012. Citrus greening spreads quickly, and because of its dormancy period, surrounding groves are often already destroyed by the time the disease has been discovered.

The conference substitute establishes a research program dedicated to discovering or developing a cure or effective treatment for citrus greening and any other diseases and pests, domestic or invasive, that emerge to threaten the U.S. citrus producing and processing industry. The Managers recognize the need to target research toward citrus greening in a sustained and adequately funded manner. The urgent need to find a cure or effective treatments for citrus greening that will be useful in all of the major citrus-producing states of Arizona, California, Florida, and Texas is paramount. This urgency should guide the Department's operation of this program.

The Managers also recognize the importance of ensuring close collaboration between the Department, the industry stakeholders described in this section, and the relevant entities engaged in scientific research under this program. The Managers intend that the Department will consult closely and regularly with the industry stakeholders in the formulation, consideration, and approval of research projects performed under this program and will give great weight to input from these stakeholders. Those persons selected to serve as industry stakeholders should be chosen in a manner that reflects the views and interests of the commercial citrus-producing sectors in the major citrus-producing states.

(33) National Swine Research Center

The House bill repeals section 612. (Section 7309)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7308)

(34) Studies of agricultural research, extension and education

The House bill repeals Subtitle C of title VI. (Section 7311)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7311)

SUBTITLE D—OTHER LAWS

(35) Equity in Educational Land-Grant Status Act of 1994

The House bill adds Aaniih Nakota College, College of the Muscogee Nation, Keweenaw Bay Ojibwa Community College, and Navajo Technical College and removes Crownpoint Institute of Technology, Fort Belknap College, and Si Tanka/Huron University to the authority and updates the names of Chief Dull Knife College and Sisseton Wahpeton College. The bill reauthorizes appropriations through fiscal year 2018 and requires certification that research will be performed under a cooperative agreement with ARS or at least one other land grant college or university (exclusive of another 1994 Institution), at least one non-land grant college of agriculture or at least one cooperating forestry school. (Section 7402)

The Senate amendment adds the same institutions as the House bill and updates the name of the Sisseton Wahpeton College,

reauthorizes appropriations through fiscal year 2018 and requires the same certification as the House provision.

Amends subsection (a)(2)(A)(ii) to except 1994 Institutions as provided under section 3(b)(3) of Smith-Lever, and for programs for children, youth and families at risk and for Federally recognized tribes implemented under section 3(d) of that Act (subsection (b)). (Section 7402)

The Conference substitute adopts the House provision. (Section 7402)

The Managers remain concerned about the agency's operation of FRTEP as if it were a 3(d) program. The Reservation Extension Agent Program was not authorized under Section 3(d) of the Smith-Lever Act. While this may have made administration of grants easier for the agency, it has led to confusion and unintended consequences. The Managers encourage the agency to follow congressional intent when implementing programs, old and new.

(36) Carbon cycle research

The House bill repeals section 221. (Section 7404)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

The Managers encourage the Agricultural Research Service to continue their field studies around the country to assess how biochar affects crop productivity and soil quality. Preliminary studies show promising results of how hardwood biochar can improve soil structure and the ability of sandy soils to retain water.

(37) Competitive, Special, and Facilities Research Grant Act

The House bill reauthorizes appropriations through fiscal year 2018. The provision authorizes priority areas on plant-based foods that are major sources of nutrients of concern, the research and development of surveillance methods, vaccines, vaccination delivery systems or diagnostic test for pests and diseases in wildlife reservoirs, the identification of animal drug needs, conservation practices and technologies addressing nutrient loss and improving water quality, and the economic costs of adopting conservation practices and technologies to improve water quality. The bill requires the Secretary to establish procedures under which State or Federal commodity promotion entities may directly submit proposals for requests for applications to address issues related to established priorities and award grants to eligible entities that submit proposals. Eligible entities are amended to include foundations. The Inter-regional research project number 4 is amended to include pesticides for use on specialty crops. Subsection (k) is repealed. (Section 7405)

The Senate amendment reauthorizes appropriations through fiscal year 2018. Section 7208(6) authorizes the Pulse Health Initiative, including an authorization of appropriations of $25,000,000 for fiscal years 2014 through 2018. Sec. 12101 amends Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 to establish a wildlife reservoir zoonotic disease initiative to provide grants for research and development of surveillance methods, vaccines, vaccination delivery systems, or diagnostic tests for covered diseases. Sec. 7308 authorizes four regional integrated pest

management centers to provide research and extension programs, outreach, and response to information needs, among other purposes. The amendment also requires that not less than 30 percent of funding be made available for integrated research, extension and education activities and requires the Secretary to submit a report to Congress regarding streamlining the AFRI grant application process. (Section 7404)

The Conference substitute adopts the House provision with an amendment. The amendment authorizes appropriations through 2018, and adds priority areas to the competitive grant program and foundations to the list of eligible entities. The amendment also directs the Secretary to establish procedures under which a commodity promotion board or a State commodity board (or its equivalent) may submit to the Secretary for consideration proposals for requests for applications that address issues related to the priority areas of this grant program. Grants will not be funded under this authority unless the grant is matched with an equal contribution of funds from the entities submitting proposals for requests for applications. The Inter-regional research project number 4 is amended to include specialty crops. (Section 7404)

The Agriculture and Food Research Initiative (AFRI) is the premier competitive research and extension grants program within the USDA. The AFRI program was established in 2008 as a successor program to the National Research Initiative Competitive Grants Program and the Initiative for Future Agriculture and Food Systems. The statutory priorities for the AFRI program are purposefully broad. In developing these priorities, the Congress was aware that as science evolves, a balance needed to be achieved between the need for flexibility to respond to new and emerging threats and opportunities, and the need for transparency and accountability in the expenditure of taxpayer funds.

Concerns are periodically raised regarding the annual allocations among the various statutory programmatic priorities and sub priorities. The Managers were aware of these qualitative concerns but lacked quantitative information on which to base any policy modifications. As a continuation of the programmatic audit carried out by the House Committee on Agriculture in preparation for developing the FARRM Act, USDA was requested to provide a listing of recent awards under the AFRI program sorted according to the corresponding statutory priorities and sub priorities. That data revealed a dramatic shift in awards funding away from traditional areas of production agriculture. For instance, awards for research in plant systems dropped from 38.7 percent of available funds in fiscal year 2007, the final full year under the predecessor programs, to 18.4 percent in 2011. Awards for research in animal systems fell from 22.4 percent to 9.4 percent over the same time period.

Following receipt of a final report in February 2013, there remained concern that the allocation of research and extension awards under the AFRI program was inconsistent with national priorities. As a result of the analysis, commitments were made by senior leadership of the National Institutes of Food and Agriculture (NIFA) to address these concerns. Efforts undertaken by the Director of NIFA to incorporate enhancements in the fiscal year 2014

budget submission, while still lacking in certain respects, demonstrate the seriousness to which these commitments are being upheld.

While the Managers are encouraged by the progress being made, there remains a desire to codify the transparency and accountability measures contained within this budget submission language (section 7513).

The Managers recognize the importance of basic animal health research. The Conference substitute includes a priority for the research and development of surveillance methods, vaccines, vaccination delivery systems and diagnostic tests for pests and diseases that cause epizootic diseases in domestic livestock (including deer, elk, bison, and other cervidae) and zoonotic diseases (including bovine brucellosis and bovine tuberculosis) in domestic livestock or wildlife reservoirs that present a potential concern to public health.

The Managers recognize the growing importance of and need for comprehensive and practical scientific and economic assessments of agricultural practices and technologies intended to improve agriculture's water quality and quantity performance. This is particularly the case as states work with producers on high priority or high profile water quality challenges. Such scientific and economic assessments are needed for the major crop producing regions of the country, taking into account soils, climate, crops grown, and the technologies and agricultural practices in use. The goal of such assessments should be to develop information and continue to build on the tools already in place. The assessments should continue to develop new and innovative approaches to help producers and policy makers in states understand what is affordable, achievable and sustainable for producers. The assessment can then be used to consider how different water quality policy choices relate to other important societal objectives involving agriculture. The Managers encourage the Secretary to initiate a multi-year effort to help the states and USDA continue to develop this base of science and knowledge through the funding of proposals from qualified institutions capable of supporting interdisciplinary teams of researchers and experts to carry out such efforts.

The Managers recognize the success of the Conservation Effects Assessment Project (CEAP) and the cross collaborative approach between multiple agencies at USDA, and strongly encourages USDA to continue and expand on those efforts. The Managers do not intend for this provision to be a replacement for or duplication of CEAP, but rather as a source of sound, complementary economic and technical information that could be used in conjunction with CEAP to create more accurate assessments of the effects of prospective conservation measures on agricultural land.

The Managers recognize that maintaining and enhancing wild rice, a uniquely American specialty crop, depends on continued use of traditional breeding methods, along with the application of new genetic tools to make conventional breeding more efficient. Genetic analysis of shattering, disease resistance, reduced plant height, and other traits require not only development of new genetic markers for wild rice, but also new methods for gathering accurate phenotypic information on the plants. The use of these improved genetic resources in the future depends on their continued avail-

ability through reliable seed storage methods. Some research has been done on maintaining viability of stored seeds, but these need to be translated into reliable and useful methods at the local level to ensure breeding progress.

The Managers would hope that the Secretary would consider the following research objectives regarding wild rice genetic resources: preserving and enhancing wild rice breeding lines for testing and release as future varieties; developing phenotyping methods and genotypic markers for various traits; using genotypic and phenotypic information to identify superior genetic resources for breeding and to develop more efficient breeding methods; evaluating and maintaining the genetic distinctiveness of wild rice breeding lines and populations; and developing improved methods for short- and medium-term storage of wild rice breeding lines and populations.

The Managers are concerned about the spread of tick-borne illnesses, particularly Lyme Disease in humans. The disease is heavily concentrated in the Northeast and upper Midwest. Lyme Disease, along with other tick-borne illnesses which affect livestock, presents a public health concern, particularly in the Agriculture community. Recognizing the impact of pests such as ticks, the Managers have reauthorized important research and development priorities and urge NIFA, in conjunction with other agencies, to build upon its existing efforts and pest management resources to protect humans and livestock from tick-borne illnesses.

The Managers recognize that eligible applicants with limited institutional capacity may face unique challenges in successfully competing for funding administered by NIFA. The Managers encourage the Secretary to assess these challenges and to consider appropriate methods of streamlining the competitive grants application process.

(38) Remote sensing data

The House bill repeals section 892. (Section 7408)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7407)

(39) Reports under Farm Security and Rural Investment Act of 2002

The House bill repeals Sections 7409, 7410 and 7411. (Section 7409)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7408)

(40) Beginning Farmer and Rancher Development Program

The House bill amends the authorized areas for programs and services and includes school-based agricultural educational organizations as a priority recipient. The bill requires that not less than 5 percent of the funds in a fiscal year used to make grants be used to support programs and services that address the needs of military veteran beginning farmers and ranchers and authorizes the Secretary to coordinate between a recipient of a grant used for this purpose and a recipient of a grant under section 1680 of the Food,

Agriculture, Conservation and Trade Act of 1990 in addressing the needs of military veteran beginning farmers and ranchers with disabilities. The provision prohibits a recipient of a grant from using more than 10 percent of grant funds for the indirect costs of carrying out an authorized grant initiatives. Of the funds of the Commodity Credit Corporation, $20,000,000 for each fiscal year 2014 through 2018 is authorized and the authorization of appropriations is extended for fiscal years 2014 through 2018. (Section 7410)

The Senate amendment includes beginning farmers and ranchers who are veterans in the current set-aside of funding and authorizes competitive grants to States to establish and improve farm safety program at the local level. Of the funds of the Commodity Credit Corporation, $17,000,000 for each fiscal year 2014 through 2018 is authorized and the authorization of appropriations is extended for fiscal years 2014 through 2018. (Section 7408)

The Conference substitute adopts the House provision with an amendment. The amendment authorizes grant purposes including farm safety and awareness and a priority for school-based agricultural educational organizations. It also specifies that an eligible entity may be a community-based or nongovernmental organization and provides at least a 5 percent set-aside for those programs and services already qualified for the set-aside in current law as well as another 5 percent set-aside for veteran farmers and ranchers. The amendment limits indirect costs and permits coordination with recipients of an assistive technology program for farmers with disabilities grant. $20,000,000 of Commodity Credit Corporation funds for each fiscal year 2014 through 2018, to remain available until expended, is authorized and the authorization of appropriations is extended through 2018. (Section 7409)

The Conference substitute reauthorizes and provides mandatory funding to the Beginning Farmer and Rancher Development Program, which develops and offers education, training, outreach and mentoring programs to ensure the success of the next generation of farmers. The conference substitute expands eligibility to include military veterans who wish to begin a career in agriculture.

(41) McIntire-Stennis Cooperative Forestry Act

The House bill amends the definition of state to include American Samoa, the Federated States of Micronesia and the Commonwealth of the Northern Mariana Islands. (Section 7411)

The Senate amendment amends the definition of state to include the Federated States of Micronesia, American Samoa, the Northern Mariana Islands and the District of Columbia and exempts eligible 1890 Institutions from the matching funds requirement if the allocation is below $200,000. (Section 8301)

The Conference substitute adopts neither the House nor the Senate provision. Both the House bill and Senate amendment included amendments to the McIntire-Stennis cooperative forestry program to extend eligibility to the 1862 land grant colleges in insular areas not currently specified in the Act. USDA has since provided the Managers with technical assistance clarifying that those institutions were already eligible to participate by virtue of other law, specifically section 1361(a) of P.L. 96–374, thus negating the need for this provision.

The National Association of University Forest Resources Programs (NAUFRP), (formerly the National Association of Professional Forestry Schools and Colleges) represents 69 of our nation's universities and their respective scientists, educators and extension specialists. NAUFRP's purpose is to advance the health, productivity, and sustainability of America's forests by providing university-based natural resource education, research, science, extension and international programs. The Managers would encourage USDA to engage in discussions with NAUFRP to ensure that their proposals for resource management are appropriately addressed.

SUBTITLE E—FOOD, CONSERVATION, AND ENERGY ACT OF 2008

(42) Enhanced Use Lease Authority Pilot Program

The House bill states that section 308 is amended to terminate 10 years after the date of enactment of section 308 and reports are required not later than 6, 8, and 10 years after enactment. (Section 7511)

The Senate amendment states that subparagraph (b)(6)(A) is amended to extend the authority of this section on September 30, 2018. (Section 7405)

The Conference substitute adopts the House provision. (Section 7511)

(43) Grazinglands Research Laboratory

The House bill amends section 7502 to extend the authority for 10 years beginning on the date of enactment of the Act. (Section 7512)

The Senate amendment amends section 7502 to extend the authority until September 30, 2018. (Section 7511)

The Conference substitute adopts the House provision. (Section 7512)

(44) Budget submission and funding

The House bill requires information regarding each research program carried out by the ARS or ERS for which annual appropriations are requested in the annual budget submission of the President and each competitive program carried out by the NIFA for which annual appropriations are requested in the annual budget submission of the President, requires additional information for each funding request for a covered program to be submitted to Congress each year together with the annual budget submission of the President, prohibits the President from carrying out any program under certain authorities during the fiscal year unless the President submits the information required and described for a fiscal year and requires an annual report to Congress. (Section 7512)

The Senate amendment requires information regarding each research program carried out by the ARS or ERS for which annual appropriations are requested in the annual budget submission of the President and each competitive program carried out by the NIFA for which annual appropriations are requested in the annual budget submission of the President, requires additional information for each funding request for a covered program to be submitted to Congress each year together with the annual budget submission of

the President, and requires an annual report to Congress. (Section 7512)

The Conference substitute adopts the House provision. (Section 7513)

The Managers are aware of the need for the statutory priorities for the various agricultural research, education and extension programs to be written with sufficient flexibility so that the Administrators of the USDA research agencies can respond quickly and efficiently to emerging problems and opportunities. Further, recent changes in Congressional appropriations procedures have only enhanced USDA's flexibility in administering these programs. The Managers are nevertheless cognizant of the need for taxpayer funds to be used in a transparent and accountable manner.

Given the spending discretion that USDA has gained in recent years, it is incumbent upon the Department to manage the research, education and extension programs in a most transparent manner. This transparency assures Congress and stakeholders of the integrity of these programs.

In the past year, the Managers have expressed concerns about funding allocations under various research, education, and extension programs to the senior leadership of the National Institute of Food and Agriculture (NIFA). These fruitful discussions with NIFA leadership resulted in several commitments to address the underlying concerns of the Managers as well as to enhance the information available in future budget submissions.

In order to increase the ability of Congress to appropriately oversee funding allocations, the conference substitute seeks to codify the commitments that have been made by NIFA leadership in order to provide transparency and accountability with regard to the research, extension and education budget. It is the intent of the Managers that USDA provide increasingly detailed spending plans to Congress in advance of the development of annual appropriations measures so that Congress and interested constituencies can weigh the merits of these allocations against evolving priorities, and as a representative body, Congress can approve or disapprove of the proposed allocations.

The Managers believe that receipt of the information requested in this section will be beneficial to the long-term goal of expanding resources available for agricultural research, extension and education. The Managers believe that enhanced transparency in the budgeting process can only increase awareness and broad-based support for these critical programs.

It is likewise the intent of the Managers that the process of submitting information concerning the budget outline would be an iterative process and that the research agencies would consult with the Congressional authorizing committees and appropriating subcommittees to ensure clarity of the budget request. To this end, the conference substitute specifically authorizes the research agencies to submit corrections and clarifications in a reasonable period of time to fulfill the requirements of this section.

The Managers are aware that the ARS is shifting its funding priorities from core work in areas impacting crop protection and livestock production to environmental stewardship. The Managers are concerned that this action is short-sighted, especially in light

of the fact that many plant disease issues may be magnified under varying weather conditions, and this is especially the case in the work on fusarium head blight in wheat and barley.

The Managers are aware of budgetary constraints throughout the Department; nevertheless, the Managers question the priority setting process on how funds are allocated with regard to aquaculture. In particular, the Managers are aware of the continuing threat of predators to aquaculture operations and encourage the Secretary to continue to fund these important livestock protection programs.

The Managers recognize that historical funding levels for equine sciences have been limited and encourage the Secretary to consider increasing resources allocated to research priorities for equine health in the Department's annual budget submission.

The Mangers recognize that historical funding levels for rangeland and prairie grass research has been limited and encourage the Secretary to consider increasing resources allocated to research priorities for rangeland and prairie grass research, including tallgrass and other native vegetation.

The Managers recognize the importance of nationally coordinated, regionally managed canola research and education programs. In awarding grants for these activities, the Managers encourage the Secretary to seek input from stakeholders and give priority consideration to proposals that address research needs in production areas with the greatest potential to expand as well as those where canola production is established and needs to be maintained.

The Managers would like to encourage the Secretary to fund competitive research into the fundamental issues of stabilizing food prices to enhance food security in the U.S. and globally. One area of interest is an examination of the economic factors leading to increased food security in the U.S. The Managers are also interested in how financial markets and the expansion of the bioenergy industry globally has impacted global food prices.

(45) Research and education grants for the study of antibiotic-resistant bacteria

The House bill reauthorizes appropriations through 2018. (Section 7514)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(46) Farm and Ranch Stress Assistance Network

The House bill repeals Section 7522. (Section 7515)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(47) Seed distribution

The House bill repeals Section 7523. (Section 7516)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7514)

(48) Sun Grant Program

The House bill authorizes the Secretary to coordinate among appropriate Federal agencies, authorizes grants to be used towards integrated, multistate research, extension and education programs on technology development and implementation, repeals Funding allocations for specific programs, amends requirements for the plan for research activities to be funded to address bioproducts and priorities of appropriate Federal agencies and reauthorizes the program. (Section 7518)

The Senate amendment authorizes the Secretary to coordinate among appropriate Federal agencies, authorizes grants to be used towards integrated, multistate research, extension and education programs on technology development and implementation, repeals Funding allocations for specific programs, amends requirements for the plan for research activities to be funded to address bioproducts and priorities of appropriate Federal agencies, reauthorizes the program, and authorizes grants to a Sun Grant Center for each region. (Section 7514)

The Conference substitute adopts the Senate provision. (Section 7516)

The Conference substitute directs the Secretary to utilize and leverage the investment, resources, and capacities of the current regional Sun Grant Program Centers and Sub-center to continue their leadership and management of the regional Sun Grant competitive grants program.

The Conference substitute reauthorizes, consolidates, and amends the Sun Grant Program to expand input from other appropriate federal agencies, authorize bio products, eliminate authorization for gasification research and make the program competitive. The Managers recognize the leadership and work of the Sun Grant Centers in each region and intends that the revisions to the program to make it competitive do not reduce the effectiveness of the overall program. The Managers also recognize the importance of the collaborative nature of the Sun Grant Centers and is requiring that applicants represent consortia of universities with prior experience working collaboratively to pursue the intent of the program. The Managers recognize the importance of demonstrated experience in working with multiple federal agencies and in awarding and managing funding provided through competitive grants to land grant institutions and institutions partnering with land grant institutions. Accordingly, the Secretary is encouraged to competitively select a single association of universities that will implement the Sun Grant Program for the duration of this farm bill authorization. This association of universities should be made up of a university from each of the sun grant regions and sub region that will serve as the Sun Grant Center or Sub center for that region or sub region. In making the competitive selection, the Secretary should consider giving preference to an association of universities that has demonstrated experience in managing regional competitive grant programs for research and education programs that support the development of bioenergy, biomass feedstocks, and biobased products. Finally, the Managers recognize the value and importance of committed use of peer review principles and other research best prac-

tices in the selection, management, and dissemination of research projects.

(49) Study and report on food deserts

The House bill repeals Section 7527. (Section 7519)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7517)

(50) Agricultural and rural transportation research and education

The House bill repeals Section 7529. (Section 7520)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7518)

SUBTITLE F—MISCELLANEOUS PROVISIONS

(51) Agreements with nonprofit organizations for National Arboretum

The House bill authorizes the Secretary to negotiate agreements with nonprofit organizations that support the purpose of the National Arboretum and use the proceeds of the organizations towards operation and maintenance of the facilities. In addition, a nonprofit organization that entered into such agreement may recognize donors if such recognition is approved by the Secretary. (Section 7601)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment authorizes the Secretary to negotiate concessions and agreements for the National Arboretum with nonprofit scientific or educational organizations and nonprofit organizations that entered into a concession or agreement to recognize donors. (Section 7602)

(52) Cotton Disease Research Report

The House bill requires the Secretary to submit to Congress a Cotton Disease Research Report. (Section 7602)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7604)

(53) Acceptance of facility for Agricultural Research Service

The House bill authorizes the Secretary to allow a non-Federal entity to construct a facility for use and on land owned by the Agricultural Research Service under certain conditions. (Section 7603)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(54) Technical Corrections

The House bill makes miscellaneous technical corrections. (Section 7604)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 7605)

(55) Legitimacy of industrial hemp research

The House bill authorizes research using industrial hemp at an institution of higher education if the growing or cultivating of industrial hemp is allowed under the laws of the State where the institution of higher education is located and the research occurs. Industrial hemp is defined. (Section 7605)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment authorizes an institution of higher education or State department of agriculture to grow or cultivate industrial hemp for research purposes if the laws of the State permit its growth and cultivation. (Section 7606)

(56) Foundation for food and agriculture research

The Senate amendment authorizes a foundation for food and agriculture research, a new nonprofit corporation designed to supplement USDA's basic and applied research activities. On Oct. 1, 2013, of the funds of the Commodity Credit Corporation, the Secretary shall transfer to the Foundation $200,000,000 to remain available until expended. (Section 7601)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment authorizes a foundation for food and agricultural research designed to supplement USDA's basic and applied research activities and $200,000,000 of Commodity Credit Corporation funding to the Foundation to remain available until expended. (Section 7601)

The Managers recognize the significant need for agricultural research and the challenge to find funding in the current fiscal environment. As such the conference substitute creates a new nonprofit foundation, the Foundation for Food and Agriculture Research, to leverage private funding, matched with federal dollars, to support public agricultural research. This approach will foster continued innovation in agricultural research.

The increased productivity and boost in crop yields experienced by American farmers can be attributed to research investments made 30 to 50 years ago. Federal investment in public agricultural research has been trending downward at a time when the demands of a growing population require that American agriculture research again take a leading role in pushing forward food production. USDA, the National Academy of Sciences, the National Science Foundation and agricultural research stakeholders will play an integral role in establishing the Foundation.

The Managers do not intend for the Foundation to be duplicative of current funding or research efforts, but rather to foster public-private partnerships among the agricultural research community, including federal agencies, academia, non-profit organizations, corporations and individual donors to identify and prioritize the most pressing needs facing agriculture. It is the Managers view that the Foundation will complement the work of USDA basic and applied research activities and further advance USDA's research mission. Furthermore, the Managers do not intend in any way for the Foundation's funding to offset or allow for a reduction in the appropriated dollars that go to agricultural research.

(57) Agricultural and food law research, legal tools and information

The Senate amendment authorizes the Secretary, acting through the National Agricultural Library, to support the dissemination of agricultural and food law research, legal tools and information by entering into cooperative agreements with institutions of higher education. The Secretary may not use more than $5,000,000 of the amounts made available to the national Agricultural Library. (Section 7602)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment directs the Secretary, through the National Agricultural Library, to support the dissemination of agricultural and food law research, legal tools and information by entering into cooperative agreements with institutions of higher education and authorizes $5,000,000 in appropriations for fiscal year 2014 and each year thereafter. (Section 7603)

The Managers recognize that farms, ranches, and forests in the United States are impacted by a complex and rapidly evolving web of competition and international, Federal, State, and local laws, including regulations. The agricultural community of the United States, including farmers, ranchers, foresters, attorneys, policymakers, and extension personnel, need access to agricultural and food law research and information provided by objective, scholarly, and neutral sources.

TITLE VIII—FORESTRY

SUBTITLE A—REPEAL OF CERTAIN FORESTRY PROGRAMS

(1) Watershed Forestry Assistance Program

The House bill repeals the Watershed Forestry Assistance Program in the Cooperative Forestry Assistance Act of 1978, effective on October 1, 2013. (Section 8002)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment eliminates the effective date. (Section 8002)

(2) Expired Cooperative National Forest Products Marketing Program

The House bill repeals the Cooperative National Forest Products Marketing Program in the Cooperative Forestry Assistance Act of 1978 which has been expired. (Section 8003)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 8003)

(3) Separate forest service decision making and appeals process

The House bill repeals Section 322 of the Department of the Interior and Related Agencies Appropriations Act, 1993. It prohibits application of Section 428 of the Consolidated Appropriations Act, 2012 to any project or activity implementing a land and resource management plan that is categorically excluded from an EA or EIS under NEPA. (Section 8006)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 8006)

This provision clarifies the intent of Congress regarding administrative review of projects and activities implementing land and resource management plants. This language came as a result of a federal court decision in March 2012 that the Forest Service must engage in this process for noncontroversial, common sense actions that provide jobs, public safety, community fire protection, and clean water. This is not required of the Department of the Interior or any other federal agency. This provision would return the agency to the procedures that were in place prior to the 2012 court decision.

SUBTITLE B—REAUTHORIZATION OF COOPERATIVE FORESTRY ASSISTANCE ACT OF 1978 PROGRAMS

(4) State-wide assessment and strategies for forest resources

The House bill requires the State Forester or equivalent State official in developing or updating the State-wide assessment and strategy for forest resources to coordinate with, when feasible, appropriate military installations. (Section 8101)

The Senate amendment extends the authorization of appropriations for the state-wide assessment and strategies for forest resources through 2018.

The Conference substitute adopts the House provision with an amendment. The amendment provides for the extension of the authorization of appropriations for state-wide assessment and strategies for forest resources that was in the Senate amendment. (Section 8101)

The 2008 farm bill conference report included language directing state foresters to perform statewide assessments of forest lands within their borders to better understand how to properly manage these resources. The first reports came back in 2010. The Managers considered these reports a success and adopted the House provision that directs state foresters to coordinate with military facilities within their borders when developing future plans.

(5) Forest Legacy Program

The House bill eliminates the authorization for the Forest Legacy Program of such sums as necessary and replaces it with an authorization of appropriations of $55,000,000 for fiscal years 2014 through 2018. (Section 8102)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(6) Community Forest and Open Space Conservation Program

The House bill eliminates the authorization for the Community Forest and Open Space Conservation Program of such sums as necessary and replaces it with an authorization of appropriations of $1,500,000 for fiscal years 2014 through 2018. (Section 8103)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

SUBTITLE C—REAUTHORIZATION OF OTHER FORESTRY-RELATED LAWS

(7) Office of International Forestry

The House bill authorizes appropriations of $6,000,000 for fiscal years 2014 through 2018 for the Office of International Forestry. (Section 8202)

The Senate amendment extends authorization of appropriations through fiscal year 2018. (Section 8202)

The Conference substitute adopts the Senate provision. (Section 8202)

(8) Change in funding source for Healthy Forests Reserve Program

The House bill authorizes appropriations of $9,750,000 for fiscal years 2014 through 2018. Appropriated funds may be used to carry out the Soil Conservation and Domestic Allotment Act for land enrolled in the program. (Section 8203)

The Senate amendment is the same as the House. It defines the term "Acreage Owned by Indian Tribes" for the purposes of Section 502(e)(3). (Section 8205)

The Conference substitute adopts the Senate provision with an amendment. The amendment increases the authorization levels from $9,750,000 to $12,000,000. (Section 8203)

The Managers intend to clarify the definition of Indian-owned acreage for the program managed by NCRS. Further, as a result of the potential increase in participation in the program, the Managers increased the authorization level.

(9) Stewardship end result contracting project authority

The House bill states that section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 is reauthorized through fiscal year 2018. It authorizes the Secretary to consider a Stewardship Contract as a contract for the sale of property. Further, it requires the Chief of the Forest Service and the Director of Bureau of Land Management to issue fire liability provisions for use in all contracts and agreements under section 347. (Section 8204)

The Senate amendment repeals Section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999. It authorizes the Secretary to consider a Stewardship Contract as a contract for the sale of property. It further adds Stewardship End Result Contracting Projects to the Healthy Forests Restoration Act of 2003, authorizing the Forest Service and Bureau of Land Management to enter into stewardship end-result contracting projects (Stewardship Contracts) for services that achieve land management goals. The authorization is permanent. (Section 8204)

The Conference substitute adopts the Senate provision with an amendment. The amendment includes the House language that requires the Chief of the Forest Service and the Director of the Bureau of Land Management to issue fire liability provisions for use in all contracts and agreements under section 347. (Section 8205)

The Managers provide the Forest Service with a permanent extension of stewardship contracting authority. This approach to land management has proved to be effective nationwide since it was

first authorized in 1999 and extended in 2003. Stewardship Contracting allows the Forest Service to conduct important forest restoration work by allowing the value of wood removed to help offset the cost of needed restoration treatments, like forest thinning, introduction of prescribed fire, and habitat improvements for a variety of species. The Managers include in this extension, provisions that allow for designation by prescription for the marking of timber under this program. The Conference substitute also includes language which provides the same fire liability provisions utilized under the current timber sales program to be available for Stewardship Contracts. The Managers do not intend for Stewardship Contracting to replace, diminish, or adversely impact the U.S. Forest Service's timber sales program.

The Managers expect the Chief to work with purchasers of Forest Service timber to address concerns they have raised about methods of selecting the winning bidders on Stewardship Contracts, and to provide feedback to losing bidders to help increase their understanding of the process to become more effective in the future.

(10) Insect and disease infestation

The Senate amendment authorizes the designation of treatment areas, as part of an insect and disease treatment program, one or more subwatersheds in at least one National Forest in each State that is experiencing an insect or disease epidemic within 60 days after the date of enactment of this Act. Additional areas may be designated as needed after the initial 60 day period. The Secretary may carry out priority projects on Federal land in designated subwatersheds to reduce the risk or extent of, or increase the resilience to, insect or disease infestation. Priority projects shall maximize the retention of old-growth and large trees, as appropriate and to the extent the trees promote stands resilient to insects and disease. The Senate amendment authorizes appropriations of $200,000,000 for fiscal years 2014 through 2018. (Section 8203)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment replaces the subwatershed size treatment area with a landscape scale and includes a limited categorical exclusion for projects smaller than 3,000 acres. The program is authorized for 10 years through 2024. (Section 8204)

The outbreak of the pine bark beetle afflicting states across the nation is a great concern to the Managers. To date, an estimated 41 million acres have been affected across the United States, creating potentially hazardous fuel loads in several western states. The Managers agreement includes provisions to provide the Forest Service with increased flexibility to address this issue and work with partners to mitigate the potential damage.

The Conference substitute recognizes that the current system for managing national forests affected by historic insect infestations has not been responsive to the speed and widespread impact of the infestations. The final language builds on current law familiar to all stakeholders, the Healthy Forests Restoration Act, by targeting the law's application for a ten-year period to insect- and dis-

ease-affected forests. It appropriately focuses on landscape-scale restoration work and protects old-growth and large trees to the extent their retention promotes resilient stands in a given type of forest. The final language also includes a Categorical Exclusion (CE) under the National Environmental Policy Act that is subject to several critical sideboards.

The most important limitation is that any projects subject to a CE must be developed and implemented through a collaborative process that is transparent, nonexclusive, and includes multiple and diverse stakeholders. Collaborative forest restoration partnerships have a proven record of fostering the social license that is crucial to managing our public lands appropriately. The Conference substitute recognizes the success of forest collaboratives and encourages their continued work across the country. Additional limitations to use of the CE include that projects may be no larger than 3,000 acres; projects may only take place in the wildland-urban interface or in forests facing a risk of fire greater than their historical norm; no permanent roads may be constructed and any temporary roads must be decommissioned within three years; and the Forest Service must report to Congress each year about its use of the CE.

The Mountain Pine Beetle Response Project (MPBR) in the Black Hills National Forest can be used as a model for the type and scale of projects that are to be conducted with these provisions to keep pace with expanding insect infestations. The MPBR Project encompasses approximately 248,000 acres of National Forest System lands and includes approximately 122,000 acres of thinning or other measures aimed at reducing stand density and hazardous fuels. The Managers expect that acres covered by the projects are tailored to the local circumstances depending on the size of the forest and scope of the infestation. The authority in these provisions provides the Forest Service with additional tools to replicate these types of landscape scale projects across the country in coordination with local stakeholders.

SUBTITLE D—NATIONAL FOREST CRITICAL AREA RESPONSE

(11) Definitions

The House bill defines the terms "Critical Area", "National Forest System", and "Secretary" for the purposes of this title. (Section 8301)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(12) Designation of critical areas

The House bill provides for the designation of critical areas within the National Forest System to address deteriorating forest health conditions due to insect infestation, drought, disease or storm damage and the future risk of insect infestations or disease outbreaks through preventative treatments. (Section 8302)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(13) Application of expedited procedures and activities of the Healthy Forests Restoration Act of 2003 to critical areas

The House bill authorizes the application of Title I of the Healthy Forests Restoration Act of 2003 to all Forest Service projects and activities carried out in a critical area and requires the same projects and activities be consistent with the applicable land and resource management plan. However, Sec. 322 of P.L. 102–381 will not apply to projects conducted in accordance with this section, and in applying Title I, the authority shall apply to the entire critical area and all projects and activities of the Forest Service shall be considered as authorized hazardous fuel reduction projects. Certain smaller projects shall be considered an action categorically excluded from the requirements of an environmental assessment or an environmental impact statement and exempt from section 105 of the Healthy Forests Restoration Act of 2003. (Section 8303)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(14) Good neighbor authority

The House bill authorizes the Secretary to enter into cooperative agreements or contracts with a state forester to provide forest, rangeland, and watershed restoration, management and protection services on National Forest System land. (Section 8304)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. (Section 8206)

The Conference substitute includes language that allows for the Secretary to enter into cooperative agreements with state foresters nationwide to engage in management activity, otherwise known as Good Neighbor Authority. This practice allows for better coordination between federal and state officials in promoting healthy state forests. The Managers note the successful implementation of this program in Colorado and Utah and recognize the benefit to extending this authority nationwide. The Managers expect the Secretary to seek projects which utilize the full range of contracting tools available to accomplish the objectives of Good Neighbor Authority.

SUBTITLE E—MISCELLANEOUS PROVISIONS

(15) Forest service participation in ACES program

The House bill authorizes the Secretary to use funds from conservation-related programs on National Forest lands to utilize the Agriculture Conservation Experienced Services Program to provide technical service on conservation-related programs. (Section 8402)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 8302)

The Managers are concerned about the increasing number of retirements among Forest Service employees in recent years and the loss of institutional knowledge as a result. The Conference substitute includes language to allow the Forest Service to hire retired employees under the Agriculture Conservation Experienced Serv-

ices (ACES) program. The Forest Service will continue to see a large number of retirements in the coming years. Allowing the Forest Service to participate in the ACES program allows the agency to retain the institutional knowledge acquired through the years by these senior employees.

(16) Green Science and Technology Transfer Research under Forest and Rangeland Renewable Resources Research Act of 1978

The House bill includes as a priority science and technology transfer through the Forest Products Lab to demonstrate the beneficial characteristics of wood as a green building material. It requires the Secretary to submit an annual report describing the research conducted in furtherance of the priority added above, the number of buildings the Forest Service has built with wood and the investments made by the Forest Service in green building wood promotion. (Section 8403)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(17) Extension of stewardship contract authority

The House bill authorizes designation by description and designation by prescription as valid methods of designation for timber sales. Both methods may be supervised by use of post-harvest cruise, sample weight scaling or other methods. (Section 8404)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 8303)

(18) Reimbursement of fire funds

The House bill requires that the State seeking reimbursement and the State providing reimbursement must each have a mutual assistance agreement with the Forest Service or an agency of the Department of the Interior. (Section 8405)

The Senate amendment requires that the State seeking reimbursement and the State providing reimbursement must each have a mutual assistance agreement with the Forest Service or another Federal agency. (Section 8303)

The Conference substitute adopts the Senate provision. (Section 8304)

(19) Ability of National Forest System lands to meet needs of local wood producing facilities for raw materials

The House bill requires the Secretary to submit to Congress a report regarding raw material needs of wood producing facilities within the boundaries of each National Forest System unit or within 100 miles of such boundaries and the ability of each unit to meet the needs of such facilities, including information on the volume of timber available, sold and harvested from each unit. (Section 8406)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

Although the Managers did not adopt the House provision directing the Secretary to issue a report to Congress on its ability to provide raw material to facilities within 100 miles of a national forest, the Managers enourage the Forest Service to engage with the

sawmill owners who utilize material harvested from National Forest System land. The Managers are concerned that certain regions within the National Forest System are not meeting the timber production target laid out in their management plans. The Managers note that many wood producing facilities are dependent on material produced on National Forest land and that all 10 regions of the National Forest System should strive to meet their target where appropriate.

(20) Report on the National Forest System roads

The House bill requires the Secretary to submit to Congress a report regarding National Forest System roads and trails. (Section 8407)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

Although the Managers did not adopt the House provision which required the Secretary to issue a report to Congress on the state of the National Forest System roads, the Managers believe this is an important issue and encourage the Forest Service to prioritize the maintenance of currently used roads.

(21) Forest Service Large Airtanker and Aerial Asset Firefighting Recapitalization Pilot Program

The House bill authorizes the Secretary to establish a large airtanker and aerial asset lease program. (Section 8408)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 8305)

The 2012 and 2013 wildfire seasons have been some of the worst on record. The devastating wildfires are important reminders that the Forest Service's current available large airtanker fleet is vastly inadequate to meet our expected firefighting needs now or in the coming years. The U.S. Forest Service's Large Airtanker Modernization Strategy, released in 2012, recommended a "next generation" aerial solution and specifically stated that "[airtankers] are important to the Federal, state, and local wild land firefighting missions of protecting communities and natural resources from wildfires and to successfully managing wildfires in this country." The report also stated that "the current fleet of large airtankers is old, with an average of age of more than 50 years. . . With rising age, the cost of maintaining large airtankers is rapidly increasing, as are the risks associated with using them." Support for implementing the modernization strategy is urgently needed before the Forest Service is unable to adequately respond to future fires. The Managers strongly support the establishment of a large airtanker and aerial asset lease program to support the Forest Service's vital modernization strategy for its firefighting large airtanker fleet.

(22) Land conveyance, Jefferson National Forest in Wise County, Virginia

The House bill authorizes the Secretary to convey upon payment all right, title and interest of the U.S. in and to a parcel of National Forest System land in the Jefferson National Forest in Wise County, Virginia. (Section 8409)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 8306)

(23) Categorical exclusion for forest projects in response to emergencies

The House bill states that any forest project carried out to clean up or restore damaged National Forest System land during a two-year period following the date of a presidential disaster or emergency declaration shall be categorically excluded from an environmental assessment or environmental impact statement. (Section 8410)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

TITLE IX—ENERGY

(1) Definitions

The House bill modifies the definition of "biobased product" to explicitly include forestry materials and 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. (Section 9001(1)) The bill also defines "forest product" to ensure that mature forest products are treated in the same manner as other biobased products. (Section 9001(3)) Additionally, the bill defines "renewable energy system" to limit the eligible projects in the Rural Energy for America Program. (Section 9001(4))

The Senate amendment defines "renewable chemical" as a monomer, polymer, plastic, formulated product, or chemical substance produced from renewable biomass. (Section 9002(3))

The Conference substitute adopts the House provision with an amendment. The amendment includes the Senate definition of "renewable chemical". The modification of the definition of "biobased product" is moved to Section 9002. (Section 9001)

(2) Biobased Markets

The House bill extends current law through FY2018. No mandatory funding is authorized. The bill authorizes to be appropriated $2 million annually for FY2014–FY2018. (Section 9002(h))

The Senate amendment establishes a targeted biobased-only procurement requirement for federal agencies. The amendment limits reporting on the availability, relative price, performance and environmental and public health benefits of biobased materials subject to the availability of data. It adds reporting requirements of quantities and types of biobased products purchased by procuring federal agencies and a focus on biobased content requirements (explicitly including forest products). The amendment mandates (within one year of enactment) designation of intermediate ingredients or feedstocks and assembled and finished biobased products according to guidelines. (Section 9002(a)(1)) Additionally, the amendment adds auditing and compliance activities to ensure proper use of biobased labeling. (Section 9002(a)(2)) It adds an outreach, education, and promotion component (with annual reports)

to increase awareness of biobased products. (Section 9002(a)(4)) It also mandates a study (and report) by USDA to assess the economic impact of the biobased product industry, due 180 days after enactment. It encourages coordination, review and approval (with appropriate technical assistance) of forest-related biobased products. (Section 9002(a)(5)) The amendment also authorizes mandatory funding of $3 million annually for FY2014–FY2018. Lastly, it authorizes to be appropriated $2 million annually for FY2014–FY2018. (Section 9002(a)(7))

The Conference substitute adopts the Senate provision with an amendment. The amendment removes the outreach, education and promotion component and provides that the economic impact study be completed within one year of enactment. (Section 9002)

The Conference substitute reauthorizes the BioPreferred Program and the Federal Government Procurement Preference Program with modifications to include reporting of biobased purchases by the federal agencies, as well as providing for auditing and enforcement of biobased purchasing activities. The Conference substitute also clarifies that all forest products are eligible for inclusion in the BioPreferred Program and the Federal Government Procurement Program if they meet biobased content requirements and the innovation standards for the program as outlined in Section 9002(a)(1)(B)(i)(III)(vi). Finally, the Conference substitute provides $3 million in mandatory funding each fiscal year.

The Managers are cognizant of concerns that the USDA Biobased Markets Program has excluded most forest products. This exclusion, created in USDA rulemaking, has effectively made many forest products ineligible for the program. Therefore, Sections 9001(2) and 9002(a)(1)(B)(i)(III) are intended to clarify that all forest products, regardless of the market share the product holds, the age of the product, or whether the product's market is new or emerging, are eligible for the procurement and labeling program as long as the product meets biobased content requirements and the innovation standards for the program as outlined in Section 9002(a)(1)(B)(i)(III). It is the Managers' intention that all products in the program use innovative approaches in the growing, harvesting, sourcing, procuring, processing, manufacturing, or application of the biobased product.

The Managers believe that most forest products, including products with recovered fiber content, apply innovative approaches in the growing, harvesting, sourcing, procuring, and manufacturing of the product. Innovative approaches for forest products include, but are not limited to, sourcing fiber from non-controversial, responsible or certified sources identified in the ASTM 7612–10 standard; using an environmental product declaration that meets the ISO 14025:2006 standard; improving wood, recovered fiber and virgin fiber processing technologies; or modifying manufacturing facilities to make them more energy efficient and enhance their ability to use renewable energy sources. The Managers also believe innovative approaches should capture any innovation in the application of the forest product. Such innovative approaches should include the use of raw forestry materials, processed forestry materials, as well as recovered fiber. The Managers direct USDA to work through the USDA Forest Products Laboratory to provide

technical assistance as necessary to forest product applicants to ensure that forest products are included in the program.

Finally, the Managers recognize the tremendous opportunity that exists for Biobased products to be used in food packaging and the food service industry. Products made from wheat straw can play an important role in this effort, and the Managers expect USDA to continue to work with companies bringing these types of products to market under the BioPreferred label.

(3) Biorefinery Assistance

The House bill eliminates grant funding to ensure that program funds are spent more efficiently through loan guarantees. (Section 9003(a)) Additionally, no mandatory funding is authorized. The bill authorizes to be appropriated $75 million annually for FY2014–FY2018. (Section 9003(b))

The Senate amendment renames the program as the Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program. It extends and expands the program to include renewable chemical and biobased product manufacturing (defined as development, construction, and retrofitting of technologically new commercial-scale processing and manufacturing equipment and required facilities used to convert renewable chemicals and other biobased outputs into commercial-scale end products). It extends grant and loan guarantee availability to the development and construction of renewable chemical and biobased product manufacturing facilities. (Section 9003(a)) The amendment authorizes mandatory funding of $100 million for FY2014 and $58 million each for FY2015–FY2016, but not more than $25 million of FY2014–FY2015 may be used to promote biobased product manufacturing. It authorizes to be appropriated $150 million annually for FY2014–FY2018. (Section 9003(b))

The Conference substitute adopts the Senate provision with an amendment. The amendment eliminates grant funding, directs the Secretary to ensure that there is diversity in the types of projects approved, and caps the amount of funds used for loan guarantees to promote biobased product manufacturing at 15% of the total available mandatory funds. Mandatory funding of $100,000,000 is provided for FY2014, $50,000,000 for each of FY2015 and FY2016 and an authorization of $75,000,000 is provided for each of fiscal years 2014 through 2018. (Section 9003)

(4) Repowering Assistance Program

The House bill extends current law through FY2018. Additionally, no mandatory funding is authorized. It authorizes to be appropriated $10 million annually for FY2014–FY2018. (Section 9004)

The Senate amendment has no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment provides mandatory funding of $12,000,000 in fiscal year 2014, available until expended. (Section 9004)

(5) Bioenergy Program for Advanced Biofuels

The House bill extends the program through FY2018. Additionally, no mandatory funding is authorized. The bill authorizes to be

appropriated $50 million annually for FY2014–FY2018. (Section 9005)

The Senate amendment extends the program through FY2018. Additionally, no mandatory funding is authorized. It authorizes to be appropriated $20 million annually for FY2014–FY2018. (Section 9004)

The Conference substitute adopts the Senate provision with an amendment. The amendment provides mandatory funding of $15,000,000 for each of fiscal years 2014 through 2018. (Section 9005)

(6) Biodiesel Fuel Education Program

The House bill extends the Biodiesel Fuel Education Program through FY2018. Additionally, no mandatory funding is authorized. The bill authorizes to be appropriated $2 million annually for FY2014–FY2018.

The Senate amendment extends the Biodiesel Fuel Education Program through FY2018. The amendment authorizes mandatory funding of $1 million annually for FY2014–FY2018. It authorizes to be appropriated $1 million annually for FY2014–FY2018.

The Conference substitute adopts the Senate provision. (Section 9006)

(7) Rural Energy for America Program

The House bill creates a three-tiered application process for loan guarantees and grants. (Section 9007(a)) Additionally, no mandatory funding is authorized. The bill authorizes to be appropriated $45 million annually for FY 2014–FY2018. (Section 9007(b))

The Senate amendment creates a three-tiered application process with language similar to the House provision. The amendment adds a council (as defined in section 1528 of the Agriculture and Food Act of 1981) as an eligible entity, and adds "such as for agricultural and associated residential purposes" to clarify the type of renewable energy systems that may be purchased. It repeals the use of REAP funds for feasibility studies and limits grants to the lesser of $500,000 or 25% of the cost of the RES or EEI activity. (Section 9006(a)) The amendment authorizes mandatory funding of $68.2 million annually for FY2014–FY2018. It authorizes to be appropriated $20 million annually for FY2014–FY2018. (Section 9006(b))

The Conference substitute adopts the Senate provision with an amendment. The amendment strikes the provision clarifying the type of renewable energy systems that may be purchased and strikes the $500,000 cap on grants for renewable energy systems and energy efficiency improvements. Mandatory funding of $50,000,000 is provided for fiscal year 2014 and each fiscal year thereafter. (Section 9007)

The Managers encourage the Department to continue to support renewable and energy efficiency projects to help farmers and rural small businesses cut costs. The Managers also encourage the Department to consider and fund a diverse range of projects.

The Managers clarify that the intent of the program has been to promote energy efficiency and the production of renewable en-

ergy, rather than energy delivery. Therefore, renewable fuel blender pumps or other mechanisms to dispense fuel are not a use of the program consistent with this purpose.

(8) Biomass Research and Development

The House bill extends BRDI through FY2018. Additionally, no mandatory funding is authorized. The bill authorizes to be appropriated $20 million annually for FY2014–FY2018. (Section 9008)

The Senate amendment extends BRDI through FY2018. The amendment authorizes mandatory funding of $26 million annually for FY2014–FY2018. It authorizes to be appropriated $30 million annually for FY2014–FY2018. (Section 9007)

The Conference substitute adopts the Senate provision with an amendment. The amendment provides mandatory funding of $3,000,000 for each of fiscal years 2014 through 2017 and discretionary funding of $20,000,000 for each of fiscal years 2014 through 2018. (Section 9008)

The purpose of the Biomass Research and Development Initiative (BRDI) is to promote research and development regarding the production of biofuels and biobased products. The Managers encourage the Department to support research, development and demonstration efforts focused on reducing the costs of producing sugars from cellulosic biomass. The Managers also encourage the Department to prioritize and focus investment in projects that use pre-commercialization processes and methods to advance product development.

The Managers are aware of a number of advanced manufacturing facilities around the country that can play an active part in the development phase of biofuels and biobased products and urge the Secretary to encourage their involvement in BRDI projects.

(9) Biomass Crop Assistance Program

The House bill eliminates collection, harvest, storage, and transportation payments. The bill adds "existing project areas that have received funding" to the factors the Secretary shall consider when selecting project areas. Additionally, no mandatory funding is authorized. The bill authorizes to be appropriated $75 million annually for FY2014–FY2018. (Section 9010)

The Senate amendment rewrites Sec. 9011 of Farm Security and Rural Investment Act of 2002 including the following revisions: changes enrolled land eligibility; includes residue from crops receiving Title I payments as eligible material, but extends exclusion to any whole grain from a Title I crop, as well as bagasse and algae. One-time establishment payments are limited to no more than 50% of cost of establishment, not to exceed $500 per acre ($750/acre for socially disadvantaged farmers or ranchers). CHST matching payments may not exceed $20 per dry ton but are available for a four year period. Not later than four years after enactment, USDA shall submit a report on best practice data and information gathered from participants. It authorizes mandatory funding of $38.6 million annually for FY2014–FY2018. Not less than 10% or more than 50% of funding may be used for CHST. (Section 9011)

The Conference substitute adopts the Senate provision with an amendment. The amendment provides that CHST payments are

available for a period of two years and provides that funding under the subsection shall be available for technical assistance. The amendment provides mandatory funding of $25,000,000 for each of fiscal years 2014 through 2018. (Section 9010)

(10) Forest Biomass for Energy

The Senate amendment repeals the program. (Section 9010)

The House bill has no comparable provision.

The Conference substitute adopts the Senate provision. (Section 9011)

(11) Community Wood Energy Program

The House bill extends the Community Wood Energy Program through FY2018. The bill authorizes to be appropriated $2 million annually for FY2014–FY2018. (Section 9011)

The Senate amendment defines "Biomass Consumer Cooperative". The amendment authorizes grants of up to $50,000 to be made to establish or expand biomass consumer cooperatives that will provide consumers with services or discounts relating to the purchase of biomass heating systems or products (including their delivery and storage). Any biomass consumer cooperative that receives a grant must match at least the equivalent of 50% of the funds toward the establishment or expansion of a biomass consumer cooperative. (Section 9011(a)–(c)) It authorizes to be appropriated $5 million annually for FY2014–FY2018. (Section 9011(d))

The Conference substitute adopts the Senate provision. (Section 9012)

(12) Biofuels Infrastructure Study

The House bill repeals the study. (Section 9012)

The Senate amendment has no comparable provision.

The Conference substitute adopts the House provision. (Section 9013)

(13) Renewable Fertilizer Study

The House bill repeals the study. (Section 9013)

The Senate amendment repeals the study. (Section 9012)

The Conference substitute adopts the House provision. (Section 9014)

(14) Energy Efficiency Report for USDA Facilities

The House bill requires USDA to submit a report to the House and Senate Agriculture Committees on energy use and energy efficiency projects at USDA facilities within 180 days.

The Senate amendment has no comparable provision.

The Conference substitute adopts the House provision (Section 9015)

TITLE X—HORTICULTURE

(1) Farmers' Market and Local Food Promotion Program

The House bill amends section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 to authorize local food promotion and assist in the development of local food business enterprises. Pro-

gram purposes are amended to include the increase of domestic consumption and consumer access to locally and regionally produced agricultural products. The purposes are further amended to include local and regional food business enterprises that process, distribute, aggregate, and store locally or regionally produced food products. Eligible entities receiving a grant from this program must provide a 25 percent match and may not use the grant towards a building or structure. The section authorizes $30,000,000 of Commodity Credit Corporation funds for fiscal years 2014 through 2018 and $10,000,000 in appropriated funds for fiscal years 2014 through 2018. It requires 50 percent of the funds made available to carry out the program in a fiscal year be used towards domestic farmers' markets, roadside stands, community-supported agriculture programs, agritourism activities and other direct producer-to-consumer market opportunities and the other 50 percent to be used towards local and regional food business enterprises. The section further limits administrative expenses to not more than 3 percent. (Section 10003)

The Senate amendment amends section 6 of the Farmer-to-Consumer Direct marketing Act of 1976 is amended to authorize local food promotion and local food capacity development. The program purposes are amended to include the increase of domestic consumption and consumer access to locally and regionally produced agricultural products. This purpose is authorized to be accomplished by developing, improving, expanding and providing outreach, training and technical assistance. Program purposes are further amended to include local and regional food enterprises that are not direct producer-to-consumer markets but process, distribute, aggregate, store and market locally or regionally produced food products. The section authorizes $20,000,000 of Commodity Credit Corporation funds for fiscal years 2014 through 2018 and $20,000,000 of appropriated funds for fiscal years 2014 through 2018. It limits administrative expenses to not more than 10 percent. The section further authorizes priorities for grant applications that benefit underserved communities, develop market opportunities for small and mid-sized farm and ranch operations and include a strategic plan to maximize the use of fund to build capacity for local and regional food systems in a community. (Section 10003)

The Conference substitute adopts the House provision with amendment. The amendment includes the Senate language on the purposes of the program as well as food enterprises that are not direct-to-consumer markets. The amendment sets the limitation of administrative expenses at 4 percent. It further includes the Senate language on giving priority to applications that include projects that benefit underserved communities. (Section 10003)

The Managers do not intend for this language to restrict resources for other key uses such as cold storage or equipment including mobile processing units or shelf stable packing activities.

(2) Organic Agriculture

The House bill reauthorizes the organic production and market data initiative authorization of appropriations for fiscal years 2014 through 2018, amends the Organic Foods Production Act to authorize the Secretary to modernize database and technology systems of

the National Organic Program (NOP) and authorizes appropriations of $11,000,000 for fiscal years 2014 through 2018 for the same. The House bill also repeals the National Organic Certification Cost-Share Program. In addition, section 501 of the Federal Agriculture Improvement and Reform Act of 1996 is amended to exempt certified organic products from promotion order assessments regardless of whether a person also handles conventional products and authorize an organic commodity promotion order and section 513(1) of the Commodity Promotion, Research, and Information Act of 1996 is amended to add organic products as a class to the definition of "agricultural commodity". (Section 10004)

The Senate amendment reauthorizes the organic production and market data initiative authorization of appropriations for fiscal years 2014 through 2018, and authorizes $5,000,000 in mandatory monies to remain available until expended and an annual report to Congress regarding implementation of the program and additional data needs as well as a description of how data collection agencies are coordinating with data user agencies to ensure data collected can be used by data users, including RMA to offer price elections for all organic crops. The amendment also authorizes the Secretary to modernize database and technology systems of the NOP, provides an authorization of appropriations of $15,000,000 for fiscal years 2014 through 2018 as well as $5,000,000 in mandatory monies towards modernization. Section 11034(b)(1)(A) of Senate Amendment requires 50 percent of the funds to go to organic certification. In addition, section 501 of the Federal Agriculture Improvement and Reform Act of 1996 is amended to exempt certified organic products from promotion order assessments regardless of whether a person also handles conventional products and authorize an organic commodity promotion order and section 513(1) of the Commodity Promotion, Research, and Information Act of 1996 is amended to add organic products as a class to the definition of "agricultural commodity". (Section 10005)

The Conference substitute adopts the House provision with an amendment. The amendment authorizes an Organic Production and Market Data Initiative annual report to Congress, including a description how data collection and user agencies are coordinating to ensure data can be utilized, and reauthorizes $5,000,000 of Commodity Credit Corporation funds for this initiative and the authorization of appropriations through fiscal year 2018. The amendment authorizes annual appropriations of $15,000,000 for fiscal years 2014 through 2018 for the National Organic Program and $5,000,000 of Commodity Credit Corporation funds for modernization and technology upgrades. The National Organic Certification Cost Share Program is reauthorized with $11,500,000 of Commodity Credit Corporation funds for each fiscal year 2014 through 2018, to remain available until expended. The amendment also authorizes an exemption of certified organic products from promotion order assessments and an organic commodity promotion order. (Section 10004)

In the Conference substitute, research and promotion programs or "checkoffs" occupy a unique place within the broad range of programs overseen by USDA's Agricultural Marketing Service (AMS). One distinctive attribute of these programs is their structure,

under which the message of the promotional campaign undertaken is effectively controlled by the Federal Government itself. Johanns v. Livestock Marketing Ass'n, 544 U.S. 550 (2005).

The organic checkoff program as agreed to by the Managers would differ from existing checkoffs, which are specific to a particular commodity. For the first time, a checkoff program is not solely commodity-specific, but could be established on the basis of a specific set of production and processing practices.

The Commodity Promotion, Research and Information Act of 1996, under which this provision is established, prohibits any advertising that may be disparaging to another commodity. As with any time a new checkoff is formed, a new potential for disparagement of all types of products arises. As with all checkoff programs, the Managers remain concerned about the potential for disparagement of other commodities, production and processing methods for the same commodity, competitors, processes, and products under this new authority.

Should an organic checkoff program be developed and approved, the Managers strongly encourage USDA AMS to review and revise, as appropriate, the November 4, 2010, "Guidelines for AMS Oversight of Commodity Research and Promotion Programs" to ensure these guidelines address potential disparagement in both commodity and process based checkoff programs.

(3) Organic Enforcement

The House bill authorizes recordkeeping requirements and investigative powers to the Secretary as well as suspension and revocation of an organic certification of a producer, handler or the accreditation of a certifying agent. (Section 10005)

The Senate amendment authorizes recordkeeping requirements and investigative powers to the Secretary as well as the stop sale of an agricultural product and revocation of an organic certification of a producer, handler or the accreditation of a certifying agent. (Section 10005)

The Conference substitute adopts the House provision with an amendment. The amendment authorizes investigative powers to the Secretary and recordkeeping requirements for persons who sell, label or represent agricultural products as produced or handled using organic methods. Refusal to provide accurate information is made unlawful and a violation of the Organic Foods Production Act. Information shall be made public in a manner that ensures confidentiality. (Section 10005)

(4) Food Safety Education Initiatives

The House bill amends Section 10105 of the Food, Conservation and Energy Act of 2008 to authorize the education of farm workers and education regarding additional food safety practices and contamination. It reauthorizes appropriations for fiscal years through 2018. (Section 10006)

The Senate amendment reauthorizes appropriations for fiscal years through 2018. (Section 10006)

The Conference substitute adopts the Senate provision. (Section10006)

(5) Specialty Crop Block Grants

The House bill reauthorizes section 101 of the Specialty Crops Competitiveness Act of 2004 through fiscal year 2018. The section provides that the amount of grants to the States be based on value production and acreage. It further amends eligibility requirements to include an application that contains an assurance that any grant funds for equipment or capital-related research costs will be supplemented by State funds at not less than 50 percent during the fiscal year and completely replaced by State funds after the fiscal year is over. The House section requires the Secretary to issue guidance for the purpose of making grants for projects involving food safety, plant pests and disease, research and crop-specific projects. It makes certain administrative requirements including an authorization of multistate projects. Of the funds of the Commodity Credit Corporation, $72,500,000 for fiscal years 2014 through 2017 and $85,000,000 for fiscal year 2018 is authorized. (Section 10007)

The Senate amendment is similar to the House language. However, it requires the Secretary to issue guidance for the purpose of making grants for projects involving food safety, plant pests and disease and crop-specific projects. Of the funds of the Commodity Credit Corporation, $70,000,000 for fiscal year 2014 and each fiscal year thereafter is authorized. (Section 10008)

The Conference substitute adopts the House provision with amendment. The amendment eliminates the House language on the State supplement for equipment or capital-related research costs. The amendment further established the mandatory funding level for fiscal year 2018 and each of the fiscal years thereafter. (Section 10010)

The Managers recognize the difficulty in coordinating and funding multi-state projects within the block grant program, and the Managers expect the USDA to issue guidance and work with states in making grants available for such projects. These multistate projects may include food safety, research, plant pest and disease, and crop specific projects. These projects have the ability to link growers across state lines and promote much needed collaborative research. The Managers also encourage the Department to work with states to allow for funding for priority research objectives that are supported by the states and that comply with the purposes of the Specialty Crops Competitiveness Act.

The Managers believe that many specialty crop growers benefit from the programs dedicated to the production and marketing of specialty crops and products derived from them. Throughout this legislation, the Managers have sought to bolster support for the specialty crop sector, but recognize that some specialty crop products continue to have production and marketing concerns outside of the policies specifically addressed in this legislation. One such specialty crop product is olive oil. In addition to the challenges associated with the production of an agriculture commodity, olive growers and olive oil processors face additional concerns related to trade and product standards of identity. With reference to international trade, tariff disparities pose a significant barrier to our export potential.

Regarding standards, the International Olive Council, an intergovernmental organization under the auspices of the United Nations, has traditionally set standards for olive oil throughout the world. USDA standards for olive oil closely match those of the IOC, even though the United States is not an IOC member.

However, testing standards continue to be an area of dispute due to differences in naturally occurring compounds, rapid chemical decomposition in olive oil, challenges related to sensory testing, and disagreement over what constitutes adulteration. Because of the difficulty in establishing an enforceable national standard of identity, there is potential for consumer confusion in cases where blending of oils and lesser quality oils into extra virgin olive oil is alleged to have occurred. In fact, Connecticut, New York, and Oregon have recently enacted olive oil grade standards to address consumer concerns.

A recent U.S. International Trade Commission report, "Olive Oil: Conditions of Competition between U.S. and Major Foreign Supplier Industries (Investigation No. 332–537)," issued September 12, 2013, at the behest of the U.S. House of Representatives Committee on Ways and Means documents some of these concerns.

The Commission's staff interviewed U.S. olive oil importers, European olive oil producers and exporters, U.S. olive growers and processors, government officials and others involved in the world olive oil industry. In the U.S. the total value of domestic and imported olive oil exceeds $1 billion and at the retail level the value is in excess of $5 billion. The report provided evidence of different olive oil standards in the U.S. and in foreign markets, which adds to the confusion.

Highlights from the report point indicate that:

> Current international standards for extra virgin olive oil allow a wide range of oil qualities to be marketed as extra virgin. In addition, the standards are widely unenforced. Mandatory testing with penalties for noncompliance exists only in Canada and the European Union. However, testing in the EU is only mandatory for a very small share of production (0.1 percent). Broad and unforced standards lead to adulterated and mislabeled products, weakening the competitiveness of high-quality producers, such as those in the United States, who try to differentiate their product based on quality.

Olive oil consumption has risen due to a recent focus on the benefits of a healthy diet, and as a result, the olive oil industry has great potential for our nation's farmers. However, barriers remain for domestic production. Many consumers also make purchasing decisions based on price. The Managers acknowledge that additional testing procedures could have an effect on olive oil importers and consumers.

The Managers urge the U.S. Department of Agriculture, U.S. Trade Representative and the U.S. Food and Drug Administration to study the U.S. International Trade Commission report and take action to remove the obstacles that are preventing the U.S. olive oil industry from reaching its potential. The Managers encourage USDA to collaborate with industry officials to determine if a mar-

keting order for olive oil would effectively address concerns, benefit the U.S. consumer, and protect domestic growers and importers.

The Managers expect the Secretary to enforce the regulations contained in 7 CFR Part 46.44, Good Delivery Standards for Lettuce. The Managers are particularly concerned about contracts and invoices that use disclaimers to exempt product from the condition standards for damages due to bruising and discoloration following bruising. The Managers expect the Secretary to investigate any contracts or invoices that violate standards and leave perishable product receivers no recourse for damages beyond the Good Delivery Standards for Lettuce.

Another important issue to the specialty crop industry is the challenges surrounding a federal standard of identity for honey.

The conference substitute requires the Secretary to consult with honey industry stakeholders, including the American Honey Producers Association, the American Beekeeping Federation, the National Honey Packers and Dealers Association, the Sioux Honey Association, and the Western States Honey Packers and Dealers Association, on a report describing the contents of a new federal standard of identity for honey. The honey industry is currently faced with a number of major challenges, including the dilution of honey with increased quantities of other substances as well as the addition or substitution of substances in order to mask dilution. The subsection requires that this report be submitted to the Commissioner of the Food and Drug Administration (FDA) within 180 days of enactment.

A citizens' petition was filed with the FDA in March 2006, which represents the honey industry's previous effort to develop a federal honey standard of identity. Since 2006, a number of states have enacted differing honey standards raising concerns about inconsistencies, the flow of commerce within the honey industry, confusion in the market place and unanticipated legal challenges. The honey industry is now undertaking efforts to develop a consensus federal standard of identity for consideration in the Secretary's report to the FDA.

(6) Department of Agriculture Consultation Regarding Enforcement of Certain Labor Law Provisions

The House bill Requires the Secretary of Agriculture to consult with the Secretary of Labor regarding the restraining of shipments of agriculture commodities or the confiscation of such commodities by the Department of Labor for actual or suspected labor law violations to consider the perishable nature of such commodities, impact on economic viability of farming operations and the competitiveness of specialty crops through the Specialty Crop Block Grant Program. (Section 10008)

The Senate amendment has no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment requires the consultation between the Secretaries of Agriculture and Labor regarding the restraining of shipments or confiscation of agriculture commodities by the DoL for labor law violations as well as a report to Congress describing the number of instances that the DoL has contacted a purchaser of perishable agricultural commodities to notify them of an investigation

or pending enforcement action against a producer from whom the purchaser bought such commodities. (Sec. 10011)

(7) Bulk Shipment of Apples to Canada

The House bill amends Section 4 of the Export Apple Act to allow apples shipped to Canada in bulk bins without complying with the Act. It requires the Secretary to issue regulations to carry out this provision. (Section 10010)

The Senate amendment provides that the Secretary of Agriculture has no authority to inspect apples in bulk bins prior to export in Canada. (Section 10011)

The Conference substitute adopts the House provision with amendment. The amendment clarifies that the section applies to apples shipped in any bulk container and is not limited to bulk bins. (Section 10009)

(8) Consolidation of Plant Pest and Disease Management and Disaster Prevention Programs

The House bill relocates legislative language authorizing the National Clean Plant Network to the Plant Protection Act, authorizes funds of the Commodity Credit Corporation, $62,500,000 for fiscal years 2014 through 2017 and $75,000,000 for fiscal year 2018, including $5,000,000 of those funds for the Clean Plant Network, and provides technical assistance shall not be considered an allotment or fund transfer from the CCC for purposes of the limit on expenditures for technical assistance. (Section 10011)

The Senate amendment provides relocates legislative language authorizing the National Clean Plant Network, authorizes funds of the Commodity Credit Corporation, $60,000,000 for fiscal years 2014 through 2017 and $65,000,000 for fiscal year 2018, and provides technical assistance shall not be considered an allotment or fund transfer from the CCC for purposes of the limit on expenditures for technical assistance. (Section 10007)

The Conference substitute adopts the House provision with an amendment. The amendment relocates the authorization of the National Clean Plant Network, authorizes $62,500,000 for fiscal years 2014 through 2017 and $75,000,000 for fiscal year 2018 and each fiscal year thereafter of Commodity Credit Corporation funds for Plant Pest and Disease Management and Disaster Prevention, including $5,000,000 of such funds for the National Clean Plant Network, and limits indirect costs for cooperative agreements. The amendment also prohibits CCC funds used for technical assistance under this title to be considered an allotment or fund transfer from the CCC for the purpose of the limit on expenditures for technical assistance. (Sections 10007 and 10017)

The Managers have combined this program with the Pest and Disease program and increased baseline funding for both to ensure the continued availability of funding for the important work of the National Clean Plant Network. The Conference substitute sets a funding floor of $5 million per year to the National Clean Plant Networks but further encourages the Secretary to provide from within the overall allocation under this section additional funds if deemed necessary. These funds may be provided to the Network without regard to the process for distributing funds to address the

other provisions of Section 420 of the Plant Protection Act. The Managers recognize that Disease Management and Disaster Prevention Programs as previously authorized in the Food, Conservation, and Energy Act of 2008 includes imminent pressing and persistent threats from pests and disease, such as Citrus Greening, to agriculture production.

The Managers recognize the importance of the Federal government, specifically the USDA, developing and maintaining the highest technological capability of identifying plant pests and invasive species. Further, the Managers believe that the advanced technological capabilities acquired through development of plant pest and disease detection technologies should facilitate the development of a coordinated, interagency response plan for the federal government to effectively mitigate plant pests and disease. The Managers encourage USDA to take the appropriate steps to facilitate information and technology sharing with other appropriate agencies of the Federal government involved in managing invasive pests such as Department of the Interior, Environmental Protection Agency, U.S. Customs and Border Protection, U.S. Coast Guard and the U.S. Army Corps of Engineers.

(9) Modification Cancellation, or Suspension on Basis of a Biological Opinion

The House bill provides that except in the case of a voluntary request from a registrant under section 3 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a), a registration may be modified, canceled or suspended on the basis of the implementation of a Biological Opinion issued by the NMFS or the USFWS prior to the completion of the National Academy of Sciences study commissioned by the Administrator of the EPA or Jan. 1, 2015, whichever is earlier, only if the action is taken pursuant to section 6 of the Act and the Biological Opinion complies with the recommendations contained in the study. The study shall include at minimum: (1) a formal, independent, and external peer review, consistent with OMB policies of each Biological Opinion, (2) an assessment of economic impacts of measures or alternatives recommended in each Biological Opinion, (3) an examination of specific scientific and procedural questions and issues pertaining to economic feasibility contained in a June 23, 2011 letter sent to the Administrator and other Federal officials from Members of Congress. (Section 10012)

The Senate amendment has no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment authorizes two reports to Congress that describe approaches and actions taken by the EPA, the US Fish and Wildlife Service, and the National Marine Fisheries Service to implement recommendations of the report, "Assessing Risks to Endangered and Threatened Species from Pesticides", to ensure public participation and transparency during such implementation and to minimize delays in integrating applicable pesticide registration and registration review requirements and the species and habitat protection processes described in sections 7 and 10 of the Endangered Species Act (ESA). The final report to Congress shall include an evaluation to establish that approaches utilize the best

available science, reasonable and prudent alternatives (RPA) are technologically and economically feasible, reasonable and prudent measures (RPM) are necessary and appropriate and the agencies ensure public participation and transparency in the development of RPA's and RPM's. The amendment also authorizes an update of a study to identify reasonable and prudent measures to implement the endangered species pesticides labeling program which would comply with the ESA and allow the continued production of food and fiber and the report to Congress regarding the results of the study. (Section 10013)

Overall Purpose of Provision

This provision addresses the activities of the Environmental Protection Agency (EPA) and the Fish and Wildlife Service and National Marine Fisheries Service (collectively, the Services) in addressing the integration of the consultation requirements of the Endangered Species Act (ESA) and the pesticides registration requirements of the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA).

A longstanding and well-documented inability to resolve fundamental scientific issues central to the integration of these statutory requirements led the EPA Administrator and the Secretaries of the United States Department of Agriculture (USDA), Department of Interior and Department of Commerce to ask the National Research Council (NRC) of the National Academy of Sciences (NAS) to provide guidance on certain scientific issues.

The final report from the NRC, *Assessing Risks to Endangered and Threatened Species from Pesticides,* was completed on April 30, 2013 (NAS Report). For the following five months EPA, the Services, and USDA worked together and produced an "interim" implementation plan (the "Interim Plan") that was shared with stakeholders in mid-November of 2013. However, the Managers believe that further work needs to be done to adequately address the concerns regarding the "Interim Plan."

It is the Managers intent through routine oversight to keep all involved government entities focused on promptly building the "Interim Plan" into a final set of processes and procedures that will maximize the efficient use of limited governmental resources, minimize delays in registration actions under Sections 3 and 33 of FIFRA, make it possible for EPA to comply with the FIFRA requirement that all registrations be reviewed every fifteen years, and ensure meaningful public participation. Additionally, the Managers through this provision reemphasize Congress's intention that all reasonable and prudent alternatives to address ESA concerns are economically and technologically feasible.

Intent of Specific Subsections

Subsection (a) requires that two reports be provided 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 jointly by the Administrator of the Environmental Protection Agency and the Secretaries of Commerce, Agriculture and the Interior, the first to be delivered 180 days after enactment of the legislation, and the

second six months later. Both reports are to describe the actions taken and approaches underway to implement the NAS Report's recommendations and otherwise minimize delays in integrating FIFRA's pesticide registration and registration review requirements and the ESA's species and habitat protection processes. The Managers expect that each report should include an explanation of how any remaining delays in this integration are expected to be overcome, and a schedule for doing so.

The provision references both Section 3 and 33 of FIFRA because both require timely EPA registration and registration review actions, including specific deadlines for action. It is the view of the Managers that the need for ESA compliance does not override these deadlines. It is important that the integration processes and procedures developed by EPA and the Services assure EPA can meet its statutory deadlines. Similarly, the Services should be exploring how habitat conservation plans as part of an Incidental Take Permit under Section 10 could be employed to simplify the consultation process under Section 7 when processing a permit application.

The provision underlines the importance of meaningful public participation and transparency. In addition to describing approaches and actions to ensure public participation and transparency, the Managers specifically expect the report to address experience with the process described in EPA's March 2013 paper, *Enhancing Stakeholder Input in the Pesticide Registration Review and ESA Consultation Processes and Development of Economically and Technologically Feasible Reasonable and Prudent Alternatives* and any modifications of that process that have been adopted or are anticipated.

The conference report requires that the second report to Congress address, in addition to an update of the matters discussed in the first report, a number of other matters. First, in identifying specific actions yet to be undertaken, the report should provide a schedule for the initiation and completion of each, which should be realistic and allow for public participation.

Second, the processes adopted both before and after completion of the two reports should recognize EPA's obligations to meet the requirements for timely action set forth in FIFRA Sections 3 and 33 and the resources available to the Services to address pesticide-related consultations.

Third, the report should comprehensively explain why the approaches and actions that have been or will be taken to address Congress's concerns in enacting this provision utilize the best available science, assure that reasonable and prudent alternatives presented in biological opinions are technologically and economically feasible and that reasonable and prudent measures are necessary and appropriate. Among other matters, this explanation should explain how the substantive and procedural concerns that resulted in the vacating of certain portions of the regulation appearing in Subpart D of Part 402 of the Code of Federal Regulations in *Washington Toxics Coalition* v. *USEPA*, 457 F.Supp. 2d 1158 (W.D. Wash. 2006), have been overcome; how the January 4, 2004 letter from the Director of the U.S. Fish and Wildlife Service and Assistant Administrator of the National Marine Fisheries Service to the

Principal Deputy Assistant Administrator of the Office of Prevention, Pesticides and Toxic Substances of the Environmental Protection Agency has been updated and revised; and how the Alternative Consultation Agreement entered into in August, 2004 by the Acting Assistant Administrator of the Office of Prevention, Pesticides and Toxic Substances of the Environmental Protection Agency, the Director of the U.S. Fish and Wildlife Service, and the Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration has been revised or whether it is scheduled to be revised.

Fourth, the report should include an update of the study and report on how ESA implementation is being undertaken while minimizing the impacts on persons engaged in the production of agricultural food and fiber commodities and other affected pesticide users and applicators.

(10) Use and Discharge of Authorized Pesticides

The House bill amends section 3(f) of the Federal Insecticide, Fungicide, and Rodenticide Act prohibiting the Administrator or a State from requiring a permit under the Federal Water Pollution Control Act for pesticide applications authorized under the Federal Insecticide, Fungicide and Rodenticide Act, except in certain instances and amends section 402 of the Federal Water Pollution Control Act prohibiting the Administrator or a State from requiring a permit under section 402 for the application into navigable waters of a pesticide applications authorized under the Federal Insecticide, Fungicide, and Rodenticide Act. Subsection (s)(2) provides exceptions for certain instances. (Section 10013)

The Senate amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(11) Seed not Pesticide or Device for Purposes of Importation

The House bill amends the Federal Insecticide, Fungicide, and Rodenticide Act to eliminate the requirement to notify the Administrator for seeds, including treated seeds, of the arrival of pesticides and devices. (Section 10014)

The Senate amendment has no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment prohibits the requirement of notification to the Administrator of the EPA of the arrival of a plant-incorporated protectant (PIP) contained in a seed. The Secretary, if requested, shall provide to the Administrator a list of seeds containing PIPs. The amendment does not limit the Secretary's other authorities regarding the movement of seeds. (Section 10008)

(12) Stay on Regulations Related to Christmas Tree Promotion, Research and Information Order

The House bill requires the Secretary, within 60 days of the enactment of this Act, to lift the administrative stay imposed by the rule establishing an industry-funded promotion, research and information program for fresh cut Christmas trees. (Section 10015)

The Senate amendment has no comparable provision.

The Conference substitute adopts the House provision. (Section 10014)

(13) Study on Proposed Order Pertaining to Sulfuryl Flouride

The House bill authorizes a report to Congress regarding the potential economic and public health effects that would result from finalization of the proposed order pertaining to sulfuryl fluoride. (Section 10016)

The Senate amendment has no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment directs the Administrator of the EPA to exclude nonpesticidal sources of fluoride from aggregate exposure assessments required under section 408 of the FFDCA when assessing tolerances associated with residues from the pesticide. (Section 10015)

(14) Study on Local and Regional Food Production and Program Evaluation

The House bill requires the Secretary to collect data on the production and marketing of locally or regionally produced agricultural food products, facilitate data sharing, and monitor programs designed to aid local and regional food systems. The bill further provides a sunset date of September 30, 2018 for the annual report. (Section 10017)

The Senate amendment is similar to the House bill but does not include the sunset date.

The Conference substitute adopts the Senate provision with an amendment. The amendment adds further requirements for the Secretary to collect data on regulatory compliance costs, monitor regulatory barriers, and evaluate local food systems. (Sec. 10016)

(15) Annual Report

The House bill authorizes a report and annual update to Congress regarding invasive species including a list of each invasive species that is in the U.S. as of the date of the report and information regarding each invasive species listed, including the means in which the species entered the U.S., cost estimates of the species to the public and private sectors and a description of any legal recourse available to people affected by the species. (Section 10018)

The Senate amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(16) Effective Date

The Senate amendment provides an effective date of this title as October 1, 2013. (Section 10013)

The House bill has no comparable provision.

The Conference substitute adopts the House provision.

TITLE XI—CROP INSURANCE

(1) Information sharing

The House bill, in section 11001(a), requires the Farm Service Agency (FSA), when authorized by the producer, to provide in a timely manner information to an agent or an approved insurance provider (AIP) that may assist the agent or AIP in insuring the producer, providing for privacy protection and limited sharing. Section 11001(b) requires disclosure (by name) of the amount of crop

insurance assistance received by Members of Congress, Cabinet Secretaries, and members of their immediate families. (Section 11001)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the disclosure requirements under section 11001(b). (Section 11001)

The Managers intend that the information sharing required under this section be effective upon enactment of the Farm Bill. The Managers view the requirement of this section as an important measure to ensure the timely correction and prevention of errors. The Managers intend that the Farm Service Agency provide agents or AIPs with information in a timely fashion to fully effectuate the intent of this section.

(2) Publication of information on violations of prohibition on premium adjustments

The House bill requires the Federal Crop Insurance Corporation (the Corporation) to publish information regarding each violation of the prohibition on rebates or premium adjustments, including any sanctions imposed, in sufficient detail so that the information may serve as effective guidance to AIPs, agents, and producers. (Section 11002)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 11002)

The Managers stress the importance of timely enforcement and publication of violations, especially in the heavy sales period prior to the sales closing date. The Managers also intend for the Risk Management Agency to investigate reports of violations made to the Risk Management Agency by agents or AIPs in the field. The Managers observe that the prohibition on rebating under the Federal Crop Insurance Act (FCIA) has not been construed to limit customary client relations, including but not limited to providing risk management education, maps, or help explaining coverage to lenders; promotional materials such as pens, caps, notepads; or engagement of clients in a social or civic setting. The Managers view these services and activities as ordinary business expenses common to the industry.

(3) Supplemental coverage option

The House bill, in section 11003(a), amends section 508(c)(3) of the Federal Crop Insurance Act to establish the Supplemental Coverage Option (SCO). Section 508(c)(3)(A) and (B) (as amended by section 11003(a) of the House bill) offers producer the option of purchasing additional coverage based on: (1) an individual yield and loss basis; (2) an area yield and loss basis; or (3) an individual yield and loss basis supplemented with coverage based on an area yield and loss basis to cover part of the deductible under the individual yield and loss policy. Section 508(c)(3)(C) (as amended by section 11003(a) of the House bill) establishes coverage on a margin basis alone or in combination with coverage on an individual yield and loss basis or on an area yield and loss basis, or an individual yield and loss basis supplemented with coverage based on an area yield

and loss basis. Subsection (b) amends section 508(c)(4) of the Federal Crop Insurance Act to establish the level of coverage available under SCO. Section 508(c)(4)(C)(i) (as amended by section 11003(b) of the House bill) requires SCO to be available at a county-wide level to the fullest extent practicable or, in counties that lack sufficient data, on the basis of a larger area that the Corporation determines will provide sufficient data. Section 508(c)(4)(C)(ii) (as amended by section 11003(b) of the House bill) stipulates that indemnities will be triggered only if losses in the area exceed 10 percent of normal levels. Section 508(c)(4)(C)(iii) (as amended by section 11003(b) of the House bill) establishes coverage in an amount that does not exceed the difference between 90 percent and the coverage level selected by the producer for the underlying policy or plan of insurance. Section 508(c)(4)(C)(iv) (as amended by section 11003(b) of the House bill) stipulates that crops enrolled in Revenue Loss Coverage or acres enrolled in stacked income protection for producers of upland cotton (STAX) are not eligible for SCO. Section 508(c)(4)(C)(v) (as amended by section 11003(b) of the House bill) establishes the premium for SCO at an amount that is sufficient to cover anticipated losses and a reasonable reserve and include an amount for operating and administrative expenses. Subsection (c) amends section 508(e)(2) of the Federal Crop Insurance Act to establish premium support for SCO at 65 percent of the additional premium associated with the coverage and A&O at 12 percent of the premium used to define loss ratio. Subsection (d) requires the provision of SCO beginning with the 2014 crop year. (Section 11003)

The Senate amendment amends section 508(c)(3) of the Federal Crop Insurance Act to establish SCO in the same manner as the House provision. Section 11001(a) amends section 508(c)(3) of the Federal Crop Insurance Act to establish SCO. Section 11001(b) amends section 508(c)(4) of the Federal Crop Insurance Act to establish the level of coverage available under the SCO. Section 508(c)(4)(C)(i) (as amended by section 11001(b) of the Senate amendment) requires SCO to be available if sufficient data is available (as determined by the Corporation). Section 508(c)(4)(C)(ii)) (as amended by section 11001(b) of the Senate amendment) makes coverage under this section subject to a deductible. If a producer selects Agriculture Risk Coverage (ARC), the amount of the deductible is equal to 22 percent of the expected value of the crop. For all other producers, the deductible is established at 10 percent. Section 508(c)(4)(C)(iii) (as amended by section 11001(b) of the Senate amendment) establishes coverage in an amount that does not exceed the difference between 100 percent and the coverage level selected by the producer for the underlying policy or plan of insurance. Section 508(c)(4)(C)(iv) establishes the premium for A&O in the same manner as the House provisions. Subsection (c) establishes premium support and A&O in the same manner as the House provision. Subsection (d) provides for a conforming amendment. Section 11013, which establishes a new section 508B of the Federal Crop Insurance Act, provides that acres enrolled in STAX are ineligible for supplemental coverage. (Sections 11001, 11013)

The Conference substitute adopts the House provision with amendments dropping the establishment of margin coverage pro-

vided in the House provision from the SCO section, establishing that SCO coverage will only be triggered if losses in the area exceed 14 percent of normal levels, limiting SCO coverage to not exceed the difference between 86 percent and the coverage level selected by the producer under the underlying policy, disallowing SCO coverage for crops enrolled in ARC (as well as acreage when enrolled in STAX), and requiring SCO to be made available beginning with the 2015 crop year. (Section 11003)

The Managers intend the Supplemental Coverage Option to be made available by the Corporation for sale by agents and AIPs in time for the 2015 crop year. This is essential given crop insurance is assuming a larger role in the risk management of producers in the wake of reduced support under the Commodity Title. The Managers particularly note that a producer may purchase a STAX policy and SCO coverage on the same cotton crop in the same county provided that they are purchased for separate acreage. The language in this section is clear on this point, precluding SCO coverage and ARC on the same crop but precluding SCO and STAX on the same acres. The Managers intend that producers of hybrid seed, including but not limited to hybrid seed corn, hybrid popcorn seed, hybrid sweet corn seed, hybrid sorghum seed, and hybrid rice seed, may supplement their coverage with either a revenue or yield SCO coverage option, at the producer's election. The Managers intend that cotton producers may supplement their cottonseed coverage with SCO yield coverage.

The Managers strongly urge the Corporation to allow popcorn producers to be covered under area risk protection insurance under written agreement until applicable policy provisions are amended to allow for such coverage.

Margin Coverage Option

The House bill, in section 11003(a), authorizes margin coverage for producers to elect alone, or in combination with individual yield and loss coverage or area yield and loss coverage, or in combination with both individual yield and loss coverage and area yield and loss coverage. (Section 11003)

The Senate amendment authorizes margin coverage to be made available alone or in combination with either individual yield and loss coverage or area yield and loss coverage. (Section 11002)

The Conference substitute adopts the House provision but authorizes margin coverage under a separate section in the Farm Bill from SCO. (Section 11004)

The Managers intend that margin coverage be approved and made available by the Corporation for sale by agents and AIPs in time for the 2015 crop year. Timely approval and availability is important to wheat, rice, and interested producers of other commodities.

(4) Premium amounts for catastrophic risk protection

The House bill requires the CAT premium to be reduced by the percentage equal to the difference between the average loss ratio for the crop and 100 percent, plus a reasonable reserve. (Section 11004)

The Senate amendment is the same as the House, except the reasonable reserve is "as determined by the Corporation." (Section 11003)

The Conference substitute adopts the Senate provision. (Section 11005)

(5) Repeal of performance-based discount

The House bill repeals the performance-based discount. (Section 11005)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(6) Permanent enterprise unit subsidy

The House bill makes permanent the Corporation's authority to pay a higher portion of the premiums for policies that insure on an enterprise unit basis. (Section 11006)

The Senate amendment is the same as the House. (Section 11004)

The Conference substitute adopts the House provision. (Section 11006)

(7) Enterprise units for irrigated and non-irrigated crops

The House bill requires the Corporation to make available separate enterprise units for acreages of irrigated and non-irrigated crops beginning with the 2014 crop year. (Section 11007)

The Senate amendment is the same as the House except that separate enterprise units are to be made available beginning with the 2013 crop year. (Section 11005)

The Conference substitute adopts the House provision but makes separate enterprise units available beginning with the 2015 crop year. (Section 11007)

The Managers intend for Enterprise Units by practice to be made available by the Corporation in time for the 2015 crop year.

(8) Data collection

The House bill provides authority for the use of data collected by the Risk Management Agency (RMA), the National Agricultural Statistics Service (NASS), or both, to determine yields. Where sufficient county data is not available, the Secretary is authorized to use data from other sources. (Section 11008)

The Senate amendment is the same as the House. (Section 11006)

The Conference substitute adopts the House provision. (Section 11008)

The Managers would note that the effectiveness of the improvements made by this Act to the Federal Crop Insurance Act hinges considerably on ensuring that necessary data is available for implementation of improvements in a manner that benefits all producers. The Managers intend that the Corporation will use this authority effectively to fully accomplish the objectives of the crop insurance title of the Farm Bill.

(9) Adjustment in actual production history to establish insurable yields

The House bill strikes the 60 percent yield plug in current law and replaces it with a 70 percent yield plug. (Section 11009)

The Senate amendment provides for a yield plug at 65 percent but only with respect to yields for the 2014 and subsequent crop years. (Section 11007)

The Conference substitute adopts the House provision with an amendment that drops the proposed replacement of the yield plug in current law and authorizes producers to exclude certain yield history from their APH database. The provision amends section 508(g) (as amended by section 11009 of the Farm Bill) by subjecting actual production history requirements under section 508(g)(2)(A) to the new yield exclusion authority and, under section 508(g)(4), by requiring an appropriate adjustment in premium when a producer elects to exclude yields pursuant to the authorities provided by this provision. The new section 508(g)(4)(C)(i) authorizes a producer 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. Section 508(g)(4)(C)(ii) provides that for any crop year in which a producer is able to make an election to exclude a yield under clause (i), a producer in a contiguous county may also elect to exclude a yield under the authority granted by this provision. Section 508(g)(4)(C)(iii) requires this provision to be implemented by irrigation practice. (Section 11009)

The Managers intend that when a producer elects to exclude a yield under this section that the Corporation would also exclude a year for purposes of calculating the producer's average actual production history. For example, if a producer has 10 years of history and elects to exclude one year pursuant to this section, the conferees intend that the Corporation will add the yields from the 9 remaining years in the database and divide the total by 9, not 10. The amendment to the Act specifically declares that a producer may make an election to exclude one or more yields notwithstanding section 508(g)(2)(A) which requires a data base building up to 10 consecutive crop years. Since the statute does not drill down further as to how the producer's average Actual Production History is to be calculated by the Corporation, the Managers intend that the more general directive in this section along with this clarifying report language is sufficient to ensure proper implementation as intended by the Managers without the need to amend Corporation regulations. The Managers note that this provision is effective upon the date of enactment of the Farm Bill. To the extent that it is not feasible to implement for the 2014 crop year due to the reinsurance year already having begun, the Managers intend that the provision will be implemented in time for the 2015 crop year. The Managers would observe that this provision applies to any yield in a producer's actual production database, including any yield that predates the enactment of this section.

The Managers strongly urge the Corporation to discontinue use of downward trending with respect to databases of perennial crops

of 5 years or less due to the hardship this inflicts on specialty crop producers, including peach producers, who, under the current rules, are not allowed to use their own proven APH despite the requirements of section 508(g)(2)(A). The Managers also strongly urge that vertically integrated producers be permitted to use adjusters' appraisals to settle claims and that transition yields for peaches be updated to account for technology and innovation.

(10) Submission and review of policies

The House bill, in section 11010(a), requires the Corporation to review and submit to the Federal Crop Insurance Corporation Board of Directors (Board) any policy developed under research and development contracting authority or pilot program authority if the Corporation, at its sole discretion, finds the policy will likely result in a viable and marketable policy, would provide crop insurance coverage in a significantly improved form, and adequately protects producer interests. The provision also establishes priorities for consideration and approval under section 508(h) of the Federal Crop Insurance Act, including a revenue policy for peanuts, a margin policy for rice producers, and separate enterprise units by risk rating in time for the 2014 crop year. Section 11010(b) allows for up to 75 percent of research and development cost to be paid in advance. (Section 11010)

The Senate amendment, in section 11008, is substantially similar to the House provision except that the Senate amendment does not include the House priorities. Section 11009 also proposes new policy review and approval criteria, requiring the Board to approve a new policy, plan of insurance, or other material 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, at its sole discretion, that the interests of producers are adequately protected; the rates of premium and price election methodology are actuarially appropriate; the terms and conditions are appropriate and would not unfairly discriminate among producers; the proposed policy or plan of insurance will, at the Board's sole discretion, result in viable and marketable policy, will provide crop insurance in a significantly improved form or in a manner that addresses a recognized flaw or problem, and will provide an improved kind of coverage for crops without insurance or experiencing low participation in crop insurance; the proposed policy or plan of insurance would not, in the sole discretion of the Board, have a significant adverse impact on the crop insurance delivery system; and the policy or plan meets other requirements determined appropriate by the Board. Section 11009 also provides that the Board, at its sole discretion, may establish annual priorities which would be made available on the Corporation website as well as a process where priority submissions would be considered and approved first. The Board is to consider making the highest priority those submissions designed to serve underserved commodities, including commodities for which there is no insurance, and those designed to address existing policies where there is inadequate coverage or low participation levels. Section 11018 of the Senate provision modifies the approval of costs for research and development, including the allowance of a waiver

on the 50 percent limit on advance costs, permitting the Board to approve an additional 25 percent advance payment to a submitter of a policy intended to provide coverage for a region or crop that is underserved by federal crop insurance, including specialty crops. (Sections 11008, 11009, 11018)

The Conference substitute adopts the Senate provisions, combining them into one section with the following amendments. The Board is required to review and approve for reinsurance and for sale by approved insurance providers to producers at actuarially appropriate rates and under appropriate terms and conditions any policy, plan of insurance, or other material where the Board determines that the interests of producers are protected. In addition, the Board must determine that the proposed policy or plan of insurance will provide a new kind of coverage that is likely to be viable and marketable, provide insurance coverage in a manner that addresses a clear and identifiable flaw or problem in an existing policy, or provide a new kind of coverage for a commodity that previously had no crop insurance or has demonstrated a low level of participation or coverage level under existing coverage. The Board must also determine that the policy or plan of insurance will not have a significant adverse impact on the crop insurance delivery system. The Board is required, in a timely manner, to first consider policies or plans of insurance that address underserved commodities, including commodities for which there is no insurance; secondly, to consider modifications to existing policies or plans of insurance for which there is inadequate coverage or there exists low participation levels for a crop; and finally to consider other submissions under section 508(h). The Board is required to make a priority the approval of a revenue policy for peanuts and a margin coverage policy for rice in time for the 2015 crop year; and the Board is authorized to approve another priority in time for the 2015 crop year, a submission that allows separate Enterprise Units by risk rating. With respect to approval of costs for research and development, the requirement that a policy address "a unique need of agricultural producers" is dropped as part of the qualifying criteria for the 50 percent advance, and the submitter not having sufficient financial resources to complete the development of the submission into a viable or marketable policy is dropped as part of the criteria for an additional 25 percent advance. (Section 11010)

The Managers observe the importance of a section 508(h) submission process that is highly conducive to the development, approval, and availability of new risk management products for producers. The Managers intend that, provided that largely objective standards are met by a submission under section 508(h), the Board must approve the policy. The Managers intend that the Board will honor the general priorities as required under the amendments made to section 508(h) under this section but in a manner that also provides for the timely consideration of other policies. The Managers specifically intend for the Board to approve a peanut revenue policy and a margin policy for rice producers in time for the 2015 crop year, as required under this section, and intend for the Board to use the authority granted under this section to consider and approve a submission providing for separate Enterprise Units by risk rating also in time for the 2015 crop year. The Managers would

also strongly urge the Board to place a high priority on the approval of a specialized irrigated grain sorghum policy that establishes improved rates and t-yields based on a certain high level of crop management.

(11) Equitable relief for specialty crop policies

The House bill provides that for each of the 2011 through 2015 reinsurance years, the Corporation must provide $41 million in reimbursement (in addition to the total amount of funding for A&O reimbursement) with respect to eligible insurance contracts for any agricultural commodity that is not eligible for a benefit under subtitles A, B, or C of Title I of this Act. (Section 11011)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(12) Consultation

The Senate amendment requires the submitter of a proposed policy to, as part of the 508(h) review process, consult with groups representing producers of agricultural commodities in all major producing areas for the commodities to be served or potentially impacted, either directly or indirectly. Any submission to the Board must include a summary assessment of the consultation and the Board must use the assessment to determine if the submission will create adverse market distortions. (Section 11010)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision but confines the scope of the new consultation requirements to fruits, vegetables, tree nuts, dried fruits, horticulture, nursery crops, and floriculture. (Section 11011)

(13) Budget limitations on renegotiation of the Standard Reinsurance Agreement

The House bill requires that, to the maximum extent practicable, any new SRA negotiated under section 508(k)(8)(A)(ii) shall be budget neutral as compared to the previous SRA, that in no event may a new SRA significantly depart from budget neutrality, and that any incidental savings realized from the renegotiation of the Standard Reinsurance Agreement be used to increase premium subsidies, A&O reimbursements, or fund pilot programs. (Section 11012)

The Senate amendment is similar except that the provision requires any savings realized from the renegotiation of the Standard Reinsurance Agreement "be used for programs administered or managed by the Risk Management Agency." (Section 11011)

The Conference substitute adopts the House provision with an amendment to clarify that, to the maximum extent practicable, estimated underwriting gains under any new SRA must be budget neutral as compared to estimated underwriting gains under the immediately preceding SRA were the preceding SRA extended over the same period of time (Subparagraph (F)(i)(I)). The substitute also clarifies that any future SRA must comply with provisions of the Federal Crop Insurance Act governing A&O rates but that this requirement is subject to the requirement that, to the maximum extent practicable, the estimated total amount of A&O under any

new SRA shall not be less than the estimated total amount of A&O under the immediately preceding SRA were the preceding SRA extended over the same period of time, as estimated on the date of enactment of the Farm Bill (Subparagraph (F)(i)(II)). The substitute requires in the same clause that in no event shall a new SRA significantly depart from the budget neutrality as defined in each of subclauses (I) and (II) unless otherwise required by the Federal Crop Insurance Act (Subparagraph (F)(i)(III)). The substitute further requires that to the extent there are any budget savings from a future SRA and they do not result in a significant departure from the budget neutrality required under each of subparagraphs (F)(i)(I) and (F)(i)(II), the savings must be used to increase A&O or underwriting gains (Subparagraph (F)(ii)). (Section 11012)

The Managers note that Federal Crop Insurance has been reduced by about $17 billion over the past six years, including directly in the 2008 Farm Bill, in the context of the 2011 Standard Reinsurance Agreement negotiated in 2010 pursuant to section 508(k)(8)(A)(i), and in the subsequent premium rerating of policies. The Managers intend that, in compliance with this section, any SRA negotiated pursuant to section 508(k)(8)(A)(ii) shall not be used as a means of achieving further cuts to Federal Crop Insurance. To this end, this provision of law requires forbearance from further cuts in any future SRA negotiations to the maximum extent practicable. The Managers observe that this provision imposes a clear duty on the FCIC to fulfill the statutory command to the extent that it is feasible or possible to do so while still fulfilling the purposes of the statute, namely the provision of crop insurance to farmers and ranchers through approved insurance providers and private sector agents. Absent clear directive under a future Act of Congress, the Managers expect that forbearance from budget reductions under any future SRA is, in fact, both feasible and possible. In requiring budget neutrality, it is the intent of the Managers that the authority of the Corporation to carry out its authorities under this subtitle to establish or revise premium rates shall not be affected by this amendment.

The Managers note that this provision of law establishes an effective floor for estimated underwriting gains (UWGs) and A&O amounts under any future SRA that is based on estimates under the current SRA. Subject to the prescribed minimum amount of A&O, the Managers also note that the provision requires the FCIC to comply with applicable provisions of the FCIA when establishing A&O rates. In contrast to UWGs where there is no statutory instruction, there is significant statutory instruction and history with respect to A&O rates. For instance, section 508(k)(4)(A)(ii) established a maximum A&O rate of 24.5 percent of premium used to define loss ratio beginning with the 1999 reinsurance year. Section 508(k)(4)(E) subsequently fixed the rate of A&O at 2.3 percentage points below the rate in effect on the date of enactment of the 2008 Farm Bill with respect to the 2009 and subsequent reinsurance years. And section 508(k)(8)(E) authorized alternative methods to determine A&O rates for covered reinsurance years under the SRA that took effect beginning with the 2011 reinsurance year. The Managers would observe that the applicable statutory A&O rates

are made subject to the estimated minimum amount of A&O required under this provision of law as well as to any additional A&O required in the event of incidental savings from a future SRA negotiated under section 508(k)(8)(A)(ii). The Managers note that Subparagraph (F)(i)(III) enforces the overarching purpose of this provision of law which is to avoid future spending reductions by maintaining budget neutrality. The Managers do not intend that this provision be construed to require that funding be increased or decreased with respect to either A&O or UWGs in a manner that would increase or decrease such funding relative to a future SRA negotiated under section 508(k)(8)(A)(ii) unless an increase or decrease is otherwise required by the operation of law.

Subparagraph (F)(i)(III) generally restates the overarching purpose of this provision of law which is to maintain budget neutrality unless the statute requires otherwise. The Managers note that budget neutrality requirements as defined in each of subclauses (I) and (II) and each enforced by subclause (III) may not be construed to require a reduction to another program. Subparagraph (F)(ii) holds that any savings from an SRA negotiated under section 508(k)(8)(A)(ii) shall be purely incidental and any such savings must be redirected back into A&O and UWGs. Thus, the Managers intend that any savings under a future SRA be, in fact, purely incidental and that these savings be used to increase A&O and UWGs in a manner that is not discriminatory or prejudicial to any approved insurance provider or agent. The Managers further intend that incidental savings from UWGs should be redirected to UWGs and, likewise, incidental savings from A&O should be redirected to A&O.

(14) Test weight for corn

The Senate amendment requires the Corporation to 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. As soon as practicable after the date of enactment of this provision, the Corporation is required to implement this provision on a regional basis based on market conditions and the interests of producers. The authority under this section terminates 5 years from implementation. (Section 11012)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 11013)

(15) Crop production on native sod

The House bill amends Section 508(o) of the Federal Crop Insurance Act. The provision amends the definition of native sod to include land that a producer cannot substantiate has ever been tilled. With respect to native sod, the provision requires a reduction in crop insurance premium support, and is denied NAP payments or Commodity Title payments. The provision requires that during the first 4 years of planting a crop on native sod, the premium support for crop insurance will be reduced by 50 percentage points. The provision also provides that the required reduction in benefits will apply to 65 percent of the transitional yield of the producer

and that a producer may not substitute yields on native sod ground. The provision is limited in application to the Prairie Pothole National Priority Area. The provision amends the Non-Insured Crop Disaster Assistance Program (NAP) program in the same fashion. Section 10013(c) requires a cropland report to the House and Senate Agriculture Committees and annual updates. (Section 11013)

The Senate amendment requires the same reduction in benefits as the House provision except that the Senate provision makes the reduction in benefits for planting on native sod nationwide. It further requires a cropland report and annual updates. (Section 11035)

The Conference substitute provides for a reduction in benefits for a producer that has tilled native sod for the production of an annual crop under both the Federal Crop Insurance Act and NAP. Under the Federal Crop Insurance Act, a producer is subject to a reduction in benefits during the first four crop years of planting. The crop insurance insured yield would be determined using a yield of 65 percent of the transitional yield of the producer. The reduced subsidy would be 50 percentage points less than the premium subsidy that would otherwise apply. The reduction in benefits does not apply to catastrophic level coverage.

In the case of benefits under NAP, a producer planting on native sod during the first four years is subject to a reduction in benefits. The reduced approved yield is determined by a yield that is 65 percent of the T yield of the producer. The service fees or premiums would be equal to 200% of the service fee or premium.

The conference substitute provides that the reduction in benefits for both federal crop insurance and NAP apply only on native sod in the states of Minnesota, Iowa, North Dakota, South Dakota, Montana, and Nebraska.

The conference substitute adopts the Senate provision on the requirement for a crop land report and annual updates. (Section 11014)

The Managers do not intend for approved insurance providers (AIP) or agents to be responsible for making any determinations relative to this section, nor for AIPs or agents to undertake any liability for changes in eligibility determinations.

(16) Coverage levels by practice

The House bill allows a producer that produces an agricultural commodity on both dry land and irrigated land to elect a different coverage level for each production practice beginning with the 2015 crop year. (Section 11014)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 11015)

The Managers intend that this provision will be implemented in time for the 2015 crop year. The Managers would observe that the risks relative to producing crops on dry land acreage versus irrigated acreage are considerably different and that many producers seek different coverage levels that are tailored to those differing risks.

(17) Beginning farmers and rancher provisions

The House bill, in section 11015, defines a beginning farmer or rancher as one who has not actively operated and managed a farm or ranch with a bona fide interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 5 crop years. Except in the case of CAT coverage, beginning farmers and ranchers receive premium assistance that is 10 percentage points higher than premium assistance otherwise provided. The section requires that a beginning farmer or rancher previously involved in a farming or ranching operation, including in decision making or physical involvement, be assigned a yield that is the higher of the APH of the previous producer of the crop or livestock on the acreage or the yield of the producer as otherwise provided by statute. The section further provides beginning farmers and ranchers with a higher yield plug of 80 percent of the applicable transitional yield. (Section 11015)

The Senate amendment is similar to the House. (Section 11032)

The Conference substitute adopts the House provision. (Section 11016)

The Managers intend this section to be implemented in a manner that does not discriminate against producers who grew up on a farm or ranch, left for post-secondary education or military service, and returned to the farm or ranch. When calculating the 5 crop years in this section, the Managers intend that any year when a producer was under the age of 18, in post-secondary studies, or serving in the U.S. military should not be counted.

(18) Stacked income protection plan for producers of upland cotton

The House bill, in section 11016(a), requires the Corporation to make available to upland cotton producers, beginning with the 2014 crop year, a new additional policy which is to provide coverage consistent with the Group Risk Income Protection (GRIP) Plan along with the Harvest Revenue Option Endorsement offered in the 2011 crop year. The section authorizes the Corporation to modify the policy on a program-wide basis provided the plan complies with certain requirements. The section requires coverage for revenue loss of not less than 10 percent and not more than 30 percent of expected county revenue, offered in increments of 5 percent. The section establishes a deductible under the policy of 10 percent of revenue loss in a county. The section requires that the policy be made available to all upland cotton producers in all counties of production at a county-wide level to the fullest extent practicable, or in counties that lack sufficient data, on the basis of a larger geographical area as determined by the Corporation. The section provides that this coverage may be purchased alone or in addition to any other individual or area coverage on the same acreage except that in the latter case the coverage may not exceed the deductible of the other policy. The section requires that coverage be based on the expected price established under existing GRIP or area wide policy offered by the Corporation for the county or area and crop year and an expected county yield. The section requires that the expected county yield be the higher of the expected county yield for existing area wide plans 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 consistent manner with an area wide plan) or the average of the applicable yield data for the county (or area) for the most recent 5 years, excluding the high and low, as observed by RMA, NASS, or both, or other data determined appropriate by the Secretary if sufficient county data is not available. The section requires use of a multiplier factor of not less than the higher of the level established on a program wide basis or 120 percent. The section requires an indemnity to be paid based on the amount that expected county revenue exceeds actual county revenue as applied to the individual coverage of the producer, except that indemnities may not include or overlap the producer's selected deductible. The section requires the availability of this coverage by irrigation practice in all counties where data is available. The section establishes the amount of premium and premium support and specifies the amount of A&O required for the policy. The section clarifies that the policy is in addition to all other coverage available to producers of upland cotton. Finally, section 11016(b) provides for a conforming amendment.

The Senate amendment: Section 11013 is similar to the House bill except that the Senate requires the stacked income protection plan to be made available beginning with the 2014 crop year if practicable and requires such protection to be made available by irrigation practice to the maximum extent practicable. (Section 11013)

The Conference substitute adopts the House provision except that stacked income protection for upland cotton producers is required to be made available beginning not later than the 2015 crop year. (Section 11017)

The Managers intend that the Stacked Income Protection Plan for Producers of Upland Cotton be implemented in a manner that if a producer participates in both the Stacked Income Protection Plan and an area-wide policy, the total indemnification under both policies combined does not exceed the total insured value of the crop. The Managers intend that the Stacked Income Protection Plan for Producers of Upland Cotton be implemented in a manner that includes the features of existing area-wide crop insurance products, including allowing for producers to select or decline the Harvest Price Option. The Managers further intend that the Stacked Income Protection Plan be fully implemented by the Corporation as expeditiously as possible.

(19) Peanut revenue crop insurance

The House bill, in Section 11017, requires the Corporation to make available revenue insurance for peanut producers beginning with the 2014 crop year. The section establishes an effective price for revenue and multiple peril insurance at a price equal to the Rotterdam price index for peanuts, adjusted to reflect the farmer stock price of peanuts in the U.S. The section authorizes RMA to adjust the effective price to correct distortions in an open and transparent manner with a report to the Agriculture Committees on the reasons for the adjustment. (Section 11017)

The Senate amendment is similar to the House provision. (Section 11014)

The Conference substitute adopts the House provision except that peanut revenue coverage is required beginning with the 2015 crop year and the effective price must be either the Rotterdam price or other appropriate price as determined by the Secretary. (Section 11018)

The Managers note that peanut revenue coverage is required to be made available to peanut producers in time for the 2015 crop year and that a separate section within the crop insurance title of this Act requires that the approval of a peanut revenue policy be made a priority.

(20) Authority to correct errors

The House bill amends section 515(c) of the Federal Crop Insurance Act to allow an agent or an AIP to correct unintentional errors in information that are provided by a producer. Section 515(c)(3)(A) (as amended by section 11018 of the House bill) specifies that the authority granted by section 10018 shall be in addition to any corrections already permitted and in place on the date of enactment of this Act. Section 515(c)(3)(A)(i) provides agents and AIPs authority to correct unintentional errors in information provided by the producer to obtain insurance within a reasonable period following the sales closing date. Section 515(c)(3)(A)(ii)(I) also provides that, within a reasonable time following the acreage reporting date, agents and AIPs may correct unintentional errors in factual information that are provided by a producer after the sales closing date to reconcile the information with the information reported by the producer to FSA. Section 515(c)(3)(A)(ii)(II) provides that agents and AIPs may make corresponding corrections within a reasonable amount of time following the date of any subsequent correction of data by the FSA made as a result of the verification of information. Section 503(c)(3)(A)(iii) provides that AIPs and agents may at any time correct unintentional errors made by FSA, agents, or AIPs in transmitting the information provided by the producer to the approved insurance provider or the Corporation. Section 515(c)(3)(B) provides that in accordance with Corporation procedures, the corrections permitted under clauses (i) and (ii) may only be made if the corrections do not allow the producer to avoid ineligibility requirements; to obtain, enhance or increase an insurance guarantee or avoid a premium owed if a cause of loss exists or has occurred before any correction has been made; or to avoid an obligation or requirement under federal or state law. Section 515(c)(3)(C) exempts errors corrected pursuant to this section from any late filing sanctions. (Section 11018)

The Senate amendment amends section 515(c) of the Federal Crop Insurance Act to require the Corporation to establish procedures to allow an agent or an AIP to, within a reasonable amount of time after the sales closing date, correct errors in specified information that is provided by a producer to ensure the information is consistent with information reported to FSA. The section limits the ability to correct errors if allowance would allow the producer to obtain a disproportionate benefit under crop insurance or other USDA program, avoid ineligibility requirements for crop insurance, or avoid an obligation under federal or state law. (Section 11015)

The Conference substitute adopts the House provision but requires the Corporation to establish procedures to implement the authority to correct errors that are in addition to authorities to correct errors in place as of the day before the date of enactment of this Act. The substitute also clarifies that the authority granted under Section 508(c)(3)(A)(i) is also to ensure that the information is consistent with information reported by the producer for other programs administered by the Secretary. The substitute allows an agent or approved insurance provider to make corresponding corrections within a reasonable amount of time following the date of any correction by the FSA made as a result of the verification of information. The substitute also clarifies that at any time an agent or an approved insurance provider may correct their electronic transmission errors, or the electronic transmission errors of FSA or other USDA agencies to the extent that the agent or AIP relied on that information. The substitute also provides authority to allow a producer to make late payment for crop insurance under certain conditions. (Section 11019)

The Managers would note that the authority to correct errors is in addition to any authorities to correct errors in existence on the day before the date of enactment of this Act, and that the additional authority provided under this section does not preclude the agency from administratively providing other additional authorities to correct errors.

(21) Implementation

Section 11020 requires the Secretary to maintain and upgrade information management systems used in the administration and enforcement of the FCIA. The section requires the Secretary to ensure that new hardware and software are compatible with the same used by other USDA agencies. The section requires the Secretary to develop and implement an acreage report streamlining initiative project. Mandatory funds are authorized by the section for systems upgrades ($25 million for FY2014 and $10 million for each fiscal year from FY2015 through FY2018) with additional funding (an additional $5 million for each fiscal year from FY2015 through FY2018) made available upon completion of the Acreage Crop Reporting Streamlining Initiative (ACRSI). The section requires a report to the Agriculture Committees upon the substantial completion of ACRSI. (Section 11019)

The Senate amendment is similar to the House provision and the funding levels are the same, except the expected completion date for ACRSI and the submission date of the report to the Agriculture Committees of Congress are different. (Section 11016)

The Conference substitute adopts the House provision except with reduced funding levels, with $14 million in FY2014 and $9 million in each fiscal year from FY2015 through FY2018 with an additional $5 million for each fiscal year from FY2015 through FY2018 if the specified conditions are met. (Section 11020)

(22) Crop insurance fraud

The Senate amendment amends section 516(b)(2) to require that beginning with the 2014 reinsurance year and for each reinsurance year thereafter, the Corporation may use up to $5 million

from the insurance fund to pay costs to reimburse expenses incurred for the review of policies, plans of insurance, and related materials and assist the Corporation in maintaining program integrity and, in addition to other amounts for this purpose, costs incurred by RMA for compliance operations. (Section 11017)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with modifications. The substitute provides that the Corporation may use from the insurance fund not more than $9 million for each of the 2014 and subsequent reinsurance years to reimburse expenses incurred for the operations and review of policies, plans of insurance, and related materials, and to assist the Corporation in maintaining program actuarial soundness and financial integrity. The substitute further provides that Secretary may, without further appropriation merge some or all of the funds made available under this subparagraph into the accounts of the Risk Management Agency and obligate those funds. The substitute also provides that the funds made available under this subparagraph are in addition to other funds made available for costs incurred by the Corporation. (Section 11021)

(23), (24), (26) Research and development priorities, Additional Research and Development Contracting Requirements, Alfalfa Crop Insurance Policy

The House bill authorizes the Corporation to conduct research and development in addition to current authority to enter into contracts for research and development. The section also makes underserved agricultural commodities, including sweet sorghum, biomass sorghum, rice, peanuts, sugarcane, alfalfa, pennycress, and specialty crops research and development priorities. (Section 11020)

The Senate amendment is similar to the House provision but excludes rice, peanuts, alfalfa, and pennycress while adding dedicated energy crops. The section also requires the Corporation to follow consultation requirements before conducting research and development or entering into a contract. (Section 11028)

The Conference substitute adopts the House provision and, within the same section, incorporates specific research and development requirements from section 10021 of the House bill and sections 11019, 11020, 11021, 11022, 11023, 11026 of the Senate bill, including House section 11021's margin coverage for catfish (which is the same as Senate section 11022); House section 11021's biomass and sweet sorghum energy crop insurance policies, which is similar to Senate section 11025; the House study on swine catastrophic disease program, which is similar to the study in Senate section 11021 except that under the Substitute the Corporation is required to contract with 1 or more qualified entities; the House whole farm diversified risk management insurance plan, which is similar to Senate section 11019, except that the Corporation is given up to two years to reach resolution before having to follow the directive of the section under the Substitute; the House section 11021 study on poultry catastrophic disease program; the House section 11021 poultry business interruption insurance policy which is similar to Senate section 11023 except that under the Substitute any coverage is limited to a portion of losses; the House section

11021 study of food safety insurance which is similar to Senate section 11020; and Senate section 11026 regarding alfalfa crop insurance policy. (Section 11022)

The Managers would note that sweet sorghum and biomass sorghum are listed as underserved commodities and intend that the Corporation give proper priority to the development and ultimate availability of coverage for these crops. The listing of rice and peanuts as underserved commodities also prioritizes development and availability of new policies serving these crops, including margin coverage for rice and revenue coverage for peanuts.

The Managers recognize alfalfa to be an important domestic forage crop valued for nitrogen fixation, soil conservation, crop rotation, and as a natural habitat. The Managers view alfalfa as having great potential for the national cash hay market and as an affordable means of supporting the forage and intensive grazing needs of the horse, cattle, and dairy sectors. However, from 2002 through 2011, alfalfa acreage has declined 15.7 percent, and in 2012 alone acreage declined an additional 10 percent. The Managers stress the importance of an alfalfa crop insurance policy to ensure that producers have the risk management protection that they need to produce this important crop. The Managers urge the Secretary to include information regarding regional differences in cultivation in the alfalfa crop insurance study.

In developing the whole farm diversified risk management insurance policy, the Managers recognize that 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. Making a crop market-ready may require incidental on-farm processing that could occur either in-field or off-field. This activity includes packing, packaging, washing, labeling, trimming, and other similar activities that occur after harvest in order to ensure a marketable commodity. It is the Managers' view that the production cost of such activities does not add value to the product beyond making it a saleable commodity.

In conducting the study on food safety insurance, the Managers do not intend to delay RMA's on-going efforts on these issues. The Managers are aware of existing RMA pilots on quarantine and encourages additional on-the-ground exploration into how risk management might work for quarantine in a specialty crop setting in both perennial and annual crops. The Managers acknowledge that naturally occurring food safety pathogens (a natural peril) could be insurable as cause of loss, but in light of the historical challenges of insuring these perils urges the agency to make examination of data collection into the extent and severity of these perils a priority for this report. The Managers likewise encourage RMA to continue to refine how crop insurance might protect against the risks associated by naturally occurring food safety pathogens. These risks could be associated with either revenue or yield and RMA's on-the-ground product development should not be slowed by this study. This study is designed to help specialty crop producers and Congress understand how these risks are already being, or could be, addressed by the crop insurance system. Special emphasis should be placed on the types of practical challenges that RMA be-

lieves are present that need to be overcome in order to create actuarially sound products as is required by statute, including, for example, data collection challenges that may be different or unique to specialty crops vis-a-vis row crops and the implementation of new insurance products on a pilot basis is encouraged as a part of an insurance-relevant data collection effort.

In establishing appropriate maintenance payments under Section 522(b)(4)(D)(ii) of the Federal Crop Insurance Act, the Managers urge the Corporation to consider whether it is appropriate to establish such payments at an amount totaling not less than the greater of $10 per policy (as adjusted periodically for inflation); one half of one percent of the total risk premium applicable to the policy; or, if applicable, the fee per policy approved by the Board under this paragraph that was in effect for crop year 2013.

(25) Study of crop insurance for seafood harvesters

The Senate amendment requires the Corporation to conduct a feasibility study of insuring seafood harvesters and report to Congress on the results of the study. (Section 11024)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(27) Crop insurance for organic crops

The Senate amendment requires as soon as possible but not later than for the 2015 reinsurance year, the Corporation shall offer producers of organic crops price elections for all organic crops, produced in compliance with USDA standards, that reflect the retail or wholesale price, as appropriate. The provision requires the Corporation to then report to Congress on progress made in developing and improving crop insurance for organic crops. (Section 11027)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 11023)

(28) Program compliance partnerships

The House bill provides that the purpose of subsection 522(d) of the Federal Crop Insurance Act is to authorize the Corporation to enter into partnerships with private and public entities for the purpose of either increasing availability of loss mitigation, financial, and other risk management tools for producers, with a priority given to risk management tools for producers covered by the Non-Insured Assistance program (NAP), specialty crops, and underserved commodities or improving analysis tools and technology regarding compliance or identifying and using innovative compliance strategies. (Section 11022)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment that rewrites the purposes of section 522(d), as proposed in the House provision, and adds to the objectives provided under section 522(d)(3) the improvement of analysis tools and technology regarding compliance or identifying and using innovative compliance strategies. (Section 11024)

In expanding the Partnerships for Risk Management Development and Implementation to include both improving analytical tools and technology and using innovative strategies for compliance with the federal crop insurance program, the Managers urge the Corporation to utilize this new authority to provide the government and industry with additional options with regard to ensuring program compliance.

(29) Index-based weather insurance pilot programs

The Senate amendment authorizes $10 million in each of fiscal years 2014 through 2018 for the Corporation to conduct a pilot program to provide financial assistance for producers of underserved crops and livestock (including specialty crops) to purchase an index-based weather insurance product from a private insurance company. The Corporation may pay a portion of the premium but not in excess of 60 percent. The provision also provides certain eligibility requirements for providers, as well as procedures for administration of the pilot program. (Section 11030)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with modifications. The substitute defines livestock to include cattle, sheep, swine, goats, poultry, and pasture, rangeland, and forage as a source of a feed for livestock. The substitute authorizes the Corporation to conduct two or more pilot programs to provide producers of underserved specialty crops and livestock with index-based weather insurance. The substitute requires the Board of the FCIC to approve two or more policies or plans of insurance of AIPs if the Board determines the pilot programs meet the requirements above and additional requirements that the AIPs must: have adequate experience underwriting and administering the kinds of policies proposed under the pilot; have sufficient assets or reinsurance and have sufficient credit rating; and have applicable authority and approval from each state in which the policy will be offered. Pilot program applications submitted pursuant to this section are required to be reviewed in a manner consistent with section 508(h) as well as the actuarial soundness requirements applied to other policies or plans of insurance. The substitute provides priority to pilot program policies that provide a new kind of coverage for specialty crops and livestock that have no available crop insurance or demonstrate low participation under available coverage. The substitute requires the Corporation to pay a percentage of premium, except that the premium support may not exceed 60 percent of total premium. The substitute prescribes the calculation of premium support and requires that the Corporation pay the premium support in the same manner and under the same terms and conditions as premium support for other policies. The Substitute authorizes A&O unless such costs are included in the premium but prohibits federal reinsurance, research and development cost reimbursement, or other reimbursements or maintenance fees. The substitute provides that the AIP that submitted the pilot program may offer the policy exclusively unless, in an exception to the prohibitions on fees, another AIP agrees to pay agreed upon maintenance fees that are reasonable and appropriate and the other AIP meets other eligibility requirements. The substitute requires the require-

ments of paragraph (4) to be met notwithstanding confidentiality requirements in paragraph (6). The substitute establishes oversight requirements, provides for confidentiality, and prohibits any policy or plan of insurance to be approved if it is substantially similar to privately available hail insurance. The substitute provides $12.5 million for each fiscal year 2015 through 2018 with such amounts to be made available until expended. The substitute clarifies that these amounts for the pilot program are in addition to amounts made available under other provisions in the Act. (Section 11026)

The Managers note that many producers of specialty crops and livestock are not adequately served by the existing suite of crop insurance products and that alternative approaches, such as this provision, may be appropriate to extend insurance coverage to those producers. Further, the Managers would urge the Corporation to use this pilot authority to develop new expertise and collect as much information as possible about the future development and use the weather-based index insurance as a method for covering producers who are currently underserved by existing crop insurance products. Consistent with the requirements of this section, the Managers intend for RMA to look at states or regions where the level of crop insurance coverage for a particular commodity is significantly below the national average.

(30) Enhancing producer self-help through farm financial benchmarking

The Senate amendment adds "farm financial benchmarking" to the list of objectives under the partnerships authorized under section 522(d) and the education and risk management assistance authorized under section 524(a). (Section 11031)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 11027)

(31) Limitation on premium subsidy based on average adjusted gross income

The Senate amendment requires that, beginning with the 2014 reinsurance year, the total amount of premium subsidy for additional coverage for any person or entity that has an average adjusted gross income in excess of $750,000 be 15 percentage points less than the premium subsidy that would otherwise be available for the applicable policy. This section would only take effect if the Secretary, in consultation with the Government Accountability Office, finds that the limitation would not: (1) significantly increase the amount of premium paid by producers with a lower AGI; (2) result in a decline in coverage available; and (3) increase the total cost of the federal crop insurance program. (Section 11033)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(32) Agricultural management assistance, risk management education, and organic certification cost share assistance

The House bill eliminates tree plantings and soil erosion control from the list of approved uses, and permanently authorizes the Agricultural Management Assistance Program at $10 million in

mandatory money each fiscal year. It sets aside 30 percent to NRCS for conservation, 10 percent to the Agricultural Marketing Service for organic certification, and 60 percent to the Risk Management Agency for risk management. (Section 2506)

The Senate amendment eliminates the list of states eligible for agricultural management assistance and specified uses for such assistance and authorizes Agricultural Management Assistance, Risk Management Education, and Organic Certification Cost Share Assistance. The provision applies a payment limit of $50,000. The provision provides $23 million in mandatory funding for each of fiscal years 2014 through 2018. (Section 11034)

The Conference substitute deletes both the House and Senate provisions.

(33) Technical amendments

The House bill strikes the crop insurance coverage requirement to receive certain benefits. The provision also eliminates the exclusion from assistance for losses due to drought conditions under the Livestock Forage Disaster Program. (Section 11024)

The Senate amendment strikes the crop insurance coverage requirement to receive certain benefits. (Section 11036)

The Conference substitute adopts the House provision with amendments to clarify that premium subsidy for area revenue and area yield plans are separately provided for, and that the Corporation must provide notice to Congress if it elects to renegotiate an SRA pursuant to section 508(k)(8)(A)(ii). (Section 11029)

(34) Advance public notice of crop insurance policy and plan changes

The House bill requires any changes to the terms and conditions of a policy to be published in the Federal Register at least 60 days before June 30 for fall planted crops and at least 60 days before November 30 for spring planted crops. (Section 11025)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(35) Greater accessibility for crop insurance

The Senate amendment requires that when issuing regulations and guidance relating to plans and policies of crop insurance, RMA and the Corporation use plain language, to the greatest extent practicable, as required under Executive Orders 12866 and 12988. The provision requires the Secretary to improve the website on which crop insurance information is disseminated and to report to Congress on efforts to accelerate compliance. (Section 11037)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

(36) GAO crop insurance fraud report

The Senate amendment requires the Comptroller General of the United States, as soon as practicable after the date of enactment of this paragraph, to conduct and submit to Congress a report describing the results of a study regarding fraudulent claims filed and benefits provided under this subtitle. (Section 11038)

The House bill contains no comparable provision.

The Conference substitute deletes the Senate provision.

TITLE XII—MISCELLANEOUS

SUBTITLE A—LIVESTOCK

(1) Repeal of the National Sheep Industry Improvement Center

The House bill repeals the National Sheep Industry Improvement Center. (Section 12101)

The Senate amendment moves the Sheep Center from the Consolidated Farm and Rural Development Act to the Agricultural Marketing Act of 1946. It establishes a competitive grant program in the Agricultural Marketing Service to improve the sheep industry. It also provides $1,500,000 in Commodity Credit Corporation funds for fiscal year 2014, to remain available until expended. Additionally, the amendment increases the amount of funds that can be used for administration from 3 percent to 10 percent, and it eliminates the authorization of appropriations. (Section 12104)

The Conference substitute adopts the Senate provision. (Section 12102)

(2) Repeal of certain regulations under the Packers and Stockyards Act, 1921

The House bill repeals the requirement to promulgate regulations with respect to the Packers and Stockyards Act; repeals the definition of additional capital investment; and prohibits enforcement of certain already promulgated regulations. (Section 12102)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(3) Country of origin labeling

The House bill requires the Secretary to conduct an economic analysis of USDA's March 12, 2013, proposed rule on country of origin labeling for beef, pork, and chicken. (Section 12105)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to clarify that the analysis should be conducted on USDA's final version of the rule. (Section 12104)

(4) Repeal of duplicative catfish inspection program

The House bill repeals section 11016 of the 2008 Farm Bill, thus no longer specifying catfish as amenable species and eliminating the grading program. (Section 12107)

The Senate amendment contains no comparable provision.

The Conference substitute amends section 11016 of the 2008 Farm Bill by clarifying the definition of "catfish." It also requires the Food Safety and Inspection Service (FSIS) and the Food and Drug Administration (FDA) to enter into a memorandum of understanding to ensure that inspections of dual jurisdiction facilities by the FSIS satisfy the requirements of the FDA, thereby preventing duplicative inspection oversight. (Section 12106)

It is the intent of the Managers to ensure the safety of the American food supply from food containing dangerous contaminants and banned substances. The Conference substitute amends

section 11016 of the 2008 Farm Bill to address perceived concerns regarding duplication; to provide direction to the Secretary regarding covered species; and to otherwise expedite implementation. The Managers are aware that the inappropriate and unregulated use of chemicals and veterinary drugs in aquaculture in some countries raises questions regarding health effects. There exists scientific evidence that demonstrates that the use of substances such as malachite green, nitrofurans, fluoroquinolones, and gentian violet during the stages of production can result in continued presence in edible Siluriforme products. The Managers believe that continuous inspection of farm-raised fish species is a legitimate tool to address these concerns. The Managers believe that the catfish inspection program authorized in the 2008 farm bill is consistent with the principles of most-favored-nation and national treatment, in that U.S. and foreign producers, processors, and products would be treated equally. Therefore, implementation of the program should proceed, as it upholds World Trade Organization responsibilities.

The Managers are aware of claims that implementation of the 2008 mandate has been delayed due to confusion related to the definition of catfish to be utilized by the FSIS. The Conference substitute clarifies this definition in a manner that achieves consistency in the application of the program and avoids arbitrary or unjustifiable distinctions in the level of inspection.

While the Managers fundamentally disagree with claims that a transfer of responsibility from one Federal agency to another somehow duplicates government oversight, the Managers are nevertheless sensitive to historical examples of bureaucratic jurisdictional conflict and have taken steps to address this concern. Specifically, the conference substitute directs the FSIS and FDA to exercise their existing authority to enter into a memorandum of understanding to improve interagency cooperation and to ensure that inspections of dual jurisdiction facilities by the FSIS satisfy the requirements of the FDA, thereby negating any requirement (real or perceived) for duplicative inspection oversight. Moreover, FSIS should work in collaboration with FDA to improve analysis and share information with regard to risk. The Managers are dissatisfied that the implementation process has already exceeded 5 years and see no barrier to FSIS completing this MOU and fully implementing the underlying inspection mandate within 60 days from the date of enactment of this Act. (Section 12106)

(5) National Poultry Improvement Program

The House bill requires the Secretary to administer the surveillance program for low pathogenic avian influenza for commercial poultry without amending the regulations for the governance of the General Conference Committee. Requires that the funding levels stay at FY 2013 levels. (Section 12108)

The Senate amendment requires the Secretary to continue to administer the avian influenza surveillance program in commercial poultry through NPIP. Requires the Secretary to ensure it meets any relevant standards established by WTO. (Section 12107)

The Conference substitute adopts the House provision with an amendment changing “Program” to “Plan” in the Section heading. (Section 12107)

(6) Report on bovine tuberculosis in Texas

The House bill requires the Secretary to submit a report on the incidence of bovine tuberculosis in Texas from January 1, 1997 to December 31, 2013. (Section 12109)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(7) Economic fraud in wild and farm-raised seafood

The House bill requires the Secretary to submit a report to Congress on the economic implications for consumers, fishermen, and aquaculturists of fraud and mislabeling of wild and farm-raised seafood. The report must be submitted within 180 days. (Section 12110)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(8) Feral swine eradication pilot program

The Senate amendment establishes a pilot program to study the extent of damage caused by feral swine and to develop methods to eradicate or control and to restore damage cause by feral swine. The amendment includes a 75 percent Federal cost-share, and it authorizes $2 million in appropriated funds for each of fiscal years 2014 through 2018. (Section 12105)

The House bill contains no comparable provision, authority expires.

The Conference substitute adopts the Senate provision with an amendment. The amendment revises the language as a Sense of Congress urging the Secretary of Agriculture to recognize the threat feral swine pose to the agricultural industry and to prioritize eradication of feral swine. (Section 12108)

SUBTITLE B—SOCIALLY DISADVANTAGED PRODUCERS AND LIMITED RESOURCE PRODUCERS

(9) Socially Disadvantaged Farmers and Ranchers Policy Research Center

The House bill requires the Secretary to establish a center for developing policy recommendations for the protection and promotion of the interests of socially disadvantaged farmers and ranchers. (Section 12203)

The Senate amendment is similar to the House, but uses a competitive grant program. (Section 12002)

The Conference substitute adopts the House provision. (Section 12203)

(10) Receipt for or denial of service from certain Department of Agriculture agencies

The House bill requires USDA to provide a receipt for service to all persons requesting a benefit offered by the Department. (Section 12204)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 12204)

SUBTITLE C—OTHER MISC. PROVISIONS

(11) Program benefit eligibility status for participants in high plains water study

The House bill amends Section 2901 to prohibit ineligibility for program benefits under the Federal Agriculture Reform and Risk Management Act of 2013 or an amendment made by that Act. (Section 12302)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 12302)

The Managers recognize that the ongoing depletion of the Ogallala Aquifer is an acute concern for the eight States that depend on it for agricultural, domestic, industrial uses, and other uses. This provision will allow agricultural producers to participate in a one-time study of aquifer recharge potential that will help inform State and local water conservation investment and policy to aid in managing this critical aquifer. The study is narrowly focused on a small number of playa lakes situated on agricultural land over the Ogallala Aquifer.

Playas are temporary wetlands unique to the High Plains of North America, numbering more than 60,000. Playas not only serve as the primary source of recharge for the Ogallala Aquifer, they are the most important wetland type for wildlife in this region. The Managers encourage the Department to further recognize the importance of playas through increased communication to landowners of the benefits of playas and conservation programs available. The Managers also encourage the Department to work with the Playa Lakes Joint Venture to enhance the use of such programs like CRP to help ensure the protection of playas.

(12) Military Veterans Agricultural Liaison

The House bill authorizes the position and duties of a Military Veterans Agricultural Liaison at the Department of Agriculture. (Section 12304)

The Senate amendment provides the Liaison the additional authority to enter into contracts or cooperative agreements with the research centers of the Agricultural Research Service, institutions of higher education or nonprofit organizations for specific purposes. (Section 12201)

The Conference substitute adopts the Senate provision. (Section 12304)

(13) Prohibition on keeping GSA leased cars overnight

The House bill prohibits Farm Service Agency employees that are issued government cars from taking the cars home overnight unless they are on official travel involving per diem. (Section 12305)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(14) Noninsured Crop Assistance Program

The House bill allows producers to obtain NAP coverage that is equivalent to additional coverage provided under subsections (c)

and (h) of the Federal Crop Insurance Act except the coverage level may not exceed 65 percent. The provision expands availability of NAP coverage for crops for which coverage under subsections (c) and (h) of the Federal Crop Insurance Act are not available and specifically includes sweet sorghum and biomass sorghum. The provision establishes a premium payment and application deadline date and requires the changes to NAP to become effective beginning with the 2015 crop. (Section 12306)

The Senate amendment is similar to the House provision except the provision excludes crops and grasses used for grazing, as well as ferns and tropical fish. The provision increases NAP fees per crop per county, per producer per county, and the maximum fee amount. The provision provides additional availability of NAP with respect to producers suffering losses to their 2012 annual fruit crop grown on a bush or tree and producers suffering losses in a county covered by a Secretarial disaster declaration due to freeze and frost. The provision is repealed effective October 1, 2018 upon which date the provision shall be construed to have never been enacted, except the exclusions from coverage provided under the provision are made permanent. (Section 12204)

The Conference substitute adopts the Senate provision except that crops and grasses for grazing may receive NAP coverage equivalent to CAT coverage but not additional coverage; sweet sorghum and biomass sorghum, including that which is grown for biofuels, renewable electricity, or biobased products is covered under NAP; the Secretary may waive the fees with respect to CAT equivalent NAP for beginning, limited resource, and socially disadvantaged farmers and these producers pay 50 percent less than otherwise required for additional coverage NAP; the applicable pay limit is included in the calculation of premium; the effective period for the provision is for the 2014 through 2018 crop years; and the Federal Crop Insurance Act is amended to exclude CAT coverage for crops and grasses uses for grazing. (Section 12305)

The Managers would observe that NAP is made available with respect to crops for which crop insurance has not yet been made available. The Managers stress that it is the objective of Congress that all crops, to the maximum extent practicable and unless otherwise provided for in law, should ultimately be covered by crop insurance, rather than NAP, where producers pay actuarially sound premiums in consideration for coverage and where private sector delivery has proven very effective. The Managers intend that the additional financial resources and the adjustments to the policy submission process under section 508(h), the research and development process, and the pilot program process will achieve this goal.

(15) Ensuring high standards for agency use of scientific information

The House bill requires federal agencies, by January 1, 2014, to have in effect guidelines to ensure and to maximize the quality, objectivity, utility, and integrity of the scientific information upon which the agencies rely. It prohibits any policy decision issued by an agency after January 1, 2014, from taking effect unless such agency has in effect guidelines for use of scientific information that

have been approved by the Director of the White House Office of Science and Technology Policy. (Section 12307)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(16) Evaluation required for purposes of prohibition on closure or relocation of county office for the FSA

The House bill requires a workload assessment before any Farm Service Agency county office closures take place. (Section 12308)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(17) Acer Access and Development Program

The House bill authorizes grants to state and tribal governments and research institutions for the purpose of promoting the domestic maple syrup industry. It authorizes $20 million in appropriated funds for each of fiscal years 2014 through 2018. (Section 12309)

The Senate amendment does not specify that the grants are run on a competitive basis and does not include research institutions as eligible for receiving grants. It authorizes appropriations for fiscal years 2014 and 2015. (Section 12208)

The Conference substitute adopts the House provision. (Section 12306)

(18) Regulatory review by the Secretary of Agriculture

The House bill requires the Secretary of Agriculture to review publications that provide notice of Environmental Protection Agency guidance, policy, memorandums, regulations or statements, for significant impacts on agricultural entities and then take certain, specified action. (Section 12310)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment authorizes a standing agriculture-related committee to provide scientific and technical advice to the science advisory committee and a report to Congress regarding the activities of the committee. (Section 12307)

The Managers expect the Administrator to consider requests received from the House Committee on Agriculture or the Senate Committee on Agriculture, Nutrition and Forestry in regard to issues or questions that the Committees believe merit action by the agriculture-related standing committee.

(19) Animal fighting venture

The House bill amends Section 26(a)(1) of the Animal Welfare Act to prohibit knowingly attending an animal fighting venture or causing a minor to attend an animal fighting venture. Penalties are covered by existing authorities in 18 U.S.C. 49. (Section 12311)

The Senate amendment is the same as the House. It confirms that penalties for violations are prescribed and enforced. The amendment sets the penalty for each violation for attending an animal fighting venture. It also sets the penalty for causing a minor to attend an animal fighting venture. (Section 12209)

The Conference substitute adopts the Senate provision with an amendment. The amendment changes the age of a minor from a person under the age of 18 years old to a person under the age of 16 years old. (Section 12308)

The Conference substitute amends the Animal Welfare Act by providing "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 business is determined by the Secretary to be de minimus." By limiting the scope of dealers and exhibitors who are required to obtain a license, the conference substitute allows the Secretary of Agriculture to focus the U.S. Department of Agriculture Animal and Plant Health Inspection Service's limited budget and inspection and enforcement staff on entities that pose the greatest risks to animal welfare and public safety. USDA has found that no license is required for small-scale breeders of certain animals (i.e., those that maintain four or fewer breeding cats and dogs and who sell only the offspring of those animals which were born and raised on the premises for pets or exhibition) and the Conference substitute codifies this exemption, allowing USDA to determine that animal breeders who raise animals on their own premises need not obtain a license if the number of animals they breed or sell, or the gross annual dollar amounts earned from such activities, are so minor as to merit disregard. The Managers continue to recognize the importance of ensuring that all animals bred, transported, and sold in (or substantially affecting) interstate commerce are humanely treated. The Conference substitute also allows USDA to determine that certain exhibition businesses are de minimus. An exhibitor's business must not be considered de minimus merely because the facility operates as a non-profit corporation, nor is the exhibition of a small number of dangerous animals (including, but not limited to, big cats, bears, wolves, nonhuman primates, or elephants) de minimus.

The Managers expect APHIS to complete this rulemaking expeditiously and would suggest a timeframe not to exceed one year from the date of enactment in order that the agency begin receiving the benefit the policy provides related to resource allocation. Furthermore, by freeing up resources and more effectively focusing its regulatory program, the Managers observe that this policy eliminates a direct obstacle to lifting the stay on the agency's contingency rule and issuance of the proposed rule to regulate bird dealers and exhibitors, and expect action to be taken on these rules without delay.

The Animal Welfare Act (AWA or the Act, 7 U.S.C. 2131 et seq.) seeks to ensure the humane handling, care, treatment, and transportation of certain animals that are sold at wholesale and retail for use in research facilities, for exhibition purposes, or for use as pets by means of federal licensing and inspection. A revised definition of retail pet store included in the Final Rule published by USDA on September 10, 2013, and effective November 18, 2013, restored and amended the exemption in § 2.1(a)(3)(vii) so that any person including, but not limited to, purebred dog or cat fanciers, who maintains a total of four or fewer breeding female dogs, cats, and/or small exotic or wild mammals, and who sells, at retail, only the offspring of these dogs, cats, and/or small exotic or wild mammals, which were born and raised on his or her premises, for pets

or exhibition, and is not otherwise required to obtain a license, is also considered a retail pet store for regulatory purposes.

The Managers are aware of confusion among the regulated industry and request clarification of two principles pertaining to the sale of pets: (1) Current regulatory language uses the term "breeding female" which does not appear in statute and thus lacks statutory direction. The Managers urge APHIS to clarify that only those female animals capable of reproduction and actively being used in a breeding program qualify as breeding females. (2) The Managers also recommend clarifying that USDA oversight of such sales pertains to those transactions in interstate commerce as provided for under the Commerce Clause (U.S. Const. amend. I, § 8.)] [and as referenced in § 2132(c) of the Animal Welfare Act and regulated under authority of the United States Department of Agriculture].

(20) Prohibition against interference by state and local governments with production or manufacture of items in other states

The House bill prohibits any state or local government from setting standards or conditions on the production or manufacture of agricultural products and preventing interstate sales of such agricultural products. The term "agricultural product" is as defined in the Agricultural Marketing Act of 1946. (Section 12312)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(21) Increased protection for agricultural interests in the Missouri River basin

The House bill directs the Secretary to take action to promote immediate increased flood protection to agricultural interests in the Missouri River basin. (Section 12313)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(22) Increased protection for agricultural interests in the Black Dirt region

The House bill directs the Secretary to take action to promote immediate increased flood protection for agricultural interest around the Wallkill River and the Black Dirt region. (Section 12314)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(23) Protection of honey bees and other pollinators

The House bill requires the Secretary to carry out activities to protect and ensure the long-term viability of populations of honey bees, wild bees, and other beneficial insects of agricultural crops, horticultural plants, wild plants, and other plants. The bill directs the Secretary to establish a task force to coordinate Federal efforts addressing the decline in bee health and assess Federal efforts to mitigate pollinator loss. It requires the Secretary to report to Congress within 180 days from the date of enactment. The Secretary may conduct feasibility studies to consider relocating and modernizing pollinator research labs. (Section 12315)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(24) Produce represented as grown in the US when it is not in fact grown in the US

The House bill requires the Secretary to provide technical assistance to U.S. Customs and Border Protection for identifying produce that is falsely represented as grown in the United States. Requires the Secretary to submit to the Agriculture Committees a report on produce represented as grown in the U.S. (Section 12316)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision. (Section 12309)

(25) Urban agricultural coordination

The House bill requires the Secretary to compile a list of programs for which urban farmers can apply, to adjust programs to enable urban farmers to participate, and to streamline the process for urban farmer participation. (Section 12317)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

Urban agriculture may include the use of backyard, roof-top, and balcony gardening, community gardening in vacant lots and parks, roadside urban fringe agriculture and livestock grazing in open space.

The Managers are aware of the importance of urban agriculture to many urban residents, and its potential for increased entrepreneurship, work opportunities, access to nutritious food, and improved quality of life.

The Managers are also aware that USDA has a number of resources and tools available that are applicable to urban farmers. The Managers encourage the Secretary to ensure that relevant USDA employees are knowledgeable regarding ways in which urban farmers can participate in their programs and include urban farmers in their ongoing outreach efforts to build awareness of the assistance and services that USDA can offer.

The Managers also encourage USDA to consider additional ways to expand its support of urban agriculture, which may take the form of economic analysis, statistical reports, dissemination of best practices, in addition to the vast quantity of knowledge and assistance already available through USDA's research, education and extension programs.

(26) Sense of Congress on increased business opportunities for black farmers, women, minorities, and small business

The House bill includes the sense of Congress that the Federal Government should increase the number of contracts awarded to black farmers, businesses owned and controlled by women, businesses owned and controlled by minorities, and small business concerns. (Section 12318)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

The Managers expect the Secretary to continue efforts to ensure that women and minority owned and controlled businesses and small businesses have the opportunity to do business with the

Department of Agriculture. The Conference Substitute continues efforts to ensure that socially-disadvantaged, beginning, and limited resource farmers and ranchers are aware of the programs and services available to them through USDA offices and initiatives.

(27) Sense of Congress on agricultural security problems

The House bill includes the sense of Congress that nutrients and chemicals play an important role in agricultural production. The Secretary should coordinate with the Department of Homeland Security to develop regulations and procedures to handle these agricultural chemicals. (Section 12319)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

Federal agencies have recently proposed a number of regulations in an effort to secure potentially dangerous amounts of chemical ingredients without hampering legitimate use in commercial grade fertilizers. While the Managers support regulations to properly secure, store and handle such ingredients, there are valid concerns that proposed regulations could unnecessarily impede American farmers' access to essential crop input products.

The Managers remind the Office of Homeland Security and Emergency Coordination within the Department of Agriculture's Office of the Secretary to actively work with the Federal departments and agencies responsible for the development and implementation of security programs that affect the availability, storage, transportation and use of a variety of chemicals and products used in agriculture.

The Managers recommend that the Office regularly engage with the Federal agencies responsible for establishing security programs to ensure they have the information necessary from manufacturers, retailers of crop input products, and the general farm community to develop procedures for effective security administration and enforcement while minimizing the potential for adverse impact on domestic agricultural productivity.

(28) Report on water sharing

The House bill requires the Secretary of State to submit a report to Congress on Mexico's Rio Grande water deliveries to the U.S., and the benefits to the U.S. of cooperation with Mexico on reservoir conservation in the Colorado River basin. The report is due 120 days from the date of enactment. (Section 12320)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to strike from the report the paragraph relating to the benefits to the U.S. (Section 12310)

(29) Scientific and economic analysis of the FDA Food Safety Modernization Act

The House bill requires the Secretary of Health and Human Services to provide a scientific economic analysis for the Food Safety Modernization Act (FSMA) before enforcing final regulations and to report to the Agriculture Committees on the impact of implementation of FSMA one year after date of enactment of the Farm Bill. (Section 12321)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment. The amendment eliminates the prohibition of enforcement of the regulations and instead simply requires the Secretary, when publishing the final rule on Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption, to include analysis of the information used in promulgating the final rule; an analysis on the economic impact of the rule; and a plan to evaluate any impacts and respond to producer concerns. The amendment further limits the reporting requirement from an annual report on the FDA Food Safety Modernization Act to two reports on the plan to evaluate the impact of the produce provisions and the evaluation and response to concerns, specifically. (Section 12311)

(30) Improved Department of Agriculture consideration of economic impact of regulation on small business

The House bill requires the Secretary to complete the procedures consistent with 5 U.S.C. 609(b) when it promulgates any rule that will have a significant economic impact on small entities. (Section 12322)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(31) Silvicultural activities

The House bill restores the specified silvicultural activities to nonpoint source status by exempting the listed activities from permits and the discretionary authority of the Environmental Protection Agency (EPA) under section 402(p)(6) of the Clean Water Act (CWA). (Section 12323)

The Senate bill contains no comparable provisions.

The Conference substitute adopts the House provision with an amendment. The amendment clarifies that the exemption applies to permits but does not extend to other authorities, including CWA section 402(p)(6). It further provides that the specific silvicultural activities are excluded from citizen enforcement actions under section 505(a) of the CWA (Section 12313)

The managers believe that that substitute will help resolve legal and economic uncertainty, and also help ensure that forests continue to provide important public benefits, like good paying jobs, renewable consumer products, and outdoor recreational opportunities.

The Conference substitute provides legal and economic certainty by codifying the EPA's long-standing policy that the specified silvicultural activities do not require a National Pollutant Discharge Elimination System (NPDES) permit. The amendment explicitly excludes the specified activities from the NPDES permit requirement. The substitute also recognizes that these activities are standard industry practice, which refers to normal silviculture as practiced in each state.

The substitute leaves EPA authority to take measures regarding these activities if future circumstances demonstrate the need to address adverse impacts to water quality caused by point source discharges of stormwater from silvicultural activities. The Man-

agers expect the Agency to exercise this authority based on identified threats to water quality.

The Conference substitute amends the savings provisions. The House bill reiterated clarification provided in the EPA Silviculture Rule that the amendment does not affect the regulation of dredged and fill discharges under CWA section 404. The Managers clarify that nothing in the provision should be construed to affect any existing NPDES permit requirement, nor should it be construed to affect any other application of Federal law to these activities.

By defining these silvicultural activities as nonpoint sources in 1976, EPA effectively excluded them from citizen enforcement actions under CWA section 505. The Conference substitute recognizes this by excluding any program adopted by EPA under section 402(p)(6) for the specified silvicultural activities from citizen enforcement actions under CWA section 505. The Managers ensure that no EPA measure adopted to address runoff associated with the specified silvicultural activities as expressly described in this section will be considered an effluent limitation subject to citizen enforcement actions under CWA section 505.

(32) Applicability of spill prevention, control, and countermeasure rule

The House bill amends the volume threshold that would require a Professional Engineer to certify a Spill Prevention, Control, and Countermeasure (SPCC) plan to farms with individual aboveground storage tanks larger than 10,000 gallons, aggregate aboveground storage of greater than 42,000 gallons, or a history of spills. Farms with aggregate aboveground storage of more than 10,000 gallons, but less than 42,000 gallons, and no spill history may self-certify. Farms with less than 10,000 gallons and no spill history are exempt from all SPCC requirements. For calculating aboveground storage capacity, containers on separate parcels of less than 1,320 gallons and containers approved by FDA for livestock feed are exempt. (Section 12324)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(33) Agricultural producer information disclosure

The House bill prohibits the Environmental Protection Agency (EPA) from publicly disclosing names, telephone numbers, email addresses, physical addresses, GPS coordinates, or other identifying information of any owner, operator, or employee of an agricultural or livestock operation. The prohibition does not apply when: (1) information is in a statistical or aggregated form at the county or higher level; (2) the producer consents; or (3) a state agency has the authority to collect data. EPA is prohibited from requiring information disclosure for the purposes of the approval of a permit, practice, or program administered by the agency. (Section 12325)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(34) Report on National Ocean Policy

The House bill requires that the Inspector General of USDA submit to the Agriculture Committees, within 90 days after enact-

ment, a report on the activities and resources expended on Executive Order 13547 since July 19, 2010. The report shall include any budget requests for FY2014 for the implementation of the executive order. (Section 12326)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(35) Sunsetting of programs

The House bill sunsets all discretionary programs in the Farm Bill upon expiration of the five-year authorization. (Section 12327)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(36) Information gathering

The Senate amendment requires the disclosure of information to state and local agencies or subdivisions as needed to implement state programs. Information can only be used by the state and is not subject to citizen request. (Section 12202)

The House bill contains no comparable provision.

The Conference substitute adopts the House provision.

(37) Bioenergy coverage in noninsured crop assistance program

The Senate amendment adds industrial crops grown expressly for the purpose of producing a feedstock for renewable biofuel, renewable electricity, or biobased products to the list of included crops under the Noninsured Crop Assistance Program. (Section 12205)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 12305)

(38) Pima Cotton Trust Fund

The Senate amendment establishes a trust fund in the Treasury, funded through appropriations, for the Secretary to make payments to nationally recognized associations that promote pima cotton use, yarn spinners who produced ring spun cotton from January 1, 1998 to December 21, 2003, and manufacturers who cut and sew cotton shirts and used imported cotton fabric from January 1, 1998 through July 1, 2003. Payments to spinners and manufacturers are based on a production ratio and must be certified through affidavit. (Section 12210)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment alters the funding mechanism for the Trust Fund to use funds from the Commodity Credit Corporation. (Section 12314)

(39) Agricultural Wool Apparel Manufacturers Trust Fund

The Senate amendment establishes a trust fund in the Treasury, funded through appropriations, for the Secretary to make payments to eligible manufacturers under paragraphs (3) and (6) of section 4002(c) of the Wool Suit and Textile Trade Extension Act of 2004. Payments are to be made to eligible manufacturers for years 2010–2013, no later than 30 days after funds are transferred

to the trust fund. For years 2014–2019, payments are to be made no later than April 15 of the year of payment. (Section 12211)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. The amendment alters the funding mechanism for the Trust Fund to use funds from the Commodity Credit Corporation. (Section 12315)

(40) Citrus Disease Research and Development Trust Fund

The Senate amendment establishes a trust fund in the Treasury, funded through appropriations, for the Secretary to make payments to entities engaged in 1) scientific research on diseases and pests; 2) the dissemination and commercialization of relevant information, techniques, or technology to solve citrus production disease or pest problems; and 3) the Citrus Disease Research and Development Trust Fund Advisory Board, if established. The Citrus Advisory Board would have five members from Florida, three from Arizona or California, and one from Texas. Not more than 5 percent of the Citrus Trust Fund may be used for the operations of the advisory board. The Secretary shall give strong deference to funding research projects on the proximity of citrus producers and the effects of such diseases as huanglongbing (citrus greening). (Section 12212)

The House bill contains no comparable provision.

The Conference substitute amends and moves this provision to Title VII. (Sections 7103 & 7306)

SUBTITLE D—CHESAPEAKE BAY ACCOUNTABILITY AND RECOVERY

(41) Chesapeake Bay Accountability Act of 2013

The House bill requires the Director of OMB to submit to Congress a crosscut budget on federal and state restoration activities in the Chesapeake Bay. It requires the Administrator of the Environmental Protection Agency (EPA) to develop a plan to provide assistance to Chesapeake Bay States to employ adaptive management in carrying out restoration activities. The Administrator shall update the plan every two years and report annually to Congress on the implementation of the plan. The amendment also requires the Administrator to appoint an Independent Evaluator to review and report on restoration activities and the use of adaptive management in the Chesapeake Bay watershed. (Section 12401)

The Senate amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

The Managers continue to support the efforts of farmers in the Chesapeake Bay watershed to reduce nutrient and sediment runoff. The Managers made significant investments in Title II programs aimed at providing financial and technical assistance to producers within the watershed. The Managers note the newly-created Regional Conservation Partnership Program which will provide USDA additional authorities to promote conservation practices within the watershed.

COMPLIANCE WITH RULES OF THE HOUSE OF REPRESENTATIVES AND SENATE REGARDING EARMARKS AND CONGRESSIONAL DIRECTED SPENDING ITEMS

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives and Rule XLIV of the Standing Rules of the Senate, neither this conference report nor the accompanying joint statement of managers contains any congressional earmarks, congressionally directed spending items, limited tax benefits, or limited tariff benefits, as defined in such rules.

From the Committee on Agriculture, for consideration of the House amendment and the Senate amendment, and modifications committed to conference:

FRANK D. LUCAS,
RANDY NEUGEBAUER,
MIKE ROGERS of Alabama,
MICHAEL K. CONAWAY,
GLENN THOMPSON of Pennsylvania,
AUSTIN SCOTT,
ERIC A. "RICK" CRAWFORD,
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KRISTI L. NOEM,
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RODNEY DAVIS of Illinois,
COLLIN C. PETERSON,
MIKE MCINTYRE,
JIM COSTA,
TIMOTHY J. WALZ,
KURT SCHRADER,
SUZAN K. DELBENE,
GLORIA NEGRETE MCLEOD,
FILEMON VELA,

From the Committee on Foreign Affairs, for consideration of title III of the House amendment, and title III of the Senate amendment, and modifications committed to conference:

EDWARD R. ROYCE,
TOM MARINO,
ELIOT L. ENGEL,

From the Committee on Ways and Means, for consideration of secs. 1207 and 1301 of the House amendment, and secs. 1301, 1412, 1435, and 4204 of the Senate amendment, and modifications committed to conference:

DAVE CAMP,
SAM JOHNSON of Texas,

For consideration of the House amendment and the Senate amendment, and modifications committed to conference:

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