

PRODUCING RESPONSIBLE ENERGY AND CONSERVATION  
INCENTIVES AND SOLUTIONS FOR THE ENVIRONMENT  
ACT

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JUNE 3, 2022.—Committed to the Committee of the Whole House on the State of  
the Union and ordered to be printed

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Mr. DAVID SCOTT of Georgia, from the Committee on Agriculture,  
submitted the following

R E P O R T

[To accompany H.R. 2518]

The Committee on Agriculture, to whom was referred the bill  
(H.R. 2518) to leverage incentives for the adoption of costly precision  
agriculture technology, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

BRIEF EXPLANATION

This legislation, as reported out of Committee, allows for the adoption of precision agriculture practices and the acquisition of precision agriculture technology to be activities included in the Conservation Loan and Guaranteed Loan Program. The bill also expands loan eligibility to rural entities for precision agriculture and rural broadband. This bill also adds the adoption of precision agriculture as an EQIP practice and as an additional payment authority of the Conservation Stewardship Program.

PURPOSE AND NEED FOR LEGISLATION

The House Agriculture Committee understands that science, technology, and innovation are important for the long-term success and sustainability of modern agriculture, family farms, and rural America. Precision agriculture and countless other innovations across the industry have resulted in American farmers becoming more efficient producers of food and fiber. Among other benefits, precision agriculture helps determine the best fertilizer for current soil conditions and where exactly on the field it needs to be applied. This allows farmers to know the precise amount required, thus,

saving money and lowering emissions. In addition, improved fertilizer, soil, and water use can significantly improve water quality with less runoff.

The expansion of affordable precision agriculture technologies and applications could substantially increase crop yields, improve distribution, and reduce inputs costs, while also reducing emissions and preventing soil degradation. However, many of these technologies remain cost prohibitive for the average farmer. To help make this technology more feasible and accessible to farmers, the Committee reported bill leverages incentives for the adoption of costly precision agriculture technology by increasing cost-share and practice payments under the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP).

Under the Committee reported bill, this cost-share and payments would cover the purchase of precision agriculture equipment and systems; incentivize private sector financing of precision agriculture equipment through the Conservation Loan Guarantee Program and the Business and Industry Loan Guarantee Program; and fund 100% of precision agriculture projects through joint participation of conservation cost-share programs and the Conservation Loan Program.

**H.R. 2518, PRODUCING RESPONSIBLE ENERGY AND CONSERVATION INCENTIVES AND SOLUTIONS FOR THE ENVIRONMENT ACT**

**SECTION-BY-SECTION**

*Section 1. Short title*

Section 1 provides the short title of the bill as the “Producing Responsible Energy and Conservation Incentives and Solutions for the Environment Act,” or the “PRECISE Act.”

*Section 2. Conservation Loan and Loan Guarantee Program*

Subsection (1) amends section 304 subsection (b)(3) of the Consolidated Farm and Rural Development Act to add precision agriculture practices and the acquisition of precision agriculture technology to the list of conservations plans allowed under the conservation loan and loan guarantee program.

Subsection (2) amends subsection (d) of the Consolidated Farm and Rural Development Act to include producers who use the loans to adopt precision agriculture practices or acquire precision agriculture technology to the list of eligible applicants.

Subsection (3) grants the Secretary the authority to guarantee up to 90 percent of the principal amount of the loan for socially disadvantaged farmers or ranchers, beginning farmers or ranchers, or loans that are used for the purchase of precision agriculture technology.

Subsection (4) amends subsection (f) of section 304 of the Consolidated Farm and Rural Development Act to require that the Secretary ensure there is coordination between FSA and NRCS to make and guarantee loans under the program.

*Section 3. Assistance to rural entities*

This section amends section 310B(a)(2) of the Consolidated Farm and Rural Development Act to allow the Secretary to make and in-

sure loans to rural entities for the purpose of expanding precision agriculture practices, which includes financing equipment and farm-wide broadband connectivity, to promote best-practices, reduce costs, and improve the environment.

#### *Section 4. Environmental Quality Incentives Program*

Subsection (a) amends the definitions section of the Food Security Act of 1985 to include the adoption of precision agriculture practices and the acquisition of precision agriculture technology as an eligible conservation activity under the program.

Subsection (b) amends section 1240B(d)(6) of the Food Security Act of 1985 to allow producers receiving payments for practices on eligible land under EQIP to also receive a loan or loan guarantee under section 304 of the Consolidated Farm and Rural Development Act to cover costs for the same practices on the same land. This subsection also amends section 1240B(d)(6) of the Food Security Act of 1985 and requires the Secretary to inform EQIP participants in writing of the availability of a loan or loan guarantee under section 304 of the Consolidated Farm and Rural Development Act. This subsection provides that the Secretary may increase the amount for a practice up to 90 percent of the cost associated with the adoption of precision agriculture practices and acquiring precision agriculture technology.

Subsection (c) includes adoption of precision agriculture and acquisition of precision agriculture technology in Conservation Incentive Contracts.

#### *Section 5. Conservation Stewardship Program*

Subsection (a) amends section 1240L(c)(3) of the Food Security Act of 1985 by excluding payment under the Conservation Stewardship Program for a producer who did not incur payment or forgo income for conservation activities.

Subsection (b) amends the Food Security Act of 1985 to include precision agriculture in the additional payments of the Conservation Stewardship Program.

#### *Section 6. Delivery of Technical Assistance*

This section requires the Secretary to emphasize the use of third parties in providing technical assistance for soil health planning, including planning related to the use of cover crops, precision conservation management, comprehensive nutrient management planning, and other innovative plans.

### COMMITTEE CONSIDERATION

#### I. SUBCOMMITTEE

On May 12, 2021, the Subcommittee on Conservation and Forestry held a hearing entitled *Title II Conservation Programs: Exploring Climate-Smart Practices* where the following witnesses testified on conservation and precision agriculture strategies as they relate to climate and agriculture:

- Charles Isbell, Jr, Farmer and Co-Owner, Keenbell Farm, Rockville, VA
- Kimberly Ratcliff, Owner, Caney Creek Ranch, Oakwood, TX

- Dr. Keith Paustian, Distinguished Professor, Dept. of Soil and Crop Science, Colorado State University; Senior Research Scientist, Natural Resource Ecology Laboratory, CSU
- Jamie Johansson, President, California Farm Bureau, Sacramento, CA

This hearing examined how Title II programs enacted through the farm bill encourage conservation measures like planting cover crops, reduced- to no-till management and improved grazing practices contribute to mitigating climate change and allow for more efficient farm production. Studies have shown that these practices have helped farmers produce a greater annual crop yield and improve the health of surrounding soils and adjacent watersheds. Precision agriculture has the potential to further improve agricultural relationships to long-term soil health. Proven precision methods have shown to reduce over-fertilization and runoff. An example of precision agriculture as discussed in the hearing is variable rate technology, allowing for farmers to specify what sort of nutrients and pesticides to use on different plots of the same field. New precision technology in conjunction with outlined agricultural conservation practices can rapidly improve our agricultural landscape and help farmers' bottom line.

## II. FULL COMMITTEE

On May 17, 2022, the Committee on Agriculture met pursuant to notice, with a quorum present to consider H.R. 2518, Producing Responsible Energy and Conservation Incentives and Solutions for the Environment. Chairman Scott made an opening statement as did Ranking Member Thompson. Chairman Scott requested other Members submit their opening statements for the record. Without objection, H.R. 2518 was placed before the Committee for consideration, a first reading of the bill was waived.

Discussion occurred. Chairman Scott made a motion for unanimous consent to discharge H.R. 2518 from the Subcommittee on Commodity Exchanges, Energy, and Credit. The motion was adopted without objection. Chairman Scott made a motion for unanimous consent to adopt and favorably report H.R. 2518 to the House. The motion for unanimous consent was adopted without objection.

The Committee recessed until May 18, 2022. At the conclusion of the meeting, Chairman Scott advised Members that pursuant to the Rules of the House of Representatives, Members had until May 20, 2022, at 12:00 p.m. to file any supplemental, additional, dissenting, or minority views with the Committee. Without objection, staff was given permission to make any necessary technical, clarifying, or conforming changes to reflect the intent of the Committee. Chairman Scott thanked all Members and adjourned the meeting.

## COMMITTEE VOTES

In compliance with clause 3(b) of rule XIII of the House of Representatives, H.R. 2518 was reported by unanimous consent with a majority quorum present.

## COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Commit-

tee's oversight findings and recommendations are reflected in the descriptive portions of this report.

#### COST OF LEGISLATION AND THE CONGRESSIONAL BUDGET ACT

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause (3)(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has requested but not received a cost estimate for this bill from the Director of the Congressional Budget Office. The Committee adopts as its own cost estimate the forthcoming cost estimate of the Director of the Congressional Budget Office, should such cost estimate be made available before House passage of the bill.

The Committee has requested but not received from the Director of the Congressional Budget Office a statement as to whether this bill contains any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures. Congressional Budget Office staff has informed the Committee on a preliminary, informal, nonbinding basis that there does not appear to be any revenue effects or direct spending associated with the bill.

#### CONSTITUTIONAL AUTHORITY STATEMENT

The Committee finds the Constitutional authority for this legislation in Article I, section 8, clause 3, that grants Congress the authority to regulate foreign and interstate commerce. The Committee further finds the Constitutional authority for this legislation in Article I, section 8, clause 1, that grants Congress the power to provide for the general welfare of the United States.

#### PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the House of Representatives, the performance goals and objectives of this measure are to incentivize the adoption of precision agriculture by including such activities in existing programs.

#### ADVISORY COMMITTEE STATEMENT

No advisory committee within the meaning of section 5(b) of the Federal Advisory Committee Act was created by this legislation.

#### APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104-1).

#### FEDERAL MANDATES STATEMENT

An estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act was not made available to the Committee in time for the filing of this report. The Chair of the Com-

mittee shall cause such estimate to be printed in the *Congressional Record* upon its receipt by the Committee.

#### EARMARK STATEMENT

This measure does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI of the House of Representatives.

#### DUPLICATION OF FEDERAL PROGRAMS

This measure does not establish or reauthorize a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program in the most recent Catalog of Federal Domestic Assistance.

#### DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee does not believe that the legislation directs an Executive Branch official to conduct any specific rule making proceedings within the meaning of 5 U.S.C. 551.

#### CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

#### **CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT**

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#### TITLE III—AGRICULTURAL CREDIT

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#### SUBTITLE A—REAL ESTATE LOANS

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#### **SEC. 304. CONSERVATION LOAN AND LOAN GUARANTEE PROGRAM.**

(a) IN GENERAL.—The Secretary may make or guarantee qualified conservation loans to eligible borrowers under this section.

(b) DEFINITIONS.—In this section:

(1) **QUALIFIED CONSERVATION LOAN.**—The term “qualified conservation loan” means a loan, the proceeds of which are used to cover the costs to the borrower of carrying out a qualified conservation project.

(2) **QUALIFIED CONSERVATION PROJECT.**—The term “qualified conservation project” means conservation measures that address provisions of a conservation plan of the eligible borrower.

(3) **CONSERVATION PLAN.**—The term “conservation plan” means a plan, approved by the Secretary, that, for a farming or ranching operation, identifies the conservation activities

that will be addressed with loan funds provided under this section, including—

- (A) the installation of conservation structures to address soil, water, and related resources;
- (B) the establishment of forest cover for sustained yield timber management, erosion control, or shelter belt purposes;
- (C) the installation of water conservation measures;
- (D) the installation of waste management systems;
- (E) the establishment or improvement of permanent pasture;
- (F) the adoption of precision agriculture practices, and the acquisition of precision agriculture technology;*
- ~~(F)~~ (G) compliance with section 1212 of the Food Security Act of 1985; and
- ~~(G)~~ (H) other purposes consistent with the plan, including the adoption of any other emerging or existing conservation practices, techniques, or technologies approved by the Secretary.

(c) ELIGIBILITY.—

(1) IN GENERAL.—The Secretary may make or guarantee loans to farmers or ranchers in the United States, farm cooperatives, private domestic corporations, partnerships, joint operations, trusts, limited liability companies, or such other legal entities as the Secretary considers appropriate that are controlled by farmers or ranchers and engaged primarily and directly in agricultural production in the United States.

(2) REQUIREMENTS.—To be eligible for a loan under this section, applicants shall meet the requirements in subparagraphs (A) and (B) of section 302(a)(1).

(d) PRIORITY.—In making or guaranteeing loans under this section, the Secretary shall give priority to—

(1) qualified beginning farmers or ranchers and socially disadvantaged farmers or ranchers;

(2) owners or tenants who use the loans to convert to sustainable or organic agricultural production systems; ~~[and]~~

(3) producers who use the loans to build conservation structures or establish conservation practices to comply with section 1212 of the Food Security Act of 1985~~[.]~~; and

*(4) producers who use the loans to adopt precision agriculture practices or acquire precision agriculture technology, including adoption or acquisition for the purpose of participating in the environmental quality incentives program under subchapter A of chapter 4 of subtitle D of title XII of the Food Security Act of 1985.*

(e) LIMITATIONS APPLICABLE TO LOAN GUARANTEES.—The portion of a loan that the Secretary may guarantee under this section 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.]~~

*(2) 90 percent of the principal amount of the loan in the case of—*

- (A) a producer that is a qualified socially disadvantaged farmer or rancher or a beginning farmer or rancher; or
- (B) loans that are used for the purchase of precision agriculture technology.

**[(f) ADMINISTRATIVE PROVISIONS.—The Secretary]** *(f) ADMINISTRATIVE PROVISIONS.—*

*(1) GEOGRAPHIC DIVERSITY.—The Secretary shall ensure, to the maximum extent practicable, that loans made or guaranteed under this section are distributed across diverse geographic regions.*

*(2) COORDINATION WITH NRCS.—In making or guaranteeing loans under this section, the Secretary shall ensure that there is coordination between the Farm Service Agency and the Natural Resources Conservation Service.*

**(g) CREDIT ELIGIBILITY.—**The provisions of paragraphs (1) and (3) of section 333 shall not apply to loans made or guaranteed under this section.

**(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 2023.

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#### **SEC. 310B. ASSISTANCE FOR RURAL ENTITIES.**

**(a) LOANS TO PRIVATE BUSINESS ENTERPRISES.—**

**(1) DEFINITIONS.—**In this subsection:

**(A) AQUACULTURE.**—The term “aquaculture” means the culture or husbandry of aquatic animals or plants by private industry for commercial purposes including the culture and growing of fish by private industry for the purpose of creating or augmenting publicly owned and regulated stocks of fish.

**(B) SOLAR ENERGY.**—The term “solar energy” means energy derived from sources (other than fossil fuels) and technologies included in the Federal Nonnuclear Energy Research and Development Act of 1974, as amended.

**(2) LOAN PURPOSES.—**The Secretary may make and insure loans to public, private, or cooperative organizations organized for profit or nonprofit and private investment funds that invest primarily in cooperative organizations, to Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups, or to individuals for the purposes of—

**(A)** improving, developing, or financing business, industry, and employment (including through the financing of working capital) and improving the economic and environmental climate in rural communities, including pollution abatement and control;

**(B)** the conservation, development, and use of water for aquaculture purposes in rural areas;

**(C)** reducing the reliance on nonrenewable energy resources by encouraging the development and construction of solar energy systems and other renewable energy systems (including wind energy systems and anaerobic digestors for the purpose of energy generation), including the modification of existing systems, in rural areas; **[and]**

(D) to facilitate economic opportunity for industries undergoing adjustment from terminated Federal agricultural price and income support programs or increased competition from foreign trade[.]*; and*

*(E) expanding precision agriculture practices, including by financing equipment and farm-wide broadband connectivity, in order to promote best-practices, reduce costs, and improve the environment.*

(3) LOAN GUARANTEES.—Loans described in paragraph (2), when originated, held, and serviced by other lenders, may be guaranteed by the Secretary under this section without regard to paragraphs (1) and (4) of section 333.

(4) MAXIMUM AMOUNT OF PRINCIPAL.—No loan may be made, insured, or guaranteed under this subsection that exceeds \$25,000,000 in principal amount.

(b) SOLID WASTE MANAGEMENT GRANTS.—

(1) IN GENERAL.—The Secretary may make grants to non-profit organizations for the provision of regional technical assistance to local and regional governments and related agencies for the purpose of reducing or eliminating pollution of water resources and improving the planning and management of solid waste disposal facilities. Grants made under this paragraph for the provision of technical assistance shall be made for 100 percent of the cost of such assistance.

(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 2023.

(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; or
- (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 2023, 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).
- (d)(1) The Secretary may participate in joint financing to facilitate development of private business enterprises in rural areas with the Economic Development Administration, the Small Business Administration, and the Department of Housing and Urban Development and other Federal and State agencies and with private and quasi-public financial institutions, through joint loans to applicants eligible under subsection (a) for the purpose of improving, developing, or financing business, industry, and employment and improving the economic and environmental climate in rural areas or through joint grants to applicants eligible under subsection (c) for such purposes, including in the case of loans or grants the development, construction, or acquisition of land, buildings, plants, equipment, access streets and roads, parking areas, utility extensions, necessary water supply and waste disposal facilities, refining, service and fees.
- (2) No financial or other assistance shall be extended under any provision of this section, except for cases in which such assistance does not exceed \$1,000,000 or for cases in which direct employment will not be increased by more than fifty employees, that is calculated to or is likely to result in the transfer from one area to another of any employment or business activity provided by operations of the applicant, but this limitation shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment in the area of original location or in any other area where such entity conducts business operations unless there is reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business en-

tity in the area of its original location or in any other area where it conducts such operations.

(3) No financial or other assistance shall be extended under any provision of this section, except for cases in which such assistance does not exceed \$1,000,000 or for cases in which direct employment will not be increased by more than fifty employees, which is calculated to or likely to result in an increase in the production of goods, materials, or commodities, or the availability of services or facilities in the area, when there is not sufficient demand for such goods, materials, commodities, services, or facilities, to employ the efficient capacity of existing competitive commercial or industrial enterprises, unless such financial or other assistance will not have an adverse effect upon existing competitive enterprises in the area.

(4) No financial or other assistance shall be extended under any provision of this section, except for cases in which such assistance does not exceed \$1,000,000 or for cases in which direct employment will not be increased by more than fifty employees, if the Secretary of Labor certifies within 30 days after the matter has been submitted to him by the Secretary of Agriculture that the provisions of paragraphs (2) and (3) of this subsection have not been complied with. The Secretary of Labor shall, in cooperation with the Secretary of Agriculture, develop a system of certification which will insure the expeditious processing of requests for assistance under this section.

(5) No grant or loan authorized to be made under this title shall require or be subject to the prior approval of any officer, employee, or agency of any State.

(6) No loan commitment issued under this section shall be conditioned upon the applicant investing in excess of 10 per centum in the business or industrial enterprise for which purpose the loan is to be made unless the Secretary determines there are special circumstances which necessitate an equity investment by the applicant greater than 10 per centum.

(7) No provision of law shall prohibit issuance by the Secretary of certificates evidencing beneficial ownership in a block of notes insured or guaranteed under this title or Title V of the Housing Act of 1949; any sale by the Secretary of such certificates shall be treated as a sale of assets for the purposes of the Budget and Accounting Act of 1921. Any security representing beneficial ownership in a block of notes guaranteed or insured under this title or Title V of the Housing Act of 1949 issued by a private entity shall be exempt from laws administered by the Securities and Exchange Commission, except sections 17, 22, and 24 of the Securities Act of 1933, as amended; however, the Secretary shall require (i) that the issuer place such notes in the custody of an institution chartered by a Federal or State agency to act as trustee and (ii) that the issuer provide such periodic reports of sales as the Secretary deems necessary.

(e) RURAL COOPERATIVE DEVELOPMENT GRANTS.—

(1) DEFINITIONS.—In this subsection:

(A) NONPROFIT INSTITUTION.—The term “nonprofit institution” means any organization or institution, including an accredited institution of higher education, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(B) UNITED STATES.—The term “United States” means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the other territories and possessions of the United States.

(2) GRANTS.—The Secretary shall make grants effective October 1, 1996, under this subsection to nonprofit institutions for the purpose of enabling the institutions to establish and operate centers for rural cooperative development.

(3) GOALS.—The goals of a center funded under this subsection shall be to facilitate the creation of jobs in rural areas through the development of new rural cooperatives, value added processing, and rural businesses.

(4) APPLICATION.—Any nonprofit institution seeking a grant under paragraph (2) shall submit to the Secretary an application containing a plan for the establishment and operation by the institution of a center or centers for cooperative development. The Secretary may approve the application if the plan contains the following:

(A) A provision that substantiates that the center will effectively serve rural areas in the United States.

(B) A provision that the primary objective of the center will be to improve the economic condition of rural areas through cooperative development.

(C) A description of the activities that the center will carry out to accomplish the objective. The activities may include the following:

(i) Programs for applied research and feasibility studies that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

(ii) Programs for the collection, interpretation, and dissemination of information that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

(iii) Programs providing training and instruction for individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

(iv) Programs providing loans and grants to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

(v) Programs providing technical assistance, research services, and advisory services to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center.

(vi) Programs providing for the coordination of services and sharing of information among the center.

(D) A description of the contributions that the activities are likely to make to the improvement of the economic conditions of the rural areas for which the center will provide services.

(E) Provisions that the center, in carrying out the activities, will seek, where appropriate, the advice, participation, expertise, and assistance of representatives of busi-

ness, industry, educational institutions, the Federal Government, and State and local governments.

(F) Provisions that the center will take all practicable steps to develop continuing sources of financial support for the center, particularly from sources in the private sector.

(G) Provisions for—

- (i) monitoring and evaluating the activities by the nonprofit institution operating the center; and
- (ii) accounting for money received by the institution under this section.

(5) AWARDING GRANTS.—Grants made under paragraph (2) shall be made on a competitive basis. In making grants under paragraph (2), the Secretary shall give preference to grant applications providing for the establishment of centers for rural cooperative development that—

(A) demonstrate a proven track record in carrying out activities to promote and assist the development of cooperatively and mutually owned businesses;

(B) demonstrate previous expertise in providing technical assistance in rural areas to promote and assist the development of cooperatively and mutually owned businesses;

(C) demonstrate the ability to assist in the retention of businesses, facilitate the establishment of cooperatives and new cooperative approaches, and generate employment opportunities that will improve the economic conditions of rural areas;

(D) commit to providing technical assistance and other services to underserved and economically distressed areas in rural areas of the United States;

(E) demonstrate a commitment to—

- (i) networking with and sharing the results of the efforts of the center with other cooperative development centers and other organizations involved in rural economic development efforts; and

- (ii) developing multiorganization and multistate approaches to addressing the economic development and cooperative needs of rural areas; and

(F) commit to providing a 25 percent matching contribution with private funds and in-kind contributions, except that the Secretary shall not require non-Federal financial support in an amount that is greater than 5 percent in the case of a 1994 institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)).

(6) GRANT PERIOD.—

(A) IN GENERAL.—A grant awarded to a center that has received no prior funding under this subsection shall be made for a period of 1 year.

(B) MULTIYEAR GRANTS.—If the Secretary determines it to be in the best interest of the program, the Secretary shall award grants for a period of more than 1 year, but not more than 3 years, to a center that has successfully met the parameters described in paragraph (5), as determined by the Secretary.

(7) AUTHORITY TO EXTEND GRANT PERIOD.—The Secretary may extend for 1 additional 12-month period the period in which a grantee may use a grant made under this subsection.

(8) TECHNICAL ASSISTANCE TO PREVENT EXCESSIVE UNEMPLOYMENT OR UNDEREMPLOYMENT.—In carrying out this subsection, the Secretary may provide technical assistance to alleviate or prevent conditions of excessive unemployment, underemployment, outmigration, or low employment growth in economically distressed rural areas that the Secretary determines have a substantial need for the assistance. The assistance may include planning and feasibility studies, management and operational assistance, and studies evaluating the need for development potential of projects that increase employment and improve economic growth in the areas.

(9) GRANTS TO DEFRAY ADMINISTRATIVE COSTS.—The Secretary may make grants to defray not to exceed 75 percent of the costs incurred by organizations and public bodies to carry out projects for which grants or loans are made under this subsection. For purposes of determining the non-Federal share of the costs, the Secretary shall consider contributions in cash and in kind, fairly evaluated, including premises, equipment, and services.

(10) COOPERATIVE RESEARCH PROGRAM.—The Secretary shall enter into a cooperative research agreement with 1 or more qualified academic institutions in each fiscal year to conduct research (including research and analysis based on data from the latest available Economic Census conducted by the Bureau of the Census) on the effects of all types of cooperatives on the national economy.

(11) ADDRESSING NEEDS OF MINORITY COMMUNITIES.—

(A) DEFINITION OF SOCIALLY DISADVANTAGED GROUP.—In this paragraph, the term “socially disadvantaged group” has the meaning given the term in section 355(e).

(B) RESERVATION OF FUNDS.—

(i) IN GENERAL.—If the total amount appropriated under paragraph (13) for a fiscal year exceeds \$7,500,000, the Secretary shall reserve an amount equal to 20 percent of the total amount appropriated for grants for cooperative development centers, individual cooperatives, or groups of cooperatives—

(I) that serve socially disadvantaged groups; and  
(II) a majority of the boards of directors or governing boards of which are comprised of individuals who are members of socially disadvantaged groups.

(ii) INSUFFICIENT APPLICATIONS.—To the extent there are insufficient applications to carry out clause (i), the Secretary shall use the funds as otherwise authorized by this subsection.

(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.

(13) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection \$40,000,000 for each of fiscal years 2014 through 2023.

(g) BUSINESS AND INDUSTRY DIRECT AND GUARANTEED LOANS.—

(1) DEFINITION OF BUSINESS AND INDUSTRY LOAN.—In this subsection, the term “business and industry loan” means a business and industry direct or guaranteed loan that is made or guaranteed by the Secretary under subsection (a)(2)(A), including guarantees described in paragraph (3)(A)(ii).

(2) LOAN GUARANTEES FOR THE PURCHASE OF COOPERATIVE STOCK.—

(A) IN GENERAL.—The Secretary may guarantee a business and industry loan to individual farmers or ranchers for the purpose of purchasing capital stock of a farmer or rancher cooperative established for the purpose of processing an agricultural commodity.

(B) PROCESSING CONTRACTS DURING INITIAL PERIOD.—A cooperative described in subparagraph (A) for which a farmer or rancher receives a guarantee to purchase stock under subparagraph (A) may contract for services to process agricultural commodities, or otherwise process value-added agricultural products, during the 5-year period beginning on the date of the startup of the cooperative in order to provide adequate time for the planning and construction of the processing facility of the cooperative.

(C) FINANCIAL INFORMATION.—Financial information required by the Secretary from a farmer or rancher as a condition of making a business and industry loan guarantee under this paragraph shall be provided in the manner generally required by commercial agricultural lenders in the area.

(3) LOANS TO COOPERATIVES.—

(A) ELIGIBILITY.—

(i) IN GENERAL.—The Secretary may make or guarantee a business and industry loan to a cooperative organization that is headquartered in a metropolitan area if the loan is used for a project or venture described in subsection (a) that is located in a rural area or a loan guarantee that meets the requirements of paragraph (6).

(ii) EQUITY.—The Secretary may guarantee a loan made for the purchase of preferred stock or similar equity issued by a cooperative organization or a fund that invests primarily in cooperative organizations, if the guarantee significantly benefits 1 or more entities eligible for assistance for the purposes described in subsection (a)(1), as determined by the Secretary.

(B) REFINANCING.—A cooperative organization that is eligible for a business and industry loan shall be eligible to refinance an existing business and industry loan with a lender if—

(i) the cooperative organization—

(I) is current and performing with respect to the existing loan; and

(II) is not, and has not been, in payment default, or the collateral of which has not been converted, with respect to the existing loan; and  
(ii) there is adequate security or full collateral for the refinanced loan.

(4) LOAN APPRAISALS.—The Secretary may require that any appraisal made in connection with a business and industry loan be conducted by a specialized appraiser that uses standards that are similar to standards used for similar purposes in the private sector, as determined by the Secretary.

(5) FEES.—The Secretary may assess a 1-time fee for any guaranteed business and industry loan in an amount that does not exceed 2 percent of the guaranteed principal portion of the loan.

(6) LOAN GUARANTEES IN NONRURAL AREAS.—

(A) IN GENERAL.—The Secretary may guarantee a business and industry loan to a cooperative organization for a facility that is not located in a rural area if—

(i) the primary purpose of the loan guarantee is for a facility to provide value-added processing for agricultural producers that are located within 80 miles of the facility;

(ii) the applicant demonstrates to the Secretary that the primary benefit of the loan guarantee will be to provide employment for residents of a rural area; and

(iii) the total amount of business and industry loans guaranteed for a fiscal year under this paragraph does not exceed 10 percent of the business and industry loans guaranteed for the fiscal year under subsection (a)(2)(A).

(B) PRINCIPAL AMOUNTS.—The principal amount of a business and industry loan guaranteed under this paragraph may not exceed \$25,000,000.

(7) INTANGIBLE ASSETS.—

(A) IN GENERAL.—In determining whether a cooperative organization is eligible for a guaranteed business and industry loan, the Secretary may consider the market value of a properly appraised brand name, patent, or trademark of the cooperative.

(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.

(8) LIMITATIONS ON LOAN GUARANTEES FOR COOPERATIVE ORGANIZATIONS.—

(A) PRINCIPAL AMOUNT.—

(i) IN GENERAL.—Subject to clause (ii), the principal amount of a business and industry loan made to a cooperative organization and guaranteed under this subsection shall not exceed \$40,000,000.

(ii) USE.—To be eligible for a guarantee under this subsection for a business and industry loan made to a cooperative organization, the principal amount of the any such loan in excess of \$25,000,000 shall be used to carry out a project that—

- (I)(aa) is in a rural area; and
- (bb) provides for the value-added processing of agricultural commodities; or

(II) significantly benefits 1 or more entities eligible for assistance for the purposes described in subsection (a)(1), as determined by the Secretary.

(B) APPLICATIONS.—If a cooperative organization submits an application for a guarantee under this subsection of a business and industry loan with a principal amount that is in excess of \$25,000,000, the Secretary—

- (i) shall review and, if appropriate, approve the application; and
- (ii) may not delegate the approval authority.

(C) MAXIMUM AMOUNT.—The total amount of business and industry loans made to cooperative organizations and guaranteed for a fiscal year under this subsection with principal amounts that are in excess of \$25,000,000 may not exceed 10 percent of the business and industry loans guaranteed for the fiscal year under subsection (a)(2)(A).

(9) LOCALLY OR REGIONALLY PRODUCED AGRICULTURAL FOOD PRODUCTS.—

(A) DEFINITIONS.—In this paragraph:

(i) LOCALLY OR REGIONALLY PRODUCED AGRICULTURAL FOOD PRODUCT.—The term “locally or regionally produced agricultural food product” means any agricultural food product that is raised, produced, and distributed in—

(I) the locality or region in which the final product is marketed, so that the total distance that the product is transported is less than 400 miles from the origin of the product; or

(II) the State in which the product is produced.

(ii) UNDERSERVED COMMUNITY.—The term “underserved community” means a community (including an urban or rural community and an Indian tribal community) that has, as determined by the Secretary—

(I) limited access to affordable, healthy foods, including fresh fruits and vegetables, in grocery retail stores or farmer-to-consumer direct markets; and

(II) a high rate of hunger or food insecurity or a high poverty rate.

(B) LOAN AND LOAN GUARANTEE PROGRAM.—

(i) IN GENERAL.—The Secretary shall make or guarantee loans to individuals, cooperatives, cooperative organizations, businesses, and other entities to establish and facilitate enterprises that process, distribute, aggregate, store, and market locally or regionally produced agricultural food products to support community development and farm and ranch income.

(ii) REQUIREMENT.—The recipient of a loan or loan guarantee under clause (i) shall include in an appropriate agreement with retail and institutional facilities to which the recipient sells locally or regionally produced agricultural food products a requirement to inform consumers of the retail or institutional facilities that the consumers are purchasing or consuming locally or regionally produced agricultural food products.

(iii) PRIORITY.—In making or guaranteeing a loan under clause (i), the Secretary shall give priority to projects that have components benefitting underserved communities.

(iv) RESERVATION OF FUNDS.—

(I) IN GENERAL.—For each of fiscal years 2008 through 2023, the Secretary shall reserve not less than 5 percent of the funds made available to carry out this subsection to carry out this subparagraph.

(II) AVAILABILITY OF FUNDS.—Funds reserved under subclause (I) for a fiscal year shall be reserved until April 1 of the fiscal year.

(h) LOAN GUARANTEES FOR CERTAIN LOANS.—The Secretary may guarantee loans made under subsection (a) to finance the issuance of bonds for the projects described in section 306(a)(24).

(i) APPROPRIATE TECHNOLOGY TRANSFER FOR RURAL AREAS PROGRAM.—

(1) DEFINITION OF NATIONAL NONPROFIT AGRICULTURAL ASSISTANCE INSTITUTION.—In this subsection, the term “national nonprofit agricultural assistance institution” means an organization that—

(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under 501(a) of that Code;

(B) has staff and offices in multiple regions of the United States;

(C) has experience and expertise in operating national agriculture technical assistance programs;

(D) expands markets for the agricultural commodities produced by producers through the use of practices that enhance the environment, natural resource base, and quality of life; and

(E) improves the economic viability of agricultural operations.

(2) ESTABLISHMENT.—The Secretary shall establish a national appropriate technology transfer for rural areas program to assist agricultural producers that are seeking information to—

(A) reduce input costs;

(B) conserve energy resources;

(C) diversify operations through new energy crops and energy generation facilities; and

(D) expand markets for agricultural commodities produced by the producers by using practices that enhance the environment, natural resource base, and quality of life.

(3) IMPLEMENTATION.—

(A) IN GENERAL.—The Secretary shall carry out the program under this subsection by making a grant to, or offering to enter into a cooperative agreement with, a national nonprofit agricultural assistance institution.

(B) GRANT AMOUNT.—A grant made, or cooperative agreement entered into, under subparagraph (A) shall provide 100 percent of the cost of providing information described in paragraph (2).

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection \$5,000,000 for each of fiscal years 2008 through 2023.

(j) RURAL ECONOMIC AREA PARTNERSHIP ZONES.—Effective beginning on the date of enactment of this subsection through September 30, 2023, the Secretary shall carry out those rural economic area partnership zones administratively in effect on the date of enactment of this subsection in accordance with the terms and conditions contained in the memorandums of agreement entered into by the Secretary for the rural economic area partnership zones, except as otherwise provided in this subsection.

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## **FOOD SECURITY ACT OF 1985**

\* \* \* \* \*

### **TITLE XII—CONSERVATION**

\* \* \* \* \*

#### **Subtitle D—Agricultural Resources Conservation Program**

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### **CHAPTER 4—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM AND CONSERVATION STEWARDSHIP PROGRAM**

#### **Subchapter A—Environmental Quality Incentives Program**

\* \* \* \* \*

##### **SEC. 1240A. DEFINITIONS.**

In this subchapter:

(1) CONSERVATION PLANNING ASSESSMENT.—The term “conservation planning assessment” means a report, as determined by the Secretary, that—

(A) is developed by—

(i) a State or unit of local government (including a conservation district);

(ii) a Federal agency; or

(iii) a third-party provider certified under section 1242(e) (including a certified rangeland professional);

(B) assesses rangeland or cropland function and describes conservation activities to enhance the economic and ecological management of that land; and

(C) can be incorporated into a comprehensive planning document required by the Secretary for enrollment in a conservation program of the Department of Agriculture.

(2) ELIGIBLE LAND.—

(A) IN GENERAL.—The term “eligible land” means land on which agricultural commodities, livestock, or forest-related products are produced.

(B) INCLUSIONS.—The term “eligible land” includes the following:

- (i) Cropland.
- (ii) Grassland.
- (iii) Rangeland.
- (iv) Pasture land.
- (v) Nonindustrial private forest land.

(vi) Other agricultural land (including cropped woodland, marshes, environmentally sensitive areas, and agricultural land used for the production of livestock) on which identified or expected resource concerns related to agricultural production could be addressed through a contract under the program, as determined by the Secretary.

(3) INCENTIVE PRACTICE.—The term “incentive practice” means a practice or set of practices approved by the Secretary that, when implemented and maintained on eligible land, address 1 or more priority resource concerns.

(4) ORGANIC SYSTEM PLAN.—The term “organic system plan” means an organic plan approved under the national organic program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

(5) PAYMENT.—The term “payment” means financial assistance provided to a producer for performing practices under this subchapter, including compensation for—

(A) incurred costs associated with planning, design, materials, equipment, installation, labor, management, maintenance, or training; and

(B) income forgone by the producer.

(6) PRACTICE.—The term “practice” means 1 or more improvements and conservation activities that are consistent with the purposes of the program under this subchapter, as determined by the Secretary, including—

(A) improvements to eligible land of the producer, including—

- (i) structural practices;
- (ii) land management practices;
- (iii) vegetative practices;
- (iv) forest management;
- (v) soil testing;

(vi) soil remediation to be carried out by the producer; and

(vii) other practices that the Secretary determines would further the purposes of the program; and

(B) conservation activities involving the development of plans appropriate for the eligible land of the producer, including—

- (i) comprehensive nutrient management planning;

- (ii) planning for resource-conserving crop rotations (as defined in section 1240L(d)(1));
- (iii) soil health planning, including increasing soil organic matter and the use of cover crops;
- (iv) a conservation planning assessment;
- (v) precision conservation management planning (*including the adoption of precision agriculture practices and the acquisition of precision agriculture technology*); and
- (vi) other plans that the Secretary determines would further the purposes of the program under this sub-chapter.

(7) 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; and
- (B) represents a significant concern in a State or region.

(8) PROGRAM.—The term “program” means the environmental quality incentives program established by this sub-chapter.

(9) SOIL REMEDIATION.—The term “soil remediation” means scientifically based practices that—

- (A) ensure the safety of producers from contaminants in soil;
- (B) limit contaminants in soil from entering agricultural products for human or animal consumption; and
- (C) regenerate and sustain the soil.

(10) SOIL TESTING.—The term “soil testing” means the evaluation of soil health, including testing for—

- (A) the optimal level of constituents in the soil, such as organic matter, nutrients, and the potential presence of soil contaminants, including heavy metals, volatile organic compounds, polycyclic aromatic hydrocarbons, or other contaminants; and
- (B) the biological and physical characteristics indicative of proper soil functioning.

#### **SEC. 1240B. ESTABLISHMENT AND ADMINISTRATION.**

(a) ESTABLISHMENT.—During each of the 2002 through 2023 fiscal years, the Secretary shall provide payments to producers that enter into contracts with the Secretary under the program.

(b) PRACTICES AND TERM.—

(1) PRACTICES.—A contract under the program may apply to the performance of one or more practices.

(2) TERM.—A contract under the program shall have a term that does not exceed 10 years.

(c) BIDDING DOWN.—If the Secretary determines that the environmental values of two or more applications for payments are comparable, the Secretary shall not assign a higher priority to the application only because it would present the least cost to the program.

(d) PAYMENTS.—

(1) AVAILABILITY OF PAYMENTS.—Payments are provided to a producer to implement one or more practices under the program.

(2) LIMITATION ON PAYMENT AMOUNTS.—A payment to a producer for performing a practice may not exceed, as determined by the Secretary—

- (A) 75 percent of the costs associated with planning, design, materials, equipment, installation, labor, management, maintenance, or training;
- (B) 100 percent of income foregone by the producer; or
- (C) in the case of a practice consisting of elements covered under subparagraphs (A) and (B)—
  - (i) 75 percent of the costs incurred for those elements covered under subparagraph (A); and
  - (ii) 100 percent of income foregone for those elements covered under subparagraph (B).

(3) SPECIAL RULE INVOLVING PAYMENTS FOR FOREGONE INCOME.—In determining the amount and rate of payments under paragraph (2)(B), the Secretary may accord great significance to a practice that, as determined by the Secretary, promotes—

- (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.

(4) INCREASED PAYMENTS FOR CERTAIN PRODUCERS.—

(A) IN GENERAL.—Notwithstanding paragraph (2), in the case of a producer that is a limited resource, socially disadvantaged 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 beginning farmer or rancher, the Secretary shall increase the amount that would otherwise be provided to a producer under this subsection—

- (i) to not more than 90 percent of the costs associated with planning, design, materials, equipment, installation, labor, management, maintenance, or training; and
- (ii) to not less than 25 percent above the otherwise applicable rate.

(B) ADVANCE PAYMENTS.—

(i) IN GENERAL.—On an election by a producer described in subparagraph (A), the Secretary shall provide at least 50 percent of the amount determined under subparagraph (A) in advance for all costs related to 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.

(iii) NOTIFICATION AND DOCUMENTATION.—The Secretary shall—

(I) notify each producer described in subparagraph (A), at the time of enrollment in the program, of the option to receive advance payments under clause (i); and

(II) document the election of each producer described in subparagraph (A) to receive advance payments under clause (i) with respect to each practice that has costs described in that clause.

(5) FINANCIAL ASSISTANCE FROM OTHER SOURCES.—Except as provided in paragraph (6), any payments received by a producer from a State or private organization or person for the implementation of one or more practices on eligible land of the producer shall be in addition to the payments provided to the producer under this subsection.

(6) OTHER PAYMENTS.—[A producer shall]

(A) *PAYMENTS UNDER THIS SUBTITLE.*—A producer shall not be eligible for payments for practices on eligible land under the program if the producer receives payments or other benefits for the same practice on the same land under another program under this subtitle.

(B) *CONSERVATION LOAN AND LOAN GUARANTEE PROGRAM PAYMENTS.*—

(i) *IN GENERAL.*—A producer receiving payments for practices on eligible land under the program may also receive a loan or loan guarantee under section 304 of the Consolidated Farm and Rural Development Act to cover costs for same practices on the same land.

(ii) *NOTICE TO PRODUCER.*—The Secretary shall inform a producer participating in the program in writing of the availability of a loan or loan guarantee under section 304 of the Consolidated Farm and Rural Development Act as it relates to costs of implementing practices under this program.

(7) INCREASED PAYMENTS FOR STATE-DETERMINED HIGH-PRIORITY PRACTICES.—

(A) STATE DETERMINATION.—Each State, in consultation with the State technical committee established under section 1261(a) for the State, may designate not more than 10 practices to be eligible for increased payments under subparagraph (B), on the condition that the practice, as determined by the Secretary—

(i) addresses specific causes of impairment relating to excessive nutrients in groundwater or surface water;

(ii) addresses the conservation of water to advance drought mitigation and declining aquifers;

(iii) meets other environmental priorities and other priority resource concerns identified in habitat or other area restoration plans; or

(iv) is geographically targeted to address a natural resource concern in a specific watershed.

(B) INCREASED PAYMENTS.—Notwithstanding paragraph (2), in the case of a practice designated under subparagraph (A), the Secretary may increase the amount that would otherwise be provided for a practice under this sub-

section to not more than 90 percent of the costs associated with planning, design, materials, equipment, installation, labor, management, maintenance, or training.

(8) *INCREASED PAYMENTS FOR PRECISION AGRICULTURE.*—*Notwithstanding paragraph (2), the Secretary may increase the amount that would otherwise be provided for a practice under this subsection to not more than 90 percent of the costs associated with adopting precision agriculture practices and acquiring precision agriculture technology.*

(e) MODIFICATION OR TERMINATION OF CONTRACTS.—

(1) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract entered into with a producer under the program if—

(A) the producer agrees to the modification or termination; and

(B) the Secretary determines that the modification or termination is in the public interest.

(2) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract under the program if the Secretary determines that the producer violated the contract.

(f) ALLOCATION OF FUNDING.—

(1) LIVESTOCK.—For each of fiscal years 2019 through 2023, at least 50 percent of the funds made available for payments under the program shall be targeted at practices relating to livestock production, including grazing management practices.

(2) WILDLIFE HABITAT.—

(A) FISCAL YEARS 2014 THROUGH 2018.—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).

(B) FISCAL YEARS 2019 THROUGH 2023.—For each of fiscal years 2019 through 2023, at least 10 percent of the funds made available for payments under the program shall be targeted at practices benefitting wildlife habitat under subsection (g).

(g) WILDLIFE HABITAT INCENTIVE PROGRAM.—

(1) IN GENERAL.—The Secretary shall provide payments under the environmental quality incentives program for conservation practices that support the restoration, development, protection, and improvement of wildlife habitat on eligible land, including—

(A) upland wildlife habitat;

(B) wetland wildlife habitat;

(C) habitat for threatened and endangered species;

(D) fish habitat;

(E) habitat on pivot corners and other irregular areas of a field; and

(F) other types of wildlife habitat, as determined by the Secretary.

(2) STATE TECHNICAL COMMITTEE.—In determining the practices eligible for payment under paragraph (1) and targeted for funding under subsection (f), the Secretary shall consult with the relevant State technical committee not less often than once each year.

(3) MAXIMUM TERM.—In the case of a contract under the program entered into solely for the establishment of 1 or more annual management practices for the benefit of wildlife as described in paragraph (1), notwithstanding any maximum contract term established by the Secretary, the contract shall have a term that does not exceed 10 years.

(4) INCLUDED PRACTICES.—For the purpose of providing seasonal wetland habitat for waterfowl and migratory birds, a practice that is eligible for payment under paragraph (1) and targeted for funding under subsection (f) may include—

- (A) a practice to carry out postharvest flooding; or
- (B) a practice to maintain the hydrology of temporary and seasonal wetlands of not more than 2 acres to maintain waterfowl and migratory bird habitat on working cropland.

(h) WATER CONSERVATION OR IRRIGATION EFFICIENCY PRACTICE.—

(1) AVAILABILITY OF PAYMENTS.—The Secretary may provide water conservation and system efficiency payments under this subsection to an entity described in paragraph (2) or a producer for—

- (A) water conservation scheduling, water distribution efficiency, soil moisture monitoring, or an appropriate combination thereof;
- (B) irrigation-related structural or other measures that conserve surface water or groundwater, including managed aquifer recovery practices; or
- (C) a transition to water-conserving crops, water-conserving crop rotations, or deficit irrigation.

(2) ELIGIBILITY OF CERTAIN ENTITIES.—

(A) IN GENERAL.—Notwithstanding section 1001(f)(6), the Secretary may enter into a contract under this subsection with a State, irrigation district, groundwater management district, acequia, land-grant mercedes, or similar entity under a streamlined contracting process to implement water conservation or irrigation practices under a watershed-wide project that will effectively conserve water, provide fish and wildlife habitat, or provide for drought-related environmental mitigation, as determined by the Secretary.

(B) IMPLEMENTATION.—Water conservation or irrigation practices that are the subject of a contract entered into under subparagraph (A) shall be implemented on—

- (i) eligible land of a producer; or
- (ii) land that is—
  - (I) under the control of an irrigation district, groundwater management district, acequia, land-grant mercedes, or similar entity; and
  - (II) adjacent to eligible land described in clause (i), as determined by the Secretary.

(C) WAIVER AUTHORITY.—The Secretary may waive the applicability of the limitations in section 1001D(b) or section 1240G for a payment made under a contract entered into under this paragraph if the Secretary determines that

the waiver is necessary to fulfill the objectives of the project.

(D) CONTRACT LIMITATIONS.—If the Secretary grants a waiver under subparagraph (C), the Secretary may impose a separate payment limitation for the contract with respect to which the waiver applies.

(3) PRIORITY.—In providing payments under this subsection for a water conservation or irrigation practice, the Secretary shall give priority to applications in which—

(A) consistent with the law of the State in which the land on which the practices will be implemented is located, there is a reduction in water use in the operation on that land; or

(B) except in the case of an application under paragraph (2), the producer agrees not to use any associated water savings to bring new land, other than incidental land needed for efficient operations, under irrigated production, unless the producer is participating in a watershed-wide project that will effectively conserve water, as determined by the Secretary.

(4) EFFECT.—Nothing in this subsection authorizes the Secretary to modify the process for determining the annual allocation of funding to States under the program.

(i) PAYMENTS FOR CONSERVATION PRACTICES RELATED TO ORGANIC PRODUCTION.—

(1) PAYMENTS AUTHORIZED.—The Secretary shall provide payments under this subsection for conservation practices, on some or all of the operations of a producer, related—

(A) to organic production; and

(B) to the transition to organic production.

(2) ELIGIBILITY REQUIREMENTS.—As a condition for receiving payments under this subsection, a producer shall agree—

(A) to develop and carry out an organic system plan; or

(B) to develop and implement conservation practices for certified organic production that are consistent with an organic system plan and the purposes of this subchapter.

(3) PAYMENT LIMITATIONS.—

(A) IN GENERAL.—Payments under this subsection to a person or legal entity, directly or indirectly, may not exceed, in the aggregate—

(i) through fiscal year 2018—

(I) \$20,000 per year; or

(II) \$80,000 during any 6-year period; and

(ii) during the period of fiscal years 2019 through 2023, \$140,000.

(B) TECHNICAL ASSISTANCE.—In applying the limitations under subparagraph (A), the Secretary shall not take into account payments received for technical assistance.

(4) EXCLUSION OF CERTAIN ORGANIC CERTIFICATION COSTS.—Payments may not be made under this subsection to cover the costs associated with organic certification that are eligible for cost-share payments under section 10606 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523).

(5) TERMINATION OF CONTRACTS.—The Secretary may cancel or otherwise nullify a contract to provide payments under this subsection if the Secretary determines that the producer—

- (A) is not pursuing organic certification; or
- (B) is not in compliance with the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq).

(j) CONSERVATION INCENTIVE CONTRACTS.—

(1) IDENTIFICATION OF ELIGIBLE PRIORITY RESOURCE CONCERNS FOR STATES.—

(A) IN GENERAL.—The Secretary, in consultation with the applicable State technical committee established under section 1261(a), shall identify watersheds (or other appropriate regions or areas within a State) and the corresponding priority resource concerns for those watersheds or other regions or areas that are eligible to be the subject of an incentive contract under this subsection.

(B) LIMITATION.—For each of the relevant land uses within the watersheds, regions, or other areas identified under subparagraph (A), the Secretary shall identify not more than 3 eligible priority resource concerns.

(2) CONTRACTS.—

(A) AUTHORITY.—

(i) IN GENERAL.—The Secretary shall enter into contracts with producers under this subsection that require the implementation, adoption, management, and maintenance of incentive practices (*which may include the adoption of precision agriculture practices and the acquisition of precision agriculture technology*) that effectively address at least 1 eligible priority resource concern identified under paragraph (1) for the term of the contract.

(ii) INCLUSIONS.—Through a contract entered into under clause (i), the Secretary may provide—

(I) funding, through annual payments, for certain incentive practices to attain increased levels of conservation on eligible land; or

(II) assistance, through a practice payment, to implement an incentive practice.

(B) TERM.—A contract under this subsection shall have a term of not less than 5, and not more than 10, years.

(C) PRIORITIZATION.—Notwithstanding section 1240C, the Secretary shall develop criteria for evaluating incentive practice applications that—

(i) give priority to applications that address eligible priority resource concerns identified under paragraph (1); and

(ii) evaluate applications relative to other applications for similar agriculture and forest operations.

(3) INCENTIVE PRACTICE PAYMENTS.—

(A) IN GENERAL.—The Secretary shall provide payments to producers through contracts entered into under paragraph (2) for—

- (i) adopting and installing incentive practices; and

(ii) managing, maintaining, and improving the incentive practices for the duration of the contract, as determined appropriate by the Secretary.

(B) PAYMENT AMOUNTS.—In determining the amount of payments under subparagraph (A), the Secretary shall consider, to the extent practicable—

(i) the level and extent of the incentive practice to be installed, adopted, completed, maintained, managed, or improved;

(ii) the cost of the installation, adoption, completion, management, maintenance, or improvement of the incentive practice;

(iii) income foregone by the producer, including payments, as appropriate, to address—

(I) increased economic risk;

(II) loss in revenue due to anticipated reductions in yield; and

(III) economic losses during transition to a resource-conserving cropping system or resource-conserving land use; and

(iv) the extent to which compensation would ensure long-term continued maintenance, management, and improvement of the incentive practice.

(C) DELIVERY OF PAYMENTS.—In making payments under subparagraph (A), the Secretary shall, to the extent practicable—

(i) in the case of annual payments under paragraph (2)(A)(ii)(I), make those payments as soon as practicable after October 1 of each fiscal year for which increased levels of conservation are maintained during the term of the contract; and

(ii) in the case of practice payments under paragraph (2)(A)(ii)(II), make those payments as soon as practicable on the implementation of an incentive practice.

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## **Subchapter B—Conservation Stewardship Program**

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### **SEC. 1240L. 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 funding 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) 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.]

**(3) EXCLUSIONS.—**A payment to a producer under this subsection shall not be provided for conservation activities for which there is no cost incurred or income forgone by 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 prac-

ticable, 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.

(5) PAYMENT FOR COVER CROP ACTIVITIES.—The amount of a payment under this subsection for cover crop activities shall be not less than 125 percent of the annual payment amount determined by the Secretary under paragraph (2).

(d) SUPPLEMENTAL PAYMENTS FOR RESOURCE-CONSERVING CROP ROTATIONS [AND ADVANCED GRAZING MANAGEMENT], ADVANCED GRAZING MANAGEMENT, AND PRECISION AGRICULTURE.—

(1) DEFINITIONS.—In this subsection:

(A) ADVANCED GRAZING MANAGEMENT.—The term “advanced grazing management” means the use of a combination of grazing practices (as determined by the Secretary), which may include management-intensive rotational grazing, that provide for—

- (i) improved soil health and carbon sequestration;
- (ii) drought resilience;
- (iii) wildlife habitat;
- (iv) wildfire mitigation;
- (v) control of invasive plants; and
- (vi) water quality improvement.

(B) MANAGEMENT-INTENSIVE ROTATIONAL GRAZING.—The term “management-intensive rotational grazing” means a strategic, adaptively managed multipasture grazing system in which animals are regularly and systematically moved to fresh pasture in a manner that—

- (i) maximizes the quantity and quality of forage growth;
- (ii) improves manure distribution and nutrient cycling;
- (iii) increases carbon sequestration from greater forage harvest;
- (iv) improves the quality and quantity of cover for wildlife;
- (v) provides permanent cover to protect the soil from erosion; and
- (vi) improves water quality.

(C) RESOURCE-CONSERVING CROP ROTATION.—The term “resource-conserving crop rotation” means a crop rotation that—

- (i) includes at least 1 resource-conserving crop (as defined by the Secretary);
- (ii) reduces erosion;
- (iii) improves soil fertility and tilth;
- (iv) interrupts pest cycles;
- (v) builds soil organic matter; and
- (vi) in applicable areas, reduces depletion of soil moisture or otherwise reduces the need for irrigation.

(2) AVAILABILITY OF PAYMENTS.—The Secretary shall provide additional payments to producers that, in participating in the program, agree to adopt or improve, manage, and maintain—

- (A) resource-conserving crop rotations [; or];

(B) advanced grazing management [.] or  
 (C) precision agriculture.

(3) ELIGIBILITY.—To be eligible to receive a payment described in paragraph (2), a producer shall agree to adopt or improve, manage, and maintain resource-conserving crop rotations [or advanced grazing management], advanced grazing management, or precision agriculture for the term of the contract.

(4) AMOUNT OF PAYMENT.—An additional payment provided under paragraph (2) shall be not less than 150 percent of the annual payment amount determined by the Secretary under subsection (c)(2).

(e) PAYMENT FOR COMPREHENSIVE CONSERVATION PLAN.—

(1) DEFINITION OF COMPREHENSIVE CONSERVATION PLAN.—In this subsection, the term “comprehensive conservation plan” means a conservation plan that meets or exceeds the stewardship threshold for each priority resource concern identified by the Secretary under subsection (a)(2).

(2) PAYMENT FOR COMPREHENSIVE CONSERVATION PLAN.—The Secretary shall provide a 1-time payment to a producer that develops a comprehensive conservation plan.

(3) AMOUNT OF PAYMENT.—The Secretary shall determine the amount of payment under paragraph (2) based on—

(A) the number of priority resource concerns addressed in the comprehensive conservation plan; and

(B) the number of types of land uses included in the comprehensive conservation plan.

(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 2019 through 2023, 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) ORGANIC CERTIFICATION.—

(1) COORDINATION.—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.

(2) ALLOCATION.—

(A) IN GENERAL.—Using funds made available for the program for each of fiscal years 2019 through 2023, the Secretary shall allocate funding to States to support organic production and transition to organic production through paragraph (1).

(B) DETERMINATION.—The Secretary shall determine the allocation to a State under subparagraph (A) based on—

(i) the number of certified and transitioning organic operations within the State; and

(ii) the number of acres of certified and transitioning organic production within the State.

(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.

(j) STREAMLINING AND COORDINATION.—To the maximum extent feasible, the Secretary shall provide for streamlined and coordinated procedures for the program and the environmental quality incentives program under subchapter A, including applications, contracting, conservation planning, conservation practices, and related administrative procedures.

(k) SOIL HEALTH.—To the maximum extent feasible, the Secretary shall manage the program to enhance soil health.

(l) ANNUAL REPORT.—Each fiscal 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 describing the payment rates for conservation activities offered to producers under the program and an analysis of whether payment rates can be reduced for the most expensive conservation activities.

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## **Subtitle E—Funding and Administration**

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### **SEC. 1242. DELIVERY OF TECHNICAL ASSISTANCE.**

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE PARTICIPANT.—The term “eligible participant” means a producer, landowner, or entity that is participating in, or seeking to participate in, programs in which the producer, landowner, or entity is otherwise eligible to participate under this title or the agricultural management assistance program under section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)).

(2) THIRD-PARTY PROVIDER.—The term “third-party provider” means a commercial entity (including a farmer cooperative, agriculture retailer, or other commercial entity (as defined by the Secretary)), a nonprofit entity, a State or local government (including a conservation district), or a Federal agency, that has expertise in the technical aspect of conservation planning, including nutrient management planning, watershed planning, or environmental engineering.

(b) PURPOSE OF TECHNICAL ASSISTANCE.—The purpose of technical assistance authorized by this section is to provide eligible participants with consistent, science-based, site-specific practices designed to achieve conservation objectives on land active in agricultural, forestry, or related uses.

(c) PROVISION OF TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance under this title to an eligible participant—

(1) directly;

(2) through an agreement with a third-party provider; or

(3) at the option of the eligible participant, through a payment, as determined by the Secretary, to the eligible participant for an approved third-party provider, if available.

(d) NON-FEDERAL ASSISTANCE.—The Secretary may request the services of, and enter into cooperative agreements or contracts with, other agencies within the Department or non-Federal entities to assist the Secretary in providing technical assistance necessary to assist in implementing conservation programs under this title.

(e) CERTIFICATION OF THIRD-PARTY PROVIDERS.—

(1) PURPOSE.—The purpose of the third-party provider program is to increase the availability and range of technical expertise available to eligible participants to plan and implement conservation measures.

(2) REGULATIONS.—Not later than 180 days after the date of the enactment of the Food, Conservation, and Energy Act of 2008, the Secretary shall promulgate such regulations as are necessary to carry out this section.

(3) EXPERTISE.—In promulgating such regulations, the Secretary, to the maximum extent practicable, shall—

(A) ensure that persons with expertise in the technical aspects of conservation planning, watershed planning, and environmental engineering, including commercial entities, nonprofit entities, State or local governments or agencies, and other Federal agencies, are eligible to become approved providers of the technical assistance;

(B) provide national criteria for the certification of third-party providers; and

(C) approve any unique certification standards established at the State level.

(4) CERTIFICATION PROCESS.—The Secretary shall certify a third-party provider through—

(A) a certification process administered by the Secretary, acting through the Chief of the Natural Resources Conservation Service; or

(B) a non-Federal entity approved by the Secretary to perform the certification.

(5) STREAMLINED CERTIFICATION.—The Secretary shall provide a streamlined certification process for a third-party provider that has an appropriate specialty certification, including a sustainability certification.

(f) ADMINISTRATION.—

(1) FUNDING.—Effective for fiscal year 2008 and each subsequent fiscal year, funds of the Commodity Credit Corporation made available to carry out technical assistance for each of the programs specified in section 1241 shall be available for the provision of technical assistance from third-party providers under this section.

(2) TERM OF AGREEMENT.—An agreement with a third-party provider under this section shall have a term that—

(A) at a minimum, is equal to the period beginning on the date on which the agreement is entered into and ending on the date that is 1 year after the date on which all activities performed pursuant to the agreement have been completed;

(B) does not exceed 3 years; and

- (C) can be renewed, as determined by the Secretary.
- (3) REVIEW OF CERTIFICATION REQUIREMENTS.—Not later than 1 year after the date of enactment of the Food, Conservation, and Energy Act of 2008, the Secretary shall—
- (A) review certification requirements for third-party providers; and
  - (B) make any adjustments considered necessary by the Secretary to improve participation.
- (4) ELIGIBLE ACTIVITIES.—
- (A) INCLUSION OF ACTIVITIES.—The Secretary may include as activities eligible for payments to a third-party provider—
    - (i) technical services provided directly to eligible participants, such as conservation planning, education and outreach, and assistance with design and implementation of conservation practices; and
    - (ii) related technical assistance services that accelerate conservation program delivery.
  - (B) EXCLUSIONS.—The Secretary shall not designate as an activity eligible for payments to a third-party provider any service that is provided by a business, or equivalent, in connection with conducting business and that is customarily provided at no cost.
- (5) PAYMENT AMOUNTS.—The Secretary shall establish fair and reasonable amounts of payments for technical services provided by third-party providers.
- (6) *SOIL HEALTH PLANNING.*—*The Secretary shall emphasize the use of third-party providers in providing technical assistance for soil health planning, including planning related to the use of cover crops, precision conservation management, comprehensive nutrient management planning, and other innovative plans.*
- (g) AVAILABILITY OF TECHNICAL SERVICES.—
- (1) IN GENERAL.—In carrying out the programs under this title and the agricultural management assistance program under section 524 of the Federal Crop Insurance Act (7 U.S.C. 1524), the Secretary shall make technical services available to all eligible participants who are installing an eligible practice.
  - (2) TECHNICAL SERVICE CONTRACTS.—In any case in which financial assistance is not provided under a program referred to in paragraph (1), the Secretary may enter into a technical service contract with the eligible participant for the purposes of assisting in the planning, design, or installation of an eligible practice.
- (h) REVIEW OF CONSERVATION PRACTICE STANDARDS.—
- (1) REVIEW REQUIRED.—The Secretary shall—
    - (A) not later than 1 year after the date of enactment of the Agriculture Improvement Act of 2018, complete a review of each conservation practice standard, including engineering design specifications, in effect on the day before the date of enactment of that Act;
    - (B) ensure, to the maximum extent practicable, the completeness and relevance of the standards to local agricultural, forestry, and natural resource needs, including specialty crops, native and managed pollinators, bioenergy

crop production, forestry, and such other needs as are determined by the Secretary;

(C) ensure that the standards provide for the optimal balance between meeting site-specific conservation needs and minimizing risks of design failure and associated costs of construction and installation; and

(D) evaluate opportunities to increase flexibility in conservation practice standards in a manner that ensures equivalent natural resource benefits.

(2) CONSULTATION.—In conducting the review under paragraph (1), the Secretary shall consult with eligible participants, State technical committees established under section 1261(a), crop consultants, cooperative extension and land grant universities, nongovernmental organizations, and other qualified entities.

(3) EXPEDITED REVISION OF STANDARDS.—Not later than 1 year after the date of enactment of the Agriculture Improvement Act of 2018, the Secretary shall develop for the programs under this title an administrative process for—

(A) expediting the establishment and revision of conservation practice standards;

(B) considering conservation innovations and scientific and technological advancements with respect to any establishment or revision under subparagraph (A);

(C) allowing local flexibility in the creation of—

(i) interim practice standards and supplements to existing practice standards to address the considerations described in subparagraph (B); and

(ii) partnership-led proposals for new and innovative techniques to facilitate implementing agreements and grants under this title; and

(D) soliciting regular input from State technical committees established under section 1261(a) for recommendations that identify innovations or advancements described in subparagraph (B).

(4) REPORT.—Not later than 2 years after the date of enactment of the Agriculture Improvement Act of 2018, and every 2 years thereafter, the Secretary shall submit to Congress a report on—

(A) the administrative process developed under paragraph (3);

(B) conservation practice standards that were established or revised under that process; and

(C) conservation innovations that were considered under that process.

(i) ADDRESSING CONCERNs OF SPECIALTY CROP, ORGANIC, AND PRECISION AGRICULTURE PRODUCERS.—

(1) IN GENERAL.—The Secretary shall—

(A) to the maximum extent practicable, fully incorporate specialty crop production, organic crop production, and precision agriculture into the conservation practice standards; and

(B) provide for the appropriate range of conservation practices and resource mitigation measures available to

producers involved with organic or specialty crop production or precision agriculture.

(2) AVAILABILITY OF ADEQUATE TECHNICAL ASSISTANCE.—

(A) IN GENERAL.—The Secretary shall ensure that adequate technical assistance is available for the implementation of conservation practices by producers involved with organic, specialty crop production, or precision agriculture through Federal conservation programs.

(B) REQUIREMENTS.—In carrying out subparagraph (A), the Secretary shall develop—

(i) programs that meet specific needs of producers involved with organic, specialty crop production or precision agriculture through cooperative agreements with other agencies and nongovernmental organizations; and

(ii) program specifications that allow for innovative approaches to engage local resources in providing technical assistance for planning and implementation of conservation practices.

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