

107TH CONGRESS
1ST SESSION

S. 1673

To provide for the continuation of agricultural programs through fiscal year 2011.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 9, 2001

Mrs. LINCOLN (for herself, Mr. HUTCHINSON, Mr. HELMS, Mr. MILLER, Ms. LANDRIEU, and Mr. BREAUX) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To provide for the continuation of agricultural programs through fiscal year 2011.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Farm Security Act of 2001”.

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

Sec. 1. Short title; table of contents.

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Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments

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- Sec. 104. Availability of fixed, decoupled payments.
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- Sec. 106. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.
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- Sec. 108. Relation to remaining payment authority under production flexibility contracts.
- Sec. 109. Payment limitations.
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- Sec. 122. Loan rates for nonrecourse marketing assistance loans.
- Sec. 123. Term of loans.
- Sec. 124. Repayment of loans.
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- Sec. 129. Availability of recourse loans for high moisture feed grains and seed cotton and other fibers.
- Sec. 130. Availability of nonrecourse marketing assistance loans for wool and mohair.
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- Sec. 132. Producer retention of erroneously paid loan deficiency payments and marketing loan gains.

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- Sec. 142. Repeal of recourse loan program for processors.
- Sec. 143. Extension of dairy export incentive and dairy indemnity programs.
- Sec. 144. Fluid milk promotion.
- Sec. 145. Dairy product mandatory reporting.
- Sec. 146. Study of national dairy policy.

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- Sec. 152. Reauthorize provisions of Agricultural Adjustment Act of 1938 regarding sugar.
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- Sec. 165. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.
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1 **TITLE I—COMMODITY** 2 **PROGRAMS**

3 **SEC. 100. DEFINITIONS.**

4 In this title (other than chapter 3 of subtitle C):

- 5 (1) AGRICULTURAL ACT OF 1949.—The term
- 6 “Agricultural Act of 1949” means the Agricultural

1 Act of 1949 (7 U.S.C. 1421 et seq.), as in effect
2 prior to the suspensions under section 171 of the
3 Federal Agriculture Improvement and Reform Act of
4 1996 (7 U.S.C. 7301).

5 (2) **BASE ACRES.**—The term “base acres”, with
6 respect to a covered commodity on a farm, means
7 the number of acres established under section 103
8 with respect to the commodity upon the election
9 made by the producers on the farm under subsection
10 (a) of such section.

11 (3) **COUNTER-CYCLICAL PAYMENT.**—The term
12 “counter-cyclical payment” means a payment made
13 to producers under section 105.

14 (4) **COVERED COMMODITY.**—The term “covered
15 commodity” means wheat, corn, grain sorghum, bar-
16 ley, oats, upland cotton, rice, soybeans, and other
17 oilseeds.

18 (5) **EFFECTIVE PRICE.**—The term “effective
19 price”, with respect to a covered commodity for a
20 crop year, means the price calculated by the Sec-
21 retary under section 105 to determine whether
22 counter-cyclical payments are required to be made
23 for that crop year.

1 (6) ELIGIBLE PRODUCER.—The term “eligible
2 producer” means a producer described in section
3 101(a).

4 (7) FIXED, DECOUPLED PAYMENT.—The term
5 “fixed, decoupled payment” means a payment made
6 to producers under section 104.

7 (8) OTHER OILSEED.—The term “other oil-
8 seed” means a crop of sunflower seed, rapeseed,
9 canola, safflower, flaxseed, mustard seed, or, if des-
10 ignated by the Secretary, another oilseed.

11 (9) PAYMENT ACRES.—The term “payment
12 acres” means 85 percent of the base acres of a cov-
13 ered commodity on a farm, as established under sec-
14 tion 103, upon which fixed, decoupled payments and
15 counter-cyclical payments are to be made.

16 (10) PAYMENT YIELD.—The term “payment
17 yield” means the yield established under section 102
18 for a farm for a covered commodity.

19 (11) PRODUCER.—The term “producer” means
20 an owner, operator, landlord, tenant, or share-
21 cropper who shares in the risk of producing a crop
22 and who is entitled to share in the crop available for
23 marketing from the farm, or would have shared had
24 the crop been produced. In determining whether a
25 grower of hybrid seed is a producer, the Secretary

1 shall not take into consideration the existence of a
2 hybrid seed contract and shall ensure that program
3 requirements do not adversely affect the ability of
4 the grower to receive a payment under this title.

5 (12) SECRETARY.—The term “Secretary”
6 means the Secretary of Agriculture.

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

12 (14) TARGET PRICE.—The term “target price”
13 means the price per bushel (or other appropriate
14 unit in the case of upland cotton, rice, and other oil-
15 seeds) of a covered commodity used to determine the
16 payment rate for counter-cyclical payments.

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

20 **Subtitle A—Fixed Decoupled Pay-**
21 **ments and Counter-Cyclical**
22 **Payments**

23 **SEC. 101. PAYMENTS TO ELIGIBLE PRODUCERS.**

24 (a) PAYMENTS REQUIRED.—Beginning with the
25 2002 crop of covered commodities, the Secretary shall

1 make fixed decoupled payments and counter-cyclical pay-
2 ments under this subtitle—

3 (1) to producers on a farm that were parties to
4 a production flexibility contract under section 111 of
5 the Federal Agriculture Improvement and Reform
6 Act of 1996 (7 U.S.C. 7211) for fiscal year 2002;
7 and

8 (2) to other producers on farms in the United
9 States as described in section 103(a).

10 (b) TENANTS AND SHARECROPPERS.—In carrying
11 out this title, the Secretary shall provide adequate safe-
12 guards to protect the interests of tenants and share-
13 croppers.

14 (c) SHARING OF PAYMENTS.—The Secretary shall
15 provide for the sharing of fixed, decoupled payments and
16 counter-cyclical payments among the eligible producers on
17 a farm on a fair and equitable basis.

18 **SEC. 102. ESTABLISHMENT OF PAYMENT YIELD.**

19 (a) ESTABLISHMENT AND PURPOSE.—For the pur-
20 pose of making fixed decoupled payments and counter-cy-
21 clical payments under this subtitle, the Secretary shall
22 provide for the establishment of a payment yield for each
23 farm for each covered commodity in accordance with this
24 section.

1 (b) USE OF FARM PROGRAM PAYMENT YIELD.—Ex-
2 cept as otherwise provided in this section, the payment
3 yield for each of the 2002 through 2011 crops of a covered
4 commodity for a farm shall be the farm program payment
5 yield in effect for the 2002 crop of the covered commodity
6 under section 505 of the Agricultural Act of 1949 (7
7 U.S.C. 1465).

8 (c) FARMS WITHOUT FARM PROGRAM PAYMENT
9 YIELD.—In the case of a farm for which a farm program
10 payment yield is unavailable for a covered commodity
11 (other than soybeans or other oilseeds), the Secretary shall
12 establish an appropriate payment yield for the covered
13 commodity on the farm taking in consideration the farm
14 program payment yields applicable to the commodity
15 under subsection (b) for similar farms in the area.

16 (d) PAYMENT YIELDS FOR OILSEEDS.—

17 (1) DETERMINATION OF AVERAGE YIELD.—In
18 the case of soybeans and each other oilseed, the Sec-
19 retary shall determine the average yield for the oil-
20 seed on a farm for the 1998 through 2001 crop
21 years, excluding any crop year in which the acreage
22 planted to the oilseed was zero. If, for any of these
23 four crop years in which the oilseed was planted, the
24 farm would have satisfied the eligibility criteria es-
25 tablished to carry out section 1102 of the Agri-

1 culture, Rural Development, Food and Drug Admin-
 2 istration, and Related Agencies Appropriations Act,
 3 1999 (Public Law 105–277; 7 U.S.C. 1421 note),
 4 the Secretary shall assign a yield for that year equal
 5 to 65 percent of the county yield.

6 (2) ADJUSTMENT FOR PAYMENT YIELD.—The
 7 payment yield for a farm for an oilseed shall be
 8 equal to the product of the following:

9 (A) The average yield for the oilseed deter-
 10 mined under paragraph (1).

11 (B) The ratio resulting from dividing the
 12 national average yield for the oilseed for the
 13 1981 through 1985 crops by the national aver-
 14 age yield for the oilseed for the 1998 through
 15 2001 crops.

16 **SEC. 103. ESTABLISHMENT OF BASE ACRES AND PAYMENT**
 17 **ACRES FOR A FARM.**

18 (a) ELECTION BY PRODUCERS OF BASE ACRE CAL-
 19 CULATION METHOD.—For the purpose of making fixed
 20 decoupled payments and counter-cyclical payments with
 21 respect to a farm, the Secretary shall give producers on
 22 the farm an opportunity to elect one of the following as
 23 the method by which the base acres of all covered commod-
 24 ities on the farm are to be determined:

1 (1) The four-year average of acreage actually
2 planted on the farm to a covered commodity for har-
3 vest, grazing, haying, silage, or other similar pur-
4 poses during crop years 1998, 1999, 2000, and
5 2001 and any acreage on the farm that the pro-
6 ducers were prevented from planting during such
7 crop years to the covered commodity because of
8 drought, flood, or other natural disaster, or other
9 condition beyond the control of the producer, as de-
10 termined by the Secretary.

11 (2) The sum of contract acreage (as defined in
12 section 102 of the Federal Agriculture Improvement
13 and Reform Act of 1996 (7 U.S.C. 7202)) used by
14 the Secretary to calculate the fiscal year 2002 pay-
15 ment that, subject to section 109, would be made
16 under section 114 of such Act (7 U.S.C. 7214) for
17 the covered commodity on the farm and the four-
18 year average determined under paragraph (1) for
19 soybeans and each other oilseed produced on the
20 farm.

21 (b) SINGLE ELECTION; TIME FOR ELECTION.—The
22 opportunity to make the election described in subsection
23 (a) shall be available to producers on a farm only once.
24 The producers shall notify the Secretary of the election

1 made by the producers under such subsection not later
2 than 180 days after the date of the enactment of this Act.

3 (c) EFFECT OF FAILURE TO MAKE ELECTION.—If
4 the producers on a farm fail to make the election under
5 subsection (a), or fail to timely notify the Secretary of the
6 selected option as required by subsection (b), the pro-
7 ducers shall be deemed to have made the election described
8 in subsection (a)(2) to determine base acres for all covered
9 commodities on the farm.

10 (d) APPLICATION OF ELECTION TO ALL COVERED
11 COMMODITIES.—The election made under subsection (a)
12 or deemed to be made under subsection (c) with respect
13 to a farm shall apply to all of the covered commodities
14 on the farm. Producers may not make the election de-
15 scribed in subsection (a)(1) for one covered commodity
16 and the election described in subsection (a)(2) for other
17 covered commodities on the farm.

18 (e) TREATMENT OF CONSERVATION RESERVE CON-
19 TRACT ACREAGE.—

20 (1) IN GENERAL.—In the case of producers on
21 a farm that make the election described in sub-
22 section (a)(2), the Secretary shall provide for an ad-
23 justment in the base acres for the farm whenever ei-
24 ther of the following circumstances occur:

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

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

8 (2) SPECIAL PAYMENT RULES.—For the fiscal
9 year and crop year in which a base acre adjustment
10 under paragraph (1) is first made, the producers on
11 the farm shall elect to receive either fixed decoupled
12 payments and counter-cyclical payments with respect
13 to the acreage added to the farm under this sub-
14 section or a prorated payment under the conserva-
15 tion reserve contract, but not both.

16 (f) PAYMENT ACRES.—The payment acres for a cov-
17 ered commodity on a farm shall be equal to 85 percent
18 of the base acres for the commodity.

19 (g) PREVENTION OF EXCESS BASE ACRES.—

20 (1) REQUIRED REDUCTION.—If the sum of the
21 base acres for a farm, together with the acreage de-
22 scribed in paragraph (2), exceeds the actual crop-
23 land acreage of the farm, the Secretary shall reduce
24 the quantity of base acres for one or more covered
25 commodities for the farm or peanut acres for the

1 farm as necessary so that the sum of the base acres
2 and acreage described in paragraph (2) does not ex-
3 ceed the actual cropland acreage of the farm. The
4 Secretary shall give the producers on the farm the
5 opportunity to select the base acres or peanut acres
6 against which the reduction will be made.

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

9 (A) Any peanut acres for the farm under
10 chapter 3 of subtitle C.

11 (B) Any acreage on the farm enrolled in
12 the conservation reserve program or wetlands
13 reserve program under chapter 1 of subtitle D
14 of title XII of the Food Security Act of 1985
15 (16 U.S.C. 3830 et seq.).

16 (C) Any other acreage on the farm enrolled
17 in a conservation program for which payments
18 are made in exchange for not producing an ag-
19 ricultural commodity on the acreage.

20 (3) EXCEPTION FOR DOUBLE-CROPPED ACRE-
21 AGE.—In applying paragraph (1), the Secretary
22 shall make an exception in the case of double crop-
23 ping, as determined by the Secretary.

1 **SEC. 104. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS.**

2 (a) PAYMENT REQUIRED.—For each of the 2002
3 through 2011 crop years of each covered commodity, the
4 Secretary shall make fixed, decoupled payments to eligible
5 producers.

6 (b) PAYMENT RATE.—The payment rates used to
7 make fixed, decoupled payments with respect to covered
8 commodities for a crop year are as follows:

- 9 (1) Wheat, \$0.53 per bushel.
- 10 (2) Corn, \$0.30 per bushel.
- 11 (3) Grain sorghum, \$0.36 per bushel.
- 12 (4) Barley, \$0.25 per bushel.
- 13 (5) Oats, \$0.025 per bushel.
- 14 (6) Upland cotton, \$0.0667 per pound.
- 15 (7) Rice, \$2.35 per hundredweight.
- 16 (8) Soybeans, \$0.42 per bushel.
- 17 (9) Other oilseeds, \$0.0074 per pound.

18 (c) PAYMENT AMOUNT.—The amount of the fixed,
19 decoupled payment to be paid to the eligible producers on
20 a farm for a covered commodity for a crop year shall be
21 equal to the product of the following:

- 22 (1) The payment rate specified in subsection
- 23 (b).
- 24 (2) The payment acres of the covered com-
- 25 modity on the farm.

1 (3) The payment yield for the covered com-
2 modity for the farm.

3 (d) TIME FOR PAYMENT.—

4 (1) GENERAL RULE.—Fixed, decoupled pay-
5 ments shall be paid not later than September 30 of
6 each of fiscal years 2002 through 2011. In the case
7 of the 2002 crop, payments may begin to be made
8 on or after December 1, 2001.

9 (2) ADVANCE PAYMENTS.—At the option of an
10 eligible producer, 50 percent of the fixed, decoupled
11 payment for a fiscal year shall be paid on a date se-
12 lected by the producer. The selected date shall be on
13 or after December 1 of that fiscal year, and the pro-
14 ducer may change the selected date for a subsequent
15 fiscal year by providing advance notice to the Sec-
16 retary.

17 (3) REPAYMENT OF ADVANCE PAYMENTS.—If a
18 producer that receives an advance fixed, decoupled
19 payment for a fiscal year ceases to be an eligible
20 producer before the date the fixed, decoupled pay-
21 ment would otherwise have been made by the Sec-
22 retary under paragraph (1), the producer shall be
23 responsible for repaying the Secretary the full
24 amount of the advance payment.

1 **SEC. 105. AVAILABILITY OF COUNTER-CYCLICAL PAY-**
2 **MENTS.**

3 (a) **PAYMENT REQUIRED.**—The Secretary shall make
4 counter-cyclical payments with respect to a covered com-
5 modity whenever the Secretary determines that the effec-
6 tive price for the commodity is less than the target price
7 for the commodity.

8 (b) **EFFECTIVE PRICE.**—For purposes of subsection
9 (a), the effective price for a covered commodity is equal
10 to the sum of the following:

11 (1) The higher of the following:

12 (A) The national average market price re-
13 ceived by producers during the 12-month mar-
14 keting year for the commodity, as determined
15 by the Secretary.

16 (B) The national average loan rate for a
17 marketing assistance loan for the covered com-
18 modity in effect for the same period under sub-
19 title B.

20 (2) The payment rate in effect for the covered
21 commodity under section 104 for the purpose of
22 making fixed, decoupled payments with respect to
23 the commodity.

24 (c) **TARGET PRICE.**—For purposes of subsection (a),
25 the target prices for covered commodities are as follows:

26 (1) Wheat, \$4.04 per bushel.

- 1 (2) Corn, \$2.78 per bushel.
- 2 (3) Grain sorghum, \$2.64 per bushel.
- 3 (4) Barley, \$2.39 per bushel.
- 4 (5) Oats, \$1.47 per bushel.
- 5 (6) Upland cotton, \$0.736 per pound.
- 6 (7) Rice, \$10.82 per hundredweight.
- 7 (8) Soybeans, \$5.86 per bushel.
- 8 (9) Other oilseeds, \$0.1036 per pound.

9 (d) PAYMENT RATE.—The payment rate used to
10 make counter-cyclical payments with respect to a covered
11 commodity for a crop year shall be equal to the difference
12 between—

- 13 (1) the target price for the commodity; and
- 14 (2) the effective price determined under sub-
15 section (b) for the commodity.

16 (e) PAYMENT AMOUNT.—The amount of the counter-
17 cyclical payment to be paid to the eligible producers on
18 a farm for a covered commodity for a crop year shall be
19 equal to the product of the following:

- 20 (1) The payment rate specified in subsection
21 (d).
- 22 (2) The payment acres of the covered com-
23 modity on the farm.
- 24 (3) The payment yield for the covered com-
25 modity for the farm.

1 (f) TIME FOR PAYMENTS.—

2 (1) GENERAL RULE.—The Secretary shall make
3 counter-cyclical payments under this section for a
4 crop of a covered commodity as soon as possible
5 after determining under subsection (a) that such
6 payments are required for that crop year.

7 (2) PARTIAL PAYMENT.—The Secretary may
8 permit, and, if so permitted, an eligible producer
9 may elect to receive, up to 40 percent of the pro-
10 jected counter-cyclical payment, as determined by
11 the Secretary, to be made under this section for a
12 crop of a covered commodity upon completion of the
13 first six months of the marketing year for that crop.
14 The producer shall repay to the Secretary the
15 amount, if any, by which the partial payment ex-
16 ceeds the actual counter-cyclical payment to be made
17 for that marketing year.

18 (g) SPECIAL RULE FOR CURRENTLY UNDESIGNATED
19 OILSEED.—If the Secretary uses the authority under sec-
20 tion 100(8) to designate another oilseed as an oilseed for
21 which counter-cyclical payments may be made, the Sec-
22 retary may modify the target price specified in subsection
23 (c)(9) that would otherwise apply to that oilseed as the
24 Secretary considers appropriate.

1 (h) SPECIAL RULE FOR BARLEY USED ONLY FOR
 2 FEED PURPOSES.—For purposes of calculating the effec-
 3 tive price for barley under subsection (b), the Secretary
 4 shall use the loan rate in effect for barley under section
 5 122(b)(3), except, in the case of producers who received
 6 the higher loan rate provided under such section for barley
 7 used only for feed purposes, the Secretary shall use that
 8 higher loan rate.

9 **SEC. 106. PRODUCER AGREEMENT REQUIRED AS CONDI-**
 10 **TION ON PROVISION OF FIXED, DECOUPLED**
 11 **PAYMENTS AND COUNTER-CYCLICAL PAY-**
 12 **MENTS.**

13 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

14 (1) REQUIREMENTS.—Before the producers on
 15 a farm may receive fixed, decoupled payments or
 16 counter-cyclical payments with respect to the farm,
 17 the producers shall agree, in exchange for the
 18 payments—

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

23 (B) to comply with applicable wetland pro-
 24 tection requirements under subtitle C of title
 25 XII of the Act (16 U.S.C. 3821 et seq.);

1 (C) to comply with the planting flexibility
2 requirements of section 107; and

3 (D) to use the land on the farm, in an
4 amount equal to the base acres, for an agricul-
5 tural or conserving use, and not for a non-
6 agricultural commercial or industrial use, as de-
7 termined by the Secretary.

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

12 (b) EFFECT OF FORECLOSURE.—A producer may not
13 be required to make repayments to the Secretary of fixed,
14 decoupled payments and counter-cyclical payments if the
15 farm has been foreclosed on and the Secretary determines
16 that forgiving the repayments is appropriate to provide
17 fair and equitable treatment. This subsection shall not
18 void the responsibilities of the producer under subsection
19 (a) if the producer continues or resumes operation, or con-
20 trol, of the farm. On the resumption of operation or con-
21 trol over the farm by the producer, the requirements of
22 subsection (a) in effect on the date of the foreclosure shall
23 apply.

24 (c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

1 (1) TERMINATION.—Except as provided in
2 paragraph (4), a transfer of (or change in) the inter-
3 est of a producer in base acres for which fixed, de-
4 coupled payments or counter-cyclical payments are
5 made shall result in the termination of the payments
6 with respect to the base acres, unless the transferee
7 or owner of the acreage agrees to assume all obliga-
8 tions under subsection (a). The termination shall be
9 effective on the date of the transfer or change.

10 (2) TRANSFER OF PAYMENT BASE.—There is
11 no restriction on the transfer of a farm's base acres
12 or payment yield as part of a change in the pro-
13 ducers on the farm.

14 (3) MODIFICATION.—At the request of the
15 transferee or owner, the Secretary may modify the
16 requirements of subsection (a) if the modifications
17 are consistent with the objectives of such subsection,
18 as determined by the Secretary.

19 (4) EXCEPTION.—If a producer entitled to a
20 fixed, decoupled payment or counter-cyclical pay-
21 ment dies, becomes incompetent, or is otherwise un-
22 able to receive the payment, the Secretary shall
23 make the payment, in accordance with regulations
24 prescribed by the Secretary.

25 (d) ACREAGE REPORTS.—

1 (1) IN GENERAL.—As a condition on the receipt
2 of any benefits under this subtitle or subtitle B, the
3 Secretary shall require producers to submit to the
4 Secretary acreage reports.

5 (2) CONFORMING AMENDMENT.—Section 15 of
6 the Agricultural Marketing Act (12 U.S.C. 1141j) is
7 amended by striking subsection (d).

8 (e) REVIEW.—A determination of the Secretary
9 under this section shall be considered to be an adverse
10 decision for purposes of the availability of administrative
11 review of the determination.

12 **SEC. 107. PLANTING FLEXIBILITY.**

13 (a) PERMITTED CROPS.—Subject to subsection (b),
14 any commodity or crop may be planted on base acres on
15 a farm.

16 (b) LIMITATIONS AND EXCEPTIONS REGARDING
17 CERTAIN COMMODITIES.—

18 (1) LIMITATIONS.—The planting of the fol-
19 lowing agricultural commodities shall be prohibited
20 on base acres:

21 (A) Fruits.

22 (B) Vegetables (other than lentils, mung
23 beans, and dry peas).

24 (C) Wild rice.

1 (2) EXCEPTIONS.—Paragraph (1) shall not
2 limit the planting of an agricultural commodity spec-
3 ified in such paragraph—

4 (A) in any region in which there is a his-
5 tory of double-cropping of covered commodities
6 with agricultural commodities specified in para-
7 graph (1), as determined by the Secretary, in
8 which case the double-cropping shall be per-
9 mitted;

10 (B) on a farm that the Secretary deter-
11 mines has a history of planting agricultural
12 commodities specified in paragraph (1) on base
13 acres, except that fixed, decoupled payments
14 and counter-cyclical payments shall be reduced
15 by an acre for each acre planted to such an ag-
16 ricultural commodity; or

17 (C) by a producer who the Secretary deter-
18 mines has an established planting history of a
19 specific agricultural commodity specified in
20 paragraph (1), except that—

21 (i) the quantity planted may not ex-
22 ceed the producer's average annual plant-
23 ing history of such agricultural commodity
24 in the 1991 through 1995 crop years (ex-
25 cluding any crop year in which no plant-

1 ings were made), as determined by the
2 Secretary; and

3 (ii) fixed, decoupled payments and
4 counter-cyclical payments shall be reduced
5 by an acre for each acre planted to such
6 agricultural commodity.

7 **SEC. 108. RELATION TO REMAINING PAYMENT AUTHORITY**
8 **UNDER PRODUCTION FLEXIBILITY CON-**
9 **TRACTS.**

10 (a) **TERMINATION OF SUPERSEDED PAYMENT AU-**
11 **THORITY.**—Notwithstanding section 113(a)(7) of the Fed-
12 eral Agriculture Improvement and Reform Act of 1996 (7
13 U.S.C. 7213(a)(7)) or any other provision of law, the Sec-
14 retary shall not make payments for fiscal year 2002 after
15 the date of the enactment of this Act under production
16 flexibility contracts entered into under section 111 of such
17 Act (7 U.S.C. 7211).

18 (b) **CONTRACT PAYMENTS MADE BEFORE ENACT-**
19 **MENT.**—If, on or before the date of the enactment of this
20 Act, a producer receives all or any portion of the payment
21 authorized for fiscal year 2002 under a production flexi-
22 bility contract, the Secretary shall reduce the amount of
23 the fixed, decoupled payment otherwise due the producer
24 for that same fiscal year by the amount of the fiscal year
25 2002 payment previously received by the producer.

1 **SEC. 109. PAYMENT LIMITATIONS.**

2 Sections 1001 through 1001C of the Food Security
3 Act of 1985 (7 U.S.C. 1308 through 1308–3) shall apply
4 to fixed, decoupled payments and counter-cyclical pay-
5 ments.

6 **SEC. 110. PERIOD OF EFFECTIVENESS.**

7 This subtitle shall be effective beginning with the
8 2002 crop year of each covered commodity through the
9 2011 crop year.

10 **Subtitle B—Marketing Assistance**
11 **Loans and Loan Deficiency Pay-**
12 **ments**

13 **SEC. 121. AVAILABILITY OF NONRECOURSE MARKETING AS-**
14 **SISTANCE LOANS FOR COVERED COMMOD-**
15 **ITIES.**

16 (a) NONRECOURSE LOANS AVAILABLE.—

17 (1) AVAILABILITY.—For each of the 2002
18 through 2011 crops of each covered commodity, the
19 Secretary shall make available to producers on a
20 farm nonrecourse marketing assistance loans for
21 covered commodities produced on the farm. The
22 loans shall be made under terms and conditions that
23 are prescribed by the Secretary and at the loan rate
24 established under section 122 for the covered com-
25 modity.

1 (2) INCLUSION OF EXTRA LONG STAPLE COT-
2 TON.—In this subtitle, the term “covered com-
3 modity” includes extra long staple cotton.

4 (b) ELIGIBLE PRODUCTION.—Any production of a
5 covered commodity on a farm shall be eligible for a mar-
6 keting assistance loan under subsection (a).

7 (c) TREATMENT OF CERTAIN COMMINGLED COM-
8 MODITIES.—In carrying out this subtitle, the Secretary
9 shall make loans to a producer that is otherwise eligible
10 to obtain a marketing assistance loan, but for the fact the
11 covered commodity owned by the producer is commingled
12 with covered commodities of other producers in facilities
13 unlicensed for the storage of agricultural commodities by
14 the Secretary or a State licensing authority, if the pro-
15 ducer obtaining the loan agrees to immediately redeem the
16 loan collateral in accordance with section 166 of the Fed-
17 eral Agriculture Improvement and Reform Act of 1996 (7
18 U.S.C. 7286).

19 (d) COMPLIANCE WITH CONSERVATION AND WET-
20 LANDS REQUIREMENTS.—As a condition of the receipt of
21 a marketing assistance loan under subsection (a), the pro-
22 ducer shall comply with applicable conservation require-
23 ments under subtitle B of title XII of the Food Security
24 Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-
25 land protection requirements under subtitle C of title XII

1 of the Act (16 U.S.C. 3821 et seq.) during the term of
2 the loan.

3 (e) DEFINITION OF EXTRA LONG STAPLE COT-
4 TON.—In this subtitle, the term “extra long staple cotton”
5 means cotton that—

6 (1) is produced from pure strain varieties of the
7 Barbados species or any hybrid thereof, or other
8 similar types of extra long staple cotton, designated
9 by the Secretary, having characteristics needed for
10 various end uses for which United States upland cot-
11 ton is not suitable and grown in irrigated cotton-
12 growing regions of the United States designated by
13 the Secretary or other areas designated by the Sec-
14 retary as suitable for the production of the varieties
15 or types; and

16 (2) is ginned on a roller-type gin or, if author-
17 ized by the Secretary, ginned on another type gin for
18 experimental purposes.

19 (f) TERMINATION OF SUPERSEDED LOAN AUTHOR-
20 ITY.—Notwithstanding section 131 of the Federal Agri-
21 culture Improvement and Reform Act of 1996 (7 U.S.C.
22 7231), nonrecourse marketing assistance loans shall not
23 be made for the 2002 crop of covered commodities under
24 subtitle C of title I of such Act.

1 **SEC. 122. LOAN RATES FOR NONRECOURSE MARKETING AS-**
2 **SISTANCE LOANS.**

3 (a) WHEAT.—

4 (1) LOAN RATE.—Subject to paragraph (2), the
5 loan rate for a marketing assistance loan under sec-
6 tion 121 for wheat shall be—

7 (A) not less than 85 percent of the simple
8 average price received by producers of wheat, as
9 determined by the Secretary, during the mar-
10 keting years for the immediately preceding five
11 crops of wheat, excluding the year in which the
12 average price was the highest and the year in
13 which the average price was the lowest in the
14 period; but

15 (B) not more than \$2.58 per bushel.

16 (2) STOCKS TO USE RATIO ADJUSTMENT.—If
17 the Secretary estimates for any marketing year that
18 the ratio of ending stocks of wheat to total use for
19 the marketing year will be—

20 (A) equal to or greater than 30 percent,
21 the Secretary may reduce the loan rate for
22 wheat for the corresponding crop by an amount
23 not to exceed 10 percent in any year;

24 (B) less than 30 percent but not less than
25 15 percent, the Secretary may reduce the loan

1 rate for wheat for the corresponding crop by an
2 amount not to exceed 5 percent in any year; or

3 (C) less than 15 percent, the Secretary
4 may not reduce the loan rate for wheat for the
5 corresponding crop.

6 (b) FEED GRAINS.—

7 (1) LOAN RATE FOR CORN AND GRAIN SOR-
8 GHUM.—Subject to paragraph (2), the loan rate for
9 a marketing assistance loan under section 121 for
10 corn and grain sorghum shall be—

11 (A) not less than 85 percent of the simple
12 average price received by producers of corn or
13 grain sorghum, respectively, as determined by
14 the Secretary, during the marketing years for
15 the immediately preceding five crops of the cov-
16 ered commodity, excluding the year in which
17 the average price was the highest and the year
18 in which the average price was the lowest in the
19 period; but

20 (B) not more than \$1.89 per bushel.

21 (2) STOCKS TO USE RATIO ADJUSTMENT.—If
22 the Secretary estimates for any marketing year that
23 the ratio of ending stocks of corn or grain sorghum
24 to total use for the marketing year will be—

1 (A) equal to or greater than 25 percent,
2 the Secretary may reduce the loan rate for the
3 covered commodity for the corresponding crop
4 by an amount not to exceed 10 percent in any
5 year;

6 (B) less than 25 percent but not less than
7 12.5 percent, the Secretary may reduce the loan
8 rate for the covered commodity for the cor-
9 responding crop by an amount not to exceed 5
10 percent in any year; or

11 (C) less than 12.5 percent, the Secretary
12 may not reduce the loan rate for the covered
13 commodity for the corresponding crop.

14 (3) OTHER FEED GRAINS.—The loan rate for a
15 marketing assistance loan under section 121 for bar-
16 ley and oats shall be—

17 (A) established at such level as the Sec-
18 retary determines is fair and reasonable in rela-
19 tion to the rate that loans are made available
20 for corn, taking into consideration the feeding
21 value of the commodity in relation to corn; but

22 (B) not more than—

23 (i) \$1.65 per bushel for barley, except
24 not more than \$1.70 per bushel for barley

1 used only for feed purposes, as determined
2 by the Secretary; and

3 (ii) \$1.21 per bushel for oats.

4 (c) UPLAND COTTON.—

5 (1) LOAN RATE.—Subject to paragraph (2), the
6 loan rate for a marketing assistance loan under sec-
7 tion 121 for upland cotton shall be established by
8 the Secretary at such loan rate, per pound, as will
9 reflect for the base quality of upland cotton, as de-
10 termined by the Secretary, at average locations in
11 the United States a rate that is not less than the
12 smaller of—

13 (A) 85 percent of the average price
14 (weighted by market and month) of the base
15 quality of cotton as quoted in the designated
16 United States spot markets during 3 years of
17 the 5-year period ending July 31 of the year
18 preceding the year in which the crop is planted,
19 excluding the year in which the average price
20 was the highest and the year in which the aver-
21 age price was the lowest in the period; or

22 (B) 90 percent of the average, for the 15-
23 week period beginning July 1 of the year pre-
24 ceding the year in which the crop is planted, of
25 the five lowest-priced growths of the growths

1 quoted for Middling $1\frac{3}{32}$ -inch cotton C.I.F.
2 Northern Europe (adjusted downward by the
3 average difference during the period April 15
4 through October 15 of the year preceding the
5 year in which the crop is planted between the
6 average Northern European price quotation of
7 such quality of cotton and the market
8 quotations in the designated United States spot
9 markets for the base quality of upland cotton),
10 as determined by the Secretary.

11 (2) LIMITATIONS.—The loan rate for a mar-
12 keting assistance loan for upland cotton shall not be
13 less than \$0.50 per pound or more than \$0.5192 per
14 pound.

15 (d) EXTRA LONG STAPLE COTTON.—The loan rate
16 for a marketing assistance loan under section 121 for
17 extra long staple cotton shall be \$0.7965 per pound.

18 (e) RICE.—The loan rate for a marketing assistance
19 loan under section 121 for rice shall be \$6.50 per hun-
20 dredweight.

21 (f) OILSEEDS.—

22 (1) SOYBEANS.—The loan rate for a marketing
23 assistance loan under section 121 for soybeans shall
24 be—

1 (A) not less than 85 percent of the simple
2 average price received by producers of soybeans,
3 as determined by the Secretary, during the
4 marketing years for the immediately preceding
5 five crops of soybeans, excluding the year in
6 which the average price was the highest and the
7 year in which the average price was the lowest
8 in the period; but

9 (B) not more than \$4.92 per bushel.

10 (2) OTHER OILSEEDS.—The loan rate for a
11 marketing assistance loan under section 121 for
12 other oilseeds shall be—

13 (A) not less than 85 percent of the simple
14 average price received by producers of the other
15 oilseed, as determined by the Secretary, during
16 the marketing years for the immediately pre-
17 ceding five crops of the other oilseed, excluding
18 the year in which the average price was the
19 highest and the year in which the average price
20 was the lowest in the period; but

21 (B) not more than \$0.087 per pound.

22 **SEC. 123. TERM OF LOANS.**

23 (a) TERM OF LOAN.—In the case of each covered
24 commodity (other than upland cotton or extra long staple
25 cotton), a marketing assistance loan under section 121

1 shall have a term of nine months beginning on the first
2 day of the first month after the month in which the loan
3 is made.

4 (b) SPECIAL RULE FOR COTTON.—A marketing as-
5 sistance loan for upland cotton or extra long staple cotton
6 shall have a term of 10 months beginning on the first day
7 of the month in which the loan is made.

8 (c) EXTENSIONS PROHIBITED.—The Secretary may
9 not extend the term of a marketing assistance loan for
10 any covered commodity.

11 **SEC. 124. REPAYMENT OF LOANS.**

12 (a) REPAYMENT RATES FOR WHEAT, FEED GRAINS,
13 AND OILSEEDS.—The Secretary shall permit a producer
14 to repay a marketing assistance loan under section 121
15 for wheat, corn, grain sorghum, barley, oats, and oilseeds
16 at a rate that is the lesser of—

17 (1) the loan rate established for the commodity
18 under section 122, plus interest (as determined by
19 the Secretary); or

20 (2) a rate that the Secretary determines will—

21 (A) minimize potential loan forfeitures;

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

24 (C) minimize the cost incurred by the Fed-
25 eral Government in storing the commodity; and

1 (D) allow the commodity produced in the
2 United States to be marketed freely and com-
3 petitively, both domestically and internationally.

4 (b) REPAYMENT RATES FOR UPLAND COTTON AND
5 RICE.—The Secretary shall permit producers to repay a
6 marketing assistance loan under section 121 for upland
7 cotton and rice at a rate that is the lesser of—

8 (1) the loan rate established for the commodity
9 under section 122, plus interest (as determined by
10 the Secretary); or

11 (2) the prevailing world market price for the
12 commodity (adjusted to United States quality and
13 location), as determined by the Secretary.

14 (c) REPAYMENT RATES FOR EXTRA LONG STAPLE
15 COTTON.—Repayment of a marketing assistance loan for
16 extra long staple cotton shall be at the loan rate estab-
17 lished for the commodity under section 122, plus interest
18 (as determined by the Secretary).

19 (d) PREVAILING WORLD MARKET PRICE.—For pur-
20 poses of this section and section 127, the Secretary shall
21 prescribe by regulation—

22 (1) a formula to determine the prevailing world
23 market price for each covered commodity, adjusted
24 to United States quality and location; and

1 (2) a mechanism by which the Secretary shall
2 announce periodically the prevailing world market
3 price for each covered commodity.

4 (e) ADJUSTMENT OF PREVAILING WORLD MARKET
5 PRICE FOR UPLAND COTTON.—

6 (1) IN GENERAL.—During the period beginning
7 on the date of the enactment of this Act and ending
8 July 31, 2012, the prevailing world market price for
9 upland cotton (adjusted to United States quality and
10 location) established under subsection (d) shall be
11 further adjusted if—

12 (A) the adjusted prevailing world market
13 price is less than 115 percent of the loan rate
14 for upland cotton established under section 122,
15 as determined by the Secretary; and

16 (B) the Friday through Thursday average
17 price quotation for the lowest-priced United
18 States growth as quoted for Middling (M) $1\frac{3}{32}$ -
19 inch cotton delivered C.I.F. Northern Europe is
20 greater than the Friday through Thursday av-
21 erage price of the 5 lowest-priced growths of
22 upland cotton, as quoted for Middling (M)
23 $1\frac{3}{32}$ -inch cotton, delivered C.I.F. Northern Eu-
24 rope (referred to in this section as the “North-
25 ern Europe price”).

1 (2) FURTHER ADJUSTMENT.—Except as pro-
 2 vided in paragraph (3), the adjusted prevailing world
 3 market price for upland cotton shall be further ad-
 4 justed on the basis of some or all of the following
 5 data, as available:

6 (A) The United States share of world ex-
 7 ports.

8 (B) The current level of cotton export sales
 9 and cotton export shipments.

10 (C) Other data determined by the Sec-
 11 retary to be relevant in establishing an accurate
 12 prevailing world market price for upland cotton
 13 (adjusted to United States quality and loca-
 14 tion).

15 (3) LIMITATION ON FURTHER ADJUSTMENT.—
 16 The adjustment under paragraph (2) may not ex-
 17 ceed the difference between—

18 (A) the Friday through Thursday average
 19 price for the lowest-priced United States growth
 20 as quoted for Middling 1³/₃₂-inch cotton deliv-
 21 ered C.I.F. Northern Europe; and

22 (B) the Northern Europe price.

23 (f) TIME FOR FIXING REPAYMENT RATE.—In the
 24 case of a producer that marketed or otherwise lost bene-
 25 ficial interest in a covered commodity before repaying the

1 marketing assistance loan made under section 121 with
2 respect to the commodity, the Secretary shall permit the
3 producer to repay the loan at the lowest repayment rate
4 that was in effect for that covered commodity under this
5 section as of the date that the producer lost beneficial in-
6 terest, as determined by the Secretary.

7 **SEC. 125. LOAN DEFICIENCY PAYMENTS.**

8 (a) AVAILABILITY OF LOAN DEFICIENCY PAY-
9 MENTS.—Except as provided in subsection (d), the Sec-
10 retary may make loan deficiency payments available to
11 producers who, although eligible to obtain a marketing as-
12 sistance loan under section 121 with respect to a covered
13 commodity, agree to forgo obtaining the loan for the com-
14 modity in return for payments under this section.

15 (b) COMPUTATION.—A loan deficiency payment
16 under this section shall be computed by multiplying—

17 (1) the loan payment rate determined under
18 subsection (c) for the covered commodity; by

19 (2) the quantity of the covered commodity pro-
20 duced by the eligible producers, excluding any quan-
21 tity for which the producers obtain a loan under sec-
22 tion 121.

23 (c) LOAN PAYMENT RATE.—For purposes of this sec-
24 tion, the loan payment rate shall be the amount by
25 which—

1 (1) the loan rate established under section 122
2 for the covered commodity; exceeds

3 (2) the rate at which a loan for the commodity
4 may be repaid under section 124.

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

8 (e) TIME FOR PAYMENT.—The Secretary shall make
9 a payment under this section to a producer with respect
10 to a quantity of a covered commodity as of the earlier of
11 the following:

12 (1) The date on which the producer marketed
13 or otherwise lost beneficial interest in the com-
14 modity, as determined by the Secretary.

15 (2) The date the producer requests the pay-
16 ment.

17 (f) CONTINUATION OF SPECIAL LDP RULE FOR
18 2001 CROP YEAR.—Section 135(a)(2) of the Federal Ag-
19 riculture Improvement and Reform Act of 1996 (7 U.S.C.
20 7235(a)(2)) is amended by striking “2000 crop year” and
21 inserting “2000 and 2001 crop years”.

22 **SEC. 126. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAY-**
23 **MENTS FOR GRAZED ACREAGE.**

24 (a) ELIGIBLE PRODUCERS.—Effective for the 2002
25 through 2011 crop years, in the case of a producer that

1 would be eligible for a loan deficiency payment under sec-
2 tion 125 for wheat, barley, or oats, but that elects to use
3 acreage planted to the wheat, barley, or oats for the graz-
4 ing of livestock, the Secretary shall make a payment to
5 the producer under this section if the producer enters into
6 an agreement with the Secretary to forgo any other har-
7 vesting of the wheat, barley, or oats on that acreage.

8 (b) PAYMENT AMOUNT.—The amount of a payment
9 made to a producer on a farm under this section shall
10 be equal to the amount determined by multiplying—

11 (1) the loan deficiency payment rate determined
12 under section 125(c) in effect, as of the date of the
13 agreement, for the county in which the farm is lo-
14 cated; by

15 (2) the payment quantity determined by
16 multiplying—

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

21 (B) the payment yield for that covered
22 commodity on the farm.

23 (c) TIME, MANNER, AND AVAILABILITY OF PAY-
24 MENT.—

1 (1) TIME AND MANNER.—A payment under this
2 section shall be made at the same time and in the
3 same manner as loan deficiency payments are made
4 under section 125.

5 (2) AVAILABILITY.—The Secretary shall estab-
6 lish an availability period for the payment author-
7 ized by this section that is consistent with the avail-
8 ability period for wheat, barley, and oats established
9 by the Secretary for marketing assistance loans au-
10 thORIZED by this subtitle.

11 (d) PROHIBITION ON CROP INSURANCE OR NON-
12 INSURED CROP ASSISTANCE.—A 2002 through 2011 crop
13 of wheat, barley, or oats planted on acreage that a pro-
14 ducer elects, in the agreement required by subsection (a),
15 to use for the grazing of livestock in lieu of any other har-
16 vesting of the crop shall not be eligible for insurance under
17 the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.)
18 or noninsured crop assistance under section 196 of the
19 Federal Agriculture Improvement and Reform Act of 1996
20 (7 U.S.C. 7333).

21 **SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UP-**
22 **LAND COTTON.**

23 (a) COTTON USER MARKETING CERTIFICATES.—

24 (1) ISSUANCE.—During the period beginning on
25 the date of the enactment of this Act and ending

1 July 31, 2012, the Secretary shall issue marketing
2 certificates or cash payments, at the option of the
3 recipient, to domestic users and exporters for docu-
4 mented purchases by domestic users and sales for
5 export by exporters made in the week following a
6 consecutive four-week period in which—

7 (A) the Friday through Thursday average
8 price quotation for the lowest-priced United
9 States growth, as quoted for Middling (M)
10 $1\frac{3}{32}$ -inch cotton, delivered C.I.F. Northern Eu-
11 rope exceeds the Northern Europe price; and

12 (B) the prevailing world market price for
13 upland cotton (adjusted to United States qual-
14 ity and location) does not exceed 134 percent of
15 the loan rate for upland cotton established
16 under section 122.

17 (2) VALUE OF CERTIFICATES OR PAYMENTS.—

18 The value of the marketing certificates or cash pay-
19 ments shall be based on the amount of the difference
20 in the prices during the fourth week of the consecu-
21 tive four-week period multiplied by the quantity of
22 upland cotton included in the documented sales.

23 (3) ADMINISTRATION OF MARKETING CERTIFI-
24 CATES.—

1 (A) REDEMPTION, MARKETING, OR EX-
2 CHANGE.—The Secretary shall establish proce-
3 dures for redeeming marketing certificates for
4 cash or marketing or exchange of the certifi-
5 cates for agricultural commodities owned by the
6 Commodity Credit Corporation or pledged to
7 the Commodity Credit Corporation as collateral
8 for a loan in such manner, and at such price
9 levels, as the Secretary determines will best ef-
10 fectuate the purposes of cotton user marketing
11 certificates, including enhancing the competi-
12 tiveness and marketability of United States cot-
13 ton. Any price restrictions that would otherwise
14 apply to the disposition of agricultural commod-
15 ities by the Commodity Credit Corporation shall
16 not apply to the redemption of certificates
17 under this subsection.

18 (B) DESIGNATION OF COMMODITIES AND
19 PRODUCTS.—To the extent practicable, the Sec-
20 retary shall permit owners of certificates to des-
21 ignate the commodities and products, including
22 storage sites, the owners would prefer to receive
23 in exchange for certificates.

24 (C) TRANSFERS.—Marketing certificates
25 issued to domestic users and exporters of up-

1 land cotton may be transferred to other persons
2 in accordance with regulations issued by the
3 Secretary.

4 (b) SPECIAL IMPORT QUOTA.—

5 (1) ESTABLISHMENT.—

6 (A) IN GENERAL.—The President shall
7 carry out an import quota program during the
8 period beginning on the date of the enactment
9 of this Act and ending July 31, 2012, as pro-
10 vided in this subsection.

11 (B) PROGRAM REQUIREMENTS.—Except as
12 provided in subparagraph (C), whenever the
13 Secretary determines and announces that for
14 any consecutive four-week period, the Friday
15 through Thursday average price quotation for
16 the lowest-priced United States growth, as
17 quoted for Middling (M) 1³/₃₂-inch cotton, deliv-
18 ered C.I.F. Northern Europe, adjusted for the
19 value of any certificate issued under subsection
20 (a), exceeds the Northern Europe price there
21 shall immediately be in effect a special import
22 quota.

23 (C) TIGHT DOMESTIC SUPPLY.—During
24 any month for which the Secretary estimates
25 the season-ending United States upland cotton

1 stocks-to-use ratio, as determined under sub-
2 paragraph (D), to be below 16 percent, the Sec-
3 retary, in making the determination under sub-
4 paragraph (B), shall not adjust the Friday
5 through Thursday average price quotation for
6 the lowest-priced United States growth, as
7 quoted for Middling (M) 1³/₃₂-inch cotton, deliv-
8 ered C.I.F. Northern Europe, for the value of
9 any certificates issued under subsection (a).

10 (D) SEASON-ENDING UNITED STATES
11 STOCKS-TO-USE RATIO.—For the purposes of
12 making estimates under subparagraph (C), the
13 Secretary shall, on a monthly basis, estimate
14 and report the season-ending United States up-
15 land cotton stocks-to-use ratio, excluding pro-
16 jected raw cotton imports but including the
17 quantity of raw cotton that has been imported
18 into the United States during the marketing
19 year.

20 (2) QUANTITY.—The quota shall be equal to
21 one week's consumption of upland cotton by domes-
22 tic mills at the seasonally adjusted average rate of
23 the most recent three months for which data are
24 available.

1 (3) APPLICATION.—The quota shall apply to
2 upland cotton purchased not later than 90 days
3 after the date of the Secretary’s announcement
4 under paragraph (1) and entered into the United
5 States not later than 180 days after the date.

6 (4) OVERLAP.—A special quota period may be
7 established that overlaps any existing quota period if
8 required by paragraph (1), except that a special
9 quota period may not be established under this sub-
10 section if a quota period has been established under
11 subsection (c).

12 (5) PREFERENTIAL TARIFF TREATMENT.—The
13 quantity under a special import quota shall be con-
14 sidered to be an in-quota quantity for purposes of—

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

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

19 (C) section 503(d) of the Trade Act of
20 1974 (19 U.S.C. 2463(d)); and

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

23 (6) DEFINITION.—In this subsection, the term
24 “special import quota” means a quantity of imports

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

3 (7) LIMITATION.—The quantity of cotton en-
4 tered into the United States during any marketing
5 year under the special import quota established
6 under this subsection may not exceed the equivalent
7 of five week's consumption of upland cotton by do-
8 mestic mills at the seasonally adjusted average rate
9 of the three months immediately preceding the first
10 special import quota established in any marketing
11 year.

12 (c) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND
13 COTTON.—

14 (1) IN GENERAL.—The President shall carry
15 out an import quota program that provides that
16 whenever the Secretary determines and announces
17 that the average price of the base quality of upland
18 cotton, as determined by the Secretary, in the des-
19 ignated spot markets for a month exceeded 130 per-
20 cent of the average price of such quality of cotton
21 in the markets for the preceding 36 months, not-
22 withstanding any other provision of law, there shall
23 immediately be in effect a limited global import
24 quota subject to the following conditions:

1 (A) QUANTITY.—The quantity of the quota
2 shall be equal to 21 days of domestic mill con-
3 sumption of upland cotton at the seasonally ad-
4 justed average rate of the most recent three
5 months for which data are available.

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

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

19 (i) section 213(d) of the Caribbean
20 Basin Economic Recovery Act (19 U.S.C.
21 2703(d));

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

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

1 (iv) General Note 3(a)(iv) to the Har-
2 monized Tariff Schedule.

3 (D) DEFINITIONS.—In this subsection:

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

9 (I) the carry-over of upland cot-
10 ton at the beginning of the marketing
11 year (adjusted to 480-pound bales) in
12 which the quota is established;

13 (II) production of the current
14 crop; and

15 (III) imports to the latest date
16 available during the marketing year.

17 (ii) DEMAND.—The term “demand”
18 means—

19 (I) the average seasonally ad-
20 justed annual rate of domestic mill
21 consumption during the most recent
22 three months for which data are avail-
23 able; and

24 (II) the larger of—

1 (aa) average exports of up-
2 land cotton during the preceding
3 six marketing years; or

4 (bb) cumulative exports of
5 upland cotton plus outstanding
6 export sales for the marketing
7 year in which the quota is estab-
8 lished.

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

14 (E) QUOTA ENTRY PERIOD.—When a
15 quota is established under this subsection, cot-
16 ton may be entered under the quota during the
17 90-day period beginning on the date the quota
18 is established by the Secretary.

19 (2) NO OVERLAP.—Notwithstanding paragraph
20 (1), a quota period may not be established that over-
21 laps an existing quota period or a special quota pe-
22 riod established under subsection (b).

1 **SEC. 128. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA**
2 **LONG STAPLE COTTON.**

3 (a) **COMPETITIVENESS PROGRAM.**—Notwithstanding
4 any other provision of law, during the period beginning
5 on the date of the enactment of this Act and ending on
6 July 31, 2012, the Secretary shall carry out a program
7 to maintain and expand the domestic use of extra long
8 staple cotton produced in the United States, to increase
9 exports of extra long staple cotton produced in the United
10 States, and to ensure that extra long staple cotton pro-
11 duced in the United States remains competitive in world
12 markets.

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

16 (1) for a consecutive four-week period, the
17 world market price for the lowest priced competing
18 growth of extra long staple cotton (adjusted to
19 United States quality and location and for other fac-
20 tors affecting the competitiveness of such cotton), as
21 determined by the Secretary, is below the prevailing
22 United States price for a competing growth of extra
23 long staple cotton; and

24 (2) the lowest priced competing growth of extra
25 long staple cotton (adjusted to United States quality
26 and location and for other factors affecting the com-

1 petitiveness of such cotton), as determined by the
2 Secretary, is less than 134 percent of the loan rate
3 for extra long staple cotton.

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

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

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

22 **SEC. 129. AVAILABILITY OF RECOURSE LOANS FOR HIGH**
23 **MOISTURE FEED GRAINS AND SEED COTTON**
24 **AND OTHER FIBERS.**

25 (a) HIGH MOISTURE FEED GRAINS.—

1 (1) RECOURSE LOANS AVAILABLE.—For each of
2 the 2002 through 2011 crops of corn and grain sor-
3 ghum, the Secretary shall make available recourse
4 loans, as determined by the Secretary, to producers
5 on a farm who—

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

9 (B) present—

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

16 (ii) field or other physical measure-
17 ments of the standing or stored crop in re-
18 gions of the United States, as determined
19 by the Secretary, that do not have certified
20 commercial scales from which certified
21 scale tickets may be obtained within rea-
22 sonable proximity of harvest operation;

23 (C) certify that they were the owners of
24 the feed grain at the time of delivery to, and
25 that the quantity to be placed under loan under

1 this subsection was in fact harvested on the
2 farm and delivered to, a feedlot, feed mill, or
3 commercial or on-farm high-moisture storage
4 facility, or to a facility maintained by the users
5 of corn and grain sorghum in a high moisture
6 state; and

7 (D) comply with deadlines established by
8 the Secretary for harvesting the corn or grain
9 sorghum and submit applications for loans
10 under this subsection within deadlines estab-
11 lished by the Secretary.

12 (2) ELIGIBILITY OF ACQUIRED FEED GRAINS.—

13 A loan under this subsection shall be made on a
14 quantity of corn or grain sorghum of the same crop
15 acquired by the producer equivalent to a quantity
16 determined by multiplying—

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

20 (B) the lower of the farm program pay-
21 ment yield or the actual yield on a field, as de-
22 termined by the Secretary, that is similar to the
23 field from which the corn or grain sorghum was
24 obtained.

1 (3) HIGH MOISTURE STATE DEFINED.—In this
2 subsection, the term “high moisture state” means
3 corn or grain sorghum having a moisture content in
4 excess of Commodity Credit Corporation standards
5 for marketing assistance loans made by the Sec-
6 retary under section 121.

7 (b) RECOURSE LOANS AVAILABLE FOR SEED COT-
8 TON.—For each of the 2002 through 2011 crops of upland
9 cotton and extra long staple cotton, the Secretary shall
10 make available recourse seed cotton loans, as determined
11 by the Secretary, on any production.

12 (c) REPAYMENT RATES.—Repayment of a recourse
13 loan made under this section shall be at the loan rate es-
14 tablished for the commodity by the Secretary, plus interest
15 (as determined by the Secretary).

16 (d) TERMINATION OF SUPERSEDED LOAN AUTHOR-
17 ITY.—Notwithstanding section 137 of the Federal Agri-
18 culture Improvement and Reform Act of 1996 (7 U.S.C.
19 7237), recourse loans shall not be made for the 2002 crop
20 of corn, grain sorghum, and seed cotton under such sec-
21 tion.

22 **SEC. 130. AVAILABILITY OF NONRECOURSE MARKETING AS-**
23 **SISTANCE LOANS FOR WOOL AND MOHAIR.**

24 (a) NONRECOURSE LOANS AVAILABLE.—During the
25 2002 through 2011 marketing years for wool and mohair,

1 the Secretary shall make available to producers on a farm
2 nonrecourse marketing assistance loans for wool and mo-
3 hair produced on the farm during that marketing year.

4 (b) LOAN RATE.—The loan rate for a loan under sub-
5 section (a) shall be not more than—

- 6 (1) \$1.00 per pound for graded wool;
- 7 (2) \$0.40 per pound for nongraded wool; and
- 8 (3) \$4.20 per pound for mohair.

9 (c) TERM OF LOAN.—A loan under subsection (a)
10 shall have a term of 1 year beginning on the first day
11 of the first month after the month in which the loan is
12 made.

13 (d) REPAYMENT RATES.—The Secretary shall permit
14 a producer to repay a marketing assistance loan under
15 subsection (a) for wool or mohair at a rate that is the
16 lesser of—

- 17 (1) the loan rate established for the commodity
18 under subsection (b), plus interest (as determined by
19 the Secretary); or
- 20 (2) a rate that the Secretary determines will—
 - 21 (A) minimize potential loan forfeitures;
 - 22 (B) minimize the accumulation of stocks of
23 the commodity by the Federal Government;
 - 24 (C) minimize the cost incurred by the Fed-
25 eral Government in storing the commodity; and

1 (D) allow the commodity produced in the
2 United States to be marketed freely and com-
3 petitively, both domestically and internationally.

4 (e) LOAN DEFICIENCY PAYMENTS.—

5 (1) AVAILABILITY.—The Secretary may make
6 loan deficiency payments available to producers that,
7 although eligible to obtain a marketing assistance
8 loan under this section, agree to forgo obtaining the
9 loan in return for payments under this subsection.

10 (2) COMPUTATION.—A loan deficiency payment
11 under this subsection shall be computed by
12 multiplying—

13 (A) the loan payment rate in effect under
14 paragraph (3) for the commodity; by

15 (B) the quantity of the commodity pro-
16 duced by the eligible producers, excluding any
17 quantity for which the producers obtain a loan
18 under this subsection.

19 (3) LOAN PAYMENT RATE.—For purposes of
20 this subsection, the loan payment rate for wool or
21 mohair shall be the amount by which—

22 (A) the loan rate in effect for the com-
23 modity under subsection (b); exceeds

24 (B) the rate at which a loan for the com-
25 modity may be repaid under subsection (d).

1 (b) LOAN RATE.—The loan rate for a marketing as-
2 sistance loan for honey under subsection (a) shall be equal
3 to \$0.60 cents per pound.

4 (c) TERM OF LOAN.—A marketing assistance loan
5 under subsection (a) shall have a term of 1 year beginning
6 on the first day of the first month after the month in
7 which the loan is made.

8 (d) REPAYMENT RATES.—The Secretary shall permit
9 a producer to repay a marketing assistance loan for honey
10 under subsection (a) at a rate that is the lesser of—

11 (1) the loan rate for honey, plus interest (as de-
12 termined by the Secretary); or

13 (2) the prevailing domestic market price for
14 honey, as determined by the Secretary.

15 (e) LOAN DEFICIENCY PAYMENTS.—

16 (1) AVAILABILITY.—The Secretary may make
17 loan deficiency payments available to any producer
18 of honey that, although eligible to obtain a mar-
19 keting assistance loan under subsection (a), agrees
20 to forgo obtaining the loan in return for a payment
21 under this subsection.

22 (2) COMPUTATION.—A loan deficiency payment
23 under this subsection shall be determined by
24 multiplying—

1 (A) the loan payment rate determined
2 under paragraph (3); by

3 (B) the quantity of honey that the pro-
4 ducer is eligible to place under loan, but for
5 which the producer forgoes obtaining the loan
6 in return for a payment under this subsection.

7 (3) LOAN PAYMENT RATE.—For the purposes
8 of this subsection, the loan payment rate shall be the
9 amount by which—

10 (A) the loan rate established under sub-
11 section (b); exceeds

12 (B) the rate at which a loan may be repaid
13 under subsection (d).

14 (4) TIME FOR PAYMENT.—The Secretary shall
15 make a payment under this subsection to a producer
16 with respect to a quantity of a honey as of the ear-
17 lier of the following:

18 (A) The date on which the producer mar-
19 keted or otherwise lost beneficial interest in the
20 honey, as determined by the Secretary.

21 (B) The date the producer requests the
22 payment.

23 (f) LIMITATIONS.—The marketing assistance loan
24 gains and loan deficiency payments that a person may re-
25 ceive for a crop of honey under this section shall be subject

1 to a separate payment limitation, but in the same dollar
2 amount, as the payment limitation that applies to mar-
3 keting assistance loans and loan deficiency payments re-
4 ceived by producers of other agricultural commodities in
5 the same crop year.

6 (g) PREVENTION OF FORFEITURES.—The Secretary
7 shall carry out this section in such a manner as to mini-
8 mize forfeitures of honey marketing assistance loans.

9 **SEC. 132. PRODUCER RETENTION OF ERRONEOUSLY PAID**
10 **LOAN DEFICIENCY PAYMENTS AND MAR-**
11 **KETING LOAN GAINS.**

12 Notwithstanding any other provision of law, the Sec-
13 retary of Agriculture and the Commodity Credit Corpora-
14 tion shall not require producers in Erie County, Pennsylv-
15 ania, to repay loan deficiency payments and marketing
16 loan gains erroneously paid or determined to have been
17 earned by the Commodity Credit Corporation for certain
18 1998 and 1999 crops under subtitle C of title I of the
19 Federal Agriculture Improvement and Reform Act of 1996
20 (7 U.S.C. 7231 et seq.). In the case of a producer who
21 has already made the repayment on or before the date of
22 the enactment of this Act, the Commodity Credit Corpora-
23 tion shall reimburse the producer for the full amount of
24 the repayment.

1 **Subtitle C—Other Commodities**

2 **CHAPTER 1—DAIRY**

3 **SEC. 141. MILK PRICE SUPPORT PROGRAM.**

4 (a) **SUPPORT ACTIVITIES.**—During the period begin-
5 ning on January 1, 2002, and ending on December 31,
6 2011, the Secretary of Agriculture shall support the price
7 of milk produced in the 48 contiguous States through the
8 purchase of cheese, butter, and nonfat dry milk produced
9 from the milk.

10 (b) **RATE.**—During the period specified in subsection
11 (a), the price of milk shall be supported at a rate equal
12 to \$9.90 per hundredweight for milk containing 3.67 per-
13 cent butterfat.

14 (c) **PURCHASE PRICES.**—The support purchase
15 prices under this section for each of the products of milk
16 (butter, cheese, and nonfat dry milk) announced by the
17 Secretary shall be the same for all of that product sold
18 by persons offering to sell the product to the Secretary.
19 The purchase prices shall be sufficient to enable plants
20 of average efficiency to pay producers, on average, a price
21 that is not less than the rate of price support for milk
22 in effect under subsection (b).

23 (d) **SPECIAL RULE FOR BUTTER AND NONFAT DRY**
24 **MILK PURCHASE PRICES.**—

1 (1) ALLOCATION OF PURCHASE PRICES.—The
2 Secretary may allocate the rate of price support be-
3 tween the purchase prices for nonfat dry milk and
4 butter in a manner that will result in the lowest level
5 of expenditures by the Commodity Credit Corpora-
6 tion or achieve such other objectives as the Secretary
7 considers appropriate. Not later than 10 days after
8 making or changing an allocation, the Secretary
9 shall notify the Committee on Agriculture of the
10 House of Representatives and the Committee on Ag-
11 riculture, Nutrition, and Forestry of the Senate of
12 the allocation. Section 553 of title 5, United States
13 Code, shall not apply with respect to the implemen-
14 tation of this section.

15 (2) TIMING OF PURCHASE PRICE ADJUST-
16 MENTS.—The Secretary may make any such adjust-
17 ments in the purchase prices for nonfat dry milk
18 and butter the Secretary considers to be necessary
19 not more than twice in each calendar year.

20 (e) COMMODITY CREDIT CORPORATION.—The Sec-
21 retary shall carry out the program authorized by this sec-
22 tion through the Commodity Credit Corporation.

1 **SEC. 142. REPEAL OF RECOURSE LOAN PROGRAM FOR**
 2 **PROCESSORS.**

3 Section 142 of the Federal Agriculture Improvement
 4 and Reform Act of 1996 (7 U.S.C. 7252) is repealed.

5 **SEC. 143. EXTENSION OF DAIRY EXPORT INCENTIVE AND**
 6 **DAIRY INDEMNITY PROGRAMS.**

7 (a) DAIRY EXPORT INCENTIVE PROGRAM.—Section
 8 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–
 9 14(a)) is amended by striking “2002” and inserting
 10 “2011”.

11 (b) DAIRY INDEMNITY PROGRAM.—Section 3 of Pub-
 12 lic Law 90–484 (7 U.S.C. 450l) is amended by striking
 13 “1995” and inserting “2011”.

14 **SEC. 144. FLUID MILK PROMOTION.**

15 (a) DEFINITION OF FLUID MILK PRODUCT.—Section
 16 1999C of the Fluid Milk Promotion Act of 1990 (7 U.S.C.
 17 6402) is amended by striking paragraph (3) and inserting
 18 the following new paragraph:

19 “(3) FLUID MILK PRODUCT.—The term ‘fluid
 20 milk product’ has the meaning given such term—

21 “(A) in section 1000.15 of title 7, Code of
 22 Federal Regulations, subject to such amend-
 23 ments as may be made from time to time; or

24 “(B) in any successor regulation providing
 25 a definition of such term that is promulgated
 26 pursuant to the Agricultural Adjustment Act (7

1 U.S.C. 601 et seq.), reenacted with amend-
2 ments by the Agricultural Marketing Agreement
3 Act of 1937.”.

4 (b) DEFINITION OF FLUID MILK PROCESSOR.—Sec-
5 tion 1999C(4) of the Fluid Milk Promotion Act of 1990
6 (7 U.S.C. 6402(4)) is amended by striking “500,000” and
7 inserting “3,000,000”.

8 (c) ELIMINATION OF ORDER TERMINATION DATE.—
9 Section 1999O of the Fluid Milk Promotion Act of 1990
10 (7 U.S.C. 6414) is amended—

11 (1) by striking subsection (a); and

12 (2) by redesignating subsections (b) and (c) as
13 subsections (a) and (b), respectively.

14 **SEC. 145. DAIRY PRODUCT MANDATORY REPORTING.**

15 Section 273(b)(1)(B) of the Agricultural Marketing
16 Act of 1946 (7 U.S.C. 1637b(b)(1)(B)) is amended—

17 (1) by inserting “and substantially identical
18 products designated by the Secretary” after “dairy
19 products” the first place it appears; and

20 (2) by inserting “and such substantially iden-
21 tical products” after “dairy products” the second
22 place it appears.

23 **SEC. 146. STUDY OF NATIONAL DAIRY POLICY.**

24 (a) STUDY REQUIRED.—Not later than April 30,
25 2002, the Secretary of Agriculture shall submit to Con-

1 gress a comprehensive economic evaluation of the potential
2 direct and indirect effects of the various elements of the
3 national dairy policy, including an examination of the ef-
4 fect of the national dairy policy on—

5 (1) farm price stability, farm profitability and
6 viability, and local rural economies in the United
7 States;

8 (2) child, senior, and low-income nutrition pro-
9 grams, including impacts on schools and institutions
10 participating in the programs, on program recipi-
11 ents, and other factors; and

12 (3) the wholesale and retail cost of fluid milk,
13 dairy farms, and milk utilization.

14 (b) NATIONAL DAIRY POLICY DEFINED.—In this
15 section, the term “national dairy policy” means the dairy
16 policy of the United States as evidenced by the following
17 policies and programs:

18 (1) Federal Milk Marketing Orders.

19 (2) Interstate dairy compacts (including pro-
20 posed compacts described in H.R. 1827 and S.
21 1157, as introduced in the 107th Congress).

22 (3) Over-order premiums and State pricing pro-
23 grams.

24 (4) Direct payments to milk producers.

25 (5) Federal milk price support program.

1 (d) NOTIFICATION.—Subsection (e) of such section is
2 amended by adding at the end the following new para-
3 graph:

4 “(3) PREVENTION OF ONEROUS NOTIFICATION
5 REQUIREMENTS.—The Secretary may not impose or
6 enforce any prenotification or similar administrative
7 requirement that has the effect of preventing a proc-
8 essor from choosing to forfeit the loan collateral
9 upon the maturity of the loan.”.

10 (e) IN PROCESS SUGAR.—Such section is further
11 amended by inserting after subsection (e) the following
12 new subsection (f):

13 “(f) LOANS FOR IN-PROCESS SUGAR.—

14 “(1) AVAILABILITY; RATE.—The Secretary shall
15 make nonrecourse loans available to processors of
16 domestically grown sugarcane and sugar beets for
17 in-process sugars and syrups derived from such
18 crops. The loan rate shall be equal to 80 percent of
19 the loan rate applicable to raw cane sugar or refined
20 beet sugar, depending on the source material for the
21 in-process sugars and syrups.

22 “(2) FURTHER PROCESSING UPON FOR-
23 FEITURE.—As a condition on the forfeiture of in-
24 process sugars and syrups serving as collateral for
25 a loan under paragraph (1), the processor shall,

1 within such reasonable time period as the Secretary
2 may prescribe and at no cost to the Commodity
3 Credit Corporation, convert the in-process sugars
4 and syrups into raw cane sugar or refined beet
5 sugar of acceptable grade and quality for sugars eli-
6 gible for loans under subsection (a) or (b). Once the
7 in-process sugars and syrups are fully processed into
8 raw cane sugar or refined beet sugar, the processor
9 shall transfer the sugar to the Corporation, which
10 shall make a payment to the processor in an amount
11 equal to the difference between the loan rate for raw
12 cane sugar or refined beet sugar, whichever applies,
13 and the loan rate the processor received under para-
14 graph (1).

15 “(3) LOAN CONVERSION.—If the processor does
16 not forfeit the collateral as described in paragraph
17 (2), but instead further processes the in-process sug-
18 ars and syrups into raw cane sugar or refined beet
19 sugar and repays the loan on the in-process sugars
20 and syrups, the processor may then obtain a loan
21 under subsection (a) or (b) on the raw cane sugar
22 or refined beet sugar, as appropriate.

23 “(4) DEFINITION.—In this subsection the term
24 ‘in-process sugars and syrups’ does not include raw
25 sugar, liquid sugar, invert sugar, invert syrup, or

1 other finished products that are otherwise eligible
2 for loans under subsection (a) or (b).”.

3 (f) ADMINISTRATION OF PROGRAM.—Such section is
4 further amended by adding at the end the following new
5 subsection:

6 “(j) AVOIDING FORFEITURES; CORPORATION INVEN-
7 TORY DISPOSITION.—

8 “(1) NO COST.—To the maximum extent prac-
9 ticable, the Secretary shall operate the sugar pro-
10 gram established under this section at no cost to the
11 Federal Government by avoiding the forfeiture of
12 sugar to the Commodity Credit Corporation.

13 “(2) INVENTORY DISPOSITION.—In support of
14 the objective specified in paragraph (1), the Com-
15modity Credit Corporation may accept bids for com-
16modities in the inventory of the Corporation from
17(or otherwise make available such commodities, on
18appropriate terms and conditions, to) processors of
19sugarcane and processors of sugar beets (when the
20processors are acting in conjunction with the pro-
21ducers of the sugarcane or sugar beets processed by
22such processors) in return for the reduction of pro-
23duction of raw cane sugar or refined beet sugar, as
24appropriate. The authority provided under this para-

1 graph is in addition to any authority of the Corpora-
2 tion under any other law.”.

3 (g) INFORMATION REPORTING.—Subsection (h) of
4 such section is amended—

5 (1) by redesignating paragraphs (2) and (3) as
6 paragraphs (4) and (5), respectively;

7 (2) by inserting after paragraph (1) the fol-
8 lowing new paragraphs:

9 “(2) DUTY OF PRODUCERS TO REPORT.—

10 “(A) PROPORTIONATE SHARE STATES.—

11 The Secretary shall require a producer of sug-
12 arcane located in a State (other than Puerto
13 Rico) in which there are in excess of 250 sugar-
14 cane producers to report, in the manner pre-
15 scribed by the Secretary, the producer’s sugar-
16 cane yields and acres planted to sugarcane.

17 “(B) OTHER STATES.—The Secretary may
18 require producers of sugarcane or sugar beets
19 not covered by paragraph (1) to report, in the
20 manner prescribed by the Secretary, each pro-
21 ducer’s sugarcane or sugar beet yields and
22 acres planted to sugarcane or sugar beets, re-
23 spectively.

24 “(3) DUTY OF IMPORTERS TO REPORT.—The
25 Secretary shall require an importer of sugars, syrups

1 or molasses to be used for human consumption or to
2 be used for the extraction of sugar for human con-
3 sumption, except such sugars, syrups, or molasses
4 that are within the quantities of tariff-rate quotas
5 that are at the lower rate of duties, to report, in the
6 manner prescribed by the Secretary, the quantities
7 of such products imported and the sugar content or
8 equivalent of such products.”; and

9 (3) in paragraph (5), as so redesignated, by
10 striking “paragraph (1)” and inserting “this sub-
11 section”.

12 (h) INTEREST RATE.—Section 163 of the Federal
13 Agriculture Improvement and Reform Act of 1996 (7
14 U.S.C. 7283) is amended by adding at the end the fol-
15 lowing new sentence: “For purposes of this section, raw
16 cane sugar, refined beet sugar, and in process sugar eligi-
17 ble for a loan under section 156 shall not be considered
18 an agricultural commodity.”.

19 **SEC. 152. REAUTHORIZE PROVISIONS OF AGRICULTURAL**
20 **ADJUSTMENT ACT OF 1938 REGARDING**
21 **SUGAR.**

22 (a) INFORMATION REPORTING.—Section 359a of the
23 Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa)
24 is repealed.

1 (b) ESTIMATES.—Section 359b of the Agricultural
2 Adjustment Act of 1938 (7 U.S.C. 1359bb) is amended:

3 (1) in the section heading—

4 (A) by inserting “**FLEXIBLE**” before
5 “**MARKETING**”; and

6 (B) by striking “**AND CRYSTALLINE**
7 **FRUCTOSE**”;

8 (2) in subsection (a)—

9 (A) in paragraph (1)—

10 (i) by striking “Before” and inserting
11 “Not later than August 1 before”;

12 (ii) by striking “1992 through 1998”
13 and inserting “2002 through 2011”;

14 (iii) in subparagraph (A), by striking
15 “(other than sugar” and all that follows
16 through “stocks”;

17 (iv) by redesignating subparagraphs
18 (B) and (C) as subparagraphs (C) and
19 (E), respectively;

20 (v) by inserting after subparagraph
21 (A) the following:

22 “(B) the quantity of sugar that would pro-
23 vide for reasonable carryover stocks;”;

24 (vi) in subparagraph (C), as so
25 redesignated—

1 (I) by striking “or” and all that
2 follows through “beets”; and

3 (II) by striking the “and” fol-
4 lowing the semicolon;

5 (vii) by inserting after subparagraph
6 (C), as so redesignated, the following:

7 “(D) the quantity of sugar that will be
8 available from the domestic processing of sugar-
9 cane and sugar beets; and”; and

10 (viii) in subparagraph (E), as so
11 redesignated—

12 (I) by striking “quantity of
13 sugar” and inserting “quantity of
14 sugars, syrups, and molasses”;

15 (II) by inserting “human” after
16 “imported for” the first place it ap-
17 pears;

18 (III) by inserting after “con-
19 sumption” the first place it appears
20 the following: “or to be used for the
21 extraction of sugar for human con-
22 sumption”;

23 (IV) by striking “year” and in-
24 serting “year, whether such articles
25 are under a tariff-rate quota or are in

1 excess or outside of a tariff rate
2 quota”; and

3 (V) by striking “(other than
4 sugar” and all that follows through
5 “carry-in stocks”;

6 (B) by redesignating paragraph (2) as
7 paragraph (3);

8 (C) by inserting after paragraph (1) the
9 following new paragraph:

10 “(2) EXCLUSION.—The estimates in this sec-
11 tion shall not include sugar imported for the produc-
12 tion of polyhydric alcohol or to be refined and re-ex-
13 ported in refined form or in sugar containing prod-
14 ucts.”;

15 (D) in paragraph (3), as so redesignated—

16 (i) by striking “QUARTERLY REESTI-
17 MATES” and inserting “REESTIMATES”;
18 and

19 (ii) by inserting “as necessary, but”
20 after “a fiscal year”;

21 (3) in subsection (b)—

22 (A) by striking paragraph (1) and insert-
23 ing the following new paragraph:

24 “(1) IN GENERAL.—By the beginning of each
25 fiscal year, the Secretary shall establish for that fis-

1 cal year appropriate allotments under section 359c
2 for the marketing by processors of sugar processed
3 from sugar beets and from domestically-produced
4 sugarcane at a level that the Secretary estimates will
5 result in no forfeitures of sugar to the Commodity
6 Credit Corporation under the loan program for
7 sugar.”; and

8 (B) in paragraph (2), by striking “or crys-
9 talline fructose”;

10 (4) by striking subsection (c);

11 (5) by redesignating subsection (d) as sub-
12 section (c); and

13 (6) in subsection (c), as so redesignated—

14 (A) by striking paragraph (2);

15 (B) by redesignating paragraphs (3) and
16 (4) as paragraphs (2) and (3), respectively; and

17 (C) in paragraph (2), as so redesignated—

18 (i) by striking “or manufacturer” and
19 all that follows through “(2)”;

20 (ii) by striking “or crystalline fruc-
21 tose”.

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

1 (1) in the section heading by inserting “**FLEXI-**
2 **BLE**” after “**OF**”;

3 (2) in subsection (a), by inserting “flexible”
4 after “establish”;

5 (3) in subsection (b)—

6 (A) in paragraph (1)(A), by striking
7 “1,250,000” and inserting “1,532,000”; and

8 (B) in paragraph (2), by striking “to the
9 maximum extent practicable”;

10 (4) by striking subsection (c) and inserting the
11 following new subsection:

12 “(c) **MARKETING ALLOTMENT FOR SUGAR DERIVED**
13 **FROM SUGAR BEETS AND MARKETING ALLOTMENT FOR**
14 **SUGAR DERIVED FROM SUGARCANE.**—The overall allot-
15 ment quantity for the fiscal year shall be allotted among—

16 “(1) sugar derived from sugar beets by estab-
17 lishing a marketing allotment for a fiscal year at a
18 quantity equal to the product of multiplying the
19 overall allotment quantity for the fiscal year by the
20 percentage of 54.35; and

21 “(2) sugar derived from sugarcane by estab-
22 lishing a marketing allotment for a fiscal year at a
23 quantity equal to the product of multiplying the
24 overall allotment quantity for the fiscal year by the
25 percentage of 45.65.”;

1 (5) by amending subsection (d) to read as fol-
2 lows:

3 “(d) FILLING CANE SUGAR AND BEET SUGAR AL-
4 LOTMENTS.—Each marketing allotment for cane sugar es-
5 tablished under this section may only be filled with sugar
6 processed from domestically grown sugarcane, and each
7 marketing allotment for beet sugar established under this
8 section may only be filled with sugar domestically proc-
9 essed from sugar beets.”;

10 (6) by striking subsection (e);

11 (7) by redesignating subsection (f) as sub-
12 section (e);

13 (8) in subsection (e), as so redesignated—

14 (A) by inserting “(1) IN GENERAL.—” be-
15 fore “The allotment for sugar” and indenting
16 such paragraph appropriately;

17 (B) in such paragraph (1)—

18 (i) by striking “the 5” and inserting
19 “the”;

20 (ii) by inserting after “sugarcane is
21 produced,” the following: “after a hearing,
22 if requested by the affected sugar cane
23 processors and growers, and on such notice
24 as the Secretary by regulation may pre-
25 scribe,”;

1 (iii) by striking “on the basis of past
2 marketings” and all that follows through
3 “allotments”, and inserting “as provided in
4 this subsection and section
5 359d(a)(2)(A)(iv)”; and

6 (C) by inserting after paragraph (1) the
7 following new paragraphs:

8 “(2) OFFSHORE ALLOTMENT.—

9 “(A) COLLECTIVELY.—Prior to the allot-
10 ment of sugar derived from sugarcane to any
11 other State, 325,000 short tons, raw value shall
12 be allotted to the offshore States.

13 “(B) INDIVIDUALLY.—The collective off-
14 shore State allotment provided for under sub-
15 paragraph (A) shall be further allotted among
16 the offshore States in which sugarcane is pro-
17 duced, after a hearing if requested by the af-
18 fected sugar cane processors and growers, and
19 on such notice as the Secretary by regulation
20 may prescribe, in a fair and equitable manner
21 on the basis of—

22 “(i) past marketings of sugar, based
23 on the average of the 2 highest years of
24 production of raw cane sugar from the
25 1996 through 2000 crops;

1 “(ii) the ability of processors to mar-
2 ket the sugar covered under the allotments
3 for the crop year; and

4 “(iii) past processings of sugar from
5 sugarcane based on the 3 year average of
6 the crop years 1998 through 2000.

7 “(3) MAINLAND ALLOTMENT.—The allotment
8 for sugar derived from sugarcane, less the amount
9 provided for under paragraph (2), shall be allotted
10 among the mainland States in the United States in
11 which sugarcane is produced, after a hearing if re-
12 quested by the affected sugar cane processors and
13 growers, and on such notice as the Secretary by reg-
14 ulation may prescribe, in a fair and equitable man-
15 ner on the basis of—

16 “(A) past marketings of sugar, based on
17 the average of the 2 highest years of production
18 of raw cane sugar from the 1996 through 2000
19 crops;

20 “(B) the ability of processors to market
21 the sugar covered under the allotments for the
22 crop year; and

23 “(C) past processings of sugar from sugar-
24 cane, based on the 3 crop years with the great-
25 est processings (in the mainland States collec-

1 tively) during the 1991 through 2000 crop
2 years.”;

3 (9) by inserting after subsection (e), as so re-
4 designated, the following new subsection (f):

5 “(f) FILLING CANE SUGAR ALLOTMENTS.—Except
6 as otherwise provided in section 359e, a State cane sugar
7 allotment established under subsection (e) for a fiscal year
8 may be filled only with sugar processed from sugarcane
9 grown in the State covered by the allotment.”;

10 (10) in subsection (g)—

11 (A) in paragraph (1), by striking
12 “359b(a)(2)—” and all that follows through the
13 comma at the end of subparagraph (C) and in-
14 serting “359b(a)(3), adjust upward or down-
15 ward marketing allotments in a fair and equi-
16 table manner”;

17 (B) in paragraph (2) by striking “359f(b)”
18 and inserting “359f(c)”;

19 (C) in paragraph (3)—

20 (i) by striking “REDUCTIONS” and in-
21 serting “CARRY-OVER OF REDUCTIONS”;

22 (ii) by inserting after “this subsection,
23 if” the following: “at the time of the reduc-
24 tion”;

1 (iii) by striking “price support” and
2 inserting “nonrecourse”;

3 (iv) by striking “206” and all that fol-
4 lows through “the allotment” and inserting
5 “156 of the Agricultural Market Transi-
6 tion Act (7 U.S.C. 7272),”; and

7 (v) by striking “, if any,”; and

8 (11) by amending subsection (h) to read as fol-
9 lows:

10 “(h) SUSPENSION OF ALLOTMENTS.—Whenever the
11 Secretary estimates, or reestimates, under section
12 359b(a), or has reason to believe that imports of sugars,
13 syrups or molasses for human consumption or to be used
14 for the extraction of sugar for human consumption, wheth-
15 er under a tariff-rate quota or in excess or outside of a
16 tariff-rate quota, will exceed 1.532 million short tons, raw
17 value equivalent, and that such imports would lead to a
18 reduction of the overall allotment quantity, the Secretary
19 shall suspend the marketing allotments until such time as
20 such imports have been restricted, eliminated, or otherwise
21 reduced to or below the level of 1.532 million tons.”.

22 (d) ALLOCATION.—Section 359d of the Agricultural
23 Adjustment Act of 1938 (7 U.S.C. 1359dd) is amended—

24 (1) in subsection (a)(2)(A)—

1 (A) by inserting “(i) IN GENERAL.—” be-
2 fore “The Secretary shall” and indenting such
3 clause appropriately;

4 (B) in clause (i), as so designated—

5 (i) by striking “interested parties”
6 and inserting “the affected sugar cane
7 processors and growers”;

8 (ii) by striking “by taking” and all
9 that follows through “allotment allocated.”
10 and inserting “with this subparagraph.”;
11 and

12 (iii) by inserting at the end the fol-
13 lowing new sentence: “Each such allocation
14 shall be subject to adjustment under sec-
15 tion 359c(g).”;

16 (C) by inserting after clause (i) the fol-
17 lowing new clauses:

18 “(ii) MULTIPLE PROCESSOR
19 STATES.—Except as provided in clause
20 (iii), the Secretary shall allocate the allot-
21 ment for cane sugar among multiple cane
22 sugar processors in a single State based
23 upon—

24 “(I) past marketings of sugar,
25 based on the average of the 2 highest

1 years of production of raw cane sugar
2 from among the 1996 through 2000
3 crops;

4 “(II) the ability of processors to
5 market sugar covered by that portion
6 of the allotment allocated for the crop
7 year;

8 “(III) past processings of sugar
9 from sugarcane, based on the average
10 of the 3 highest years from among
11 crop years 1996 through 2000; and

12 “(IV) however, only with respect
13 to allotments under subclauses (I),
14 (II), and (III) attributable to the
15 former operations of the Talisman
16 processing facility, shall be allocated
17 among processors in the State coinci-
18 dent with the provisions of the agree-
19 ments of March 25 and March 26,
20 1999, between the affected processors
21 and the Department of the Interior.

22 “(iii) PROPORTIONATE SHARE
23 STATES.—In the case of States subject to
24 section 359f(e), the Secretary shall allocate
25 the allotment for cane sugar among mul-

1 tiple cane sugar processors in a single
2 state based upon—

3 “(I) past marketings of sugar,
4 based on the average of the two high-
5 est years of production of raw cane
6 sugar from among the 1997 through
7 2001 crop years;

8 “(II) the ability of processors to
9 market sugar covered by that portion
10 of the allotments allocated for the
11 crop year; and

12 “(III) past processings of sugar
13 from sugarcane, based on the average
14 of the two highest crop years from the
15 five crop years 1997 through 2001.

16 “(iv) NEW ENTRANTS.—Notwith-
17 standing clauses (ii) and (iii), the Sec-
18 retary, on application of any processor that
19 begins processing sugarcane on or after the
20 date of enactment of this clause, and after
21 a hearing if requested by the affected sug-
22 arcane processors and growers, and on
23 such notice as the Secretary by regulation
24 may prescribe, may provide such processor
25 with an allocation which provides a fair, ef-

1 efficient and equitable distribution of the al-
2 locations from the allotment for the State
3 in which the processor is located and, in
4 the case of proportionate share States,
5 shall establish proportionate shares in an
6 amount sufficient to produce the sugarcane
7 required to satisfy such allocations. How-
8 ever, the allotment for a new processor
9 under this clause shall not exceed 50,000
10 short tons, raw value.

11 “(v) TRANSFER OF OWNERSHIP.—Ex-
12 cept as otherwise provided in section
13 359f(c)(8), in the event that a sugarcane
14 processor is sold or otherwise transferred
15 to another owner, or closed as part of an
16 affiliated corporate group processing con-
17 solidation, the Secretary shall transfer the
18 allotment allocation for the processor to
19 the purchaser, new owner, or successor in
20 interest, as applicable, of the processor.”;
21 and

22 (2) in subsection (a)(2)(B)—

23 (A) by striking “interested parties” and in-
24 serting “the affected sugar beet processors and
25 growers”; and

1 (B) by striking “processing capacity” and
2 all that follows through “allotment allocated”
3 and inserting the following: “the marketings of
4 sugar processed from sugar beets of any or all
5 of the 1996 through 2000 crops, and such other
6 factors as the Secretary may deem appropriate
7 after consultation with the affected sugar beet
8 processors and growers. However, in the case of
9 any processor which has started processing
10 sugar beets after January 1, 1996, the Sec-
11 retary shall provide such processor with an allo-
12 cation which provides a fair, efficient and equi-
13 table distribution of the allocations”.

14 (e) REASSIGNMENT.—Section 359e(b) of the Agricul-
15 tural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is
16 amended—

17 (1) in paragraph (1)—

18 (A) in subparagraph (B) by striking the
19 “and” after the semicolon;

20 (B) by redesignating subparagraph (C) as
21 subparagraph (D);

22 (C) by inserting after subparagraph (B)
23 the following new subparagraph:

24 “(C) if after the reassignments, the deficit
25 cannot be completely eliminated, the Secretary

1 shall reassign the estimated quantity of the def-
2 icit to the sale of any inventories of sugar held
3 by the Commodity Credit Corporation; and”;
4 and

5 (D) in subparagraph (D), as so redesign-
6 nated, by inserting “and sales” after “reassign-
7 ments”; and

8 (2) in paragraph (2)—

9 (A) in subparagraph (A) by striking the
10 “and” after the semicolon;

11 (B) in subparagraph (B), by striking “re-
12 assign the remainder to imports.” and inserting
13 “use the estimated quantity of the deficit for
14 the sale of any inventories of sugar held by the
15 Commodity Credit Corporation; and”; and

16 (C) by inserting after subparagraph (B)
17 the following new subparagraph:

18 “(C) if after such reassignments and sales,
19 the deficit cannot be completely eliminated, the
20 Secretary shall reassign the remainder to im-
21 ports.”.

22 (f) PRODUCER PROVISIONS.—Section 359f of the Ag-
23 ricultural Adjustment Act of 1938 (7 U.S.C. 1359ff) is
24 amended—

25 (1) in subsection (a)—

1 (A) by striking “processor’s allocation” in
2 the second sentence and inserting “allocation to
3 the processor”; and

4 (B) by inserting after “request of either
5 party” the following: “, and such arbitration
6 should be completed within 45 days, but not
7 more than 60 days, of the request”;

8 (2) by redesignating subsection (b) as sub-
9 section (c);

10 (3) by inserting after subsection (a) the fol-
11 lowing new subsection:

12 “(b) SUGAR BEET PROCESSING FACILITY CLO-
13 SURES.— In the event that a sugar beet processing facility
14 is closed and the sugar beet growers who previously deliv-
15 ered beets to such facility desire to deliver their beets to
16 another processing company:

17 “(1) Such growers may petition the Secretary
18 to modify existing allocations to accommodate such
19 a transition; and

20 “(2) The Secretary may increase the allocation
21 to the processing company to which the growers de-
22 sire to deliver their sugar beets, and which the proc-
23 essing company agrees to accept, not to exceed its
24 processing capacity, to accommodate the change in
25 deliveries.

1 “(3) Such increased allocation shall be deducted
2 from the allocation to the company that owned the
3 processing facility that has been closed and the re-
4 maining allocation will be unaffected.

5 “(4) The Secretary’s determination on the
6 issues raised by the petition shall be made within 60
7 days of the filing of the petition.”;

8 (4) in subsection (c), as so redesignated—

9 (A) in paragraph (3)(A), by striking “the
10 preceding five years” and inserting “the two
11 highest years from among the years 1999,
12 2000, and 2001”;

13 (B) in paragraph (4)(A), by striking
14 “each” and all that follows through “in effect”
15 and inserting “the two highest of the three (3)
16 crop years 1999, 2000, and 2001”; and

17 (C) by inserting after paragraph (7) the
18 following new paragraph:

19 “(8) PROCESSING FACILITY CLOSURES.—In the
20 event that a sugarcane processing facility subject to
21 this subsection is closed and the sugarcane growers
22 who previously delivered sugarcane to such facility
23 desire to deliver their sugarcane to another proc-
24 essing company—

1 (A) by striking “359f” each place it appears
2 and inserting “359f(c)”;

3 (B) in subsection (b), by striking “3 consecu-
4 tive” and inserting “5 consecutive”; and

5 (C) in subsection (c), by inserting “or adjusted”
6 after “share established”.

7 (3) Section 359j(c) of the Agricultural Adjustment
8 Act of 1938 (7 U.S.C. 1359jj) is amended—

9 (A) by amending the subsection heading to read
10 as follows: “DEFINITIONS.—”;

11 (B) by striking “Notwithstanding” and insert-
12 ing the following:

13 “(1) UNITED STATES AND STATE.—Notwith-
14 standing”; and

15 (C) by inserting after such paragraph (1) the
16 following new paragraph:

17 “(2) OFFSHORE STATES.—For purposes of this
18 part, the term ‘offshore States’ means the sugarcane
19 producing States located outside of the continental
20 United States.”.

21 (h) LIFTING OF SUSPENSION.—Section 171(a)(1)(E)
22 of the Federal Agriculture Improvement and Reform Act
23 of 1996 (7 U.S.C. 7301(a)(1)(E)) is amended by inserting
24 before the period at the end the following: “, but only with
25 respect to sugar marketings through fiscal year 2002”.

1 **SEC. 153. STORAGE FACILITY LOANS.**

2 (a) STORAGE FACILITY LOAN PROGRAM.—Notwith-
3 standing any other provision of law and as soon as prac-
4 ticable after the date of the enactment of this section, the
5 Commodity Credit Corporation shall amend part 1436 of
6 title 7, Code of Federal Regulations, to establish a sugar
7 storage facility loan program to provide financing for proc-
8 essors of domestically-produced sugarcane and sugar beets
9 to build or upgrade storage and handling facilities for raw
10 sugars and refined sugars.

11 (b) ELIGIBLE PROCESSORS.—Storage facility loans
12 shall be made available to any processor of domestically
13 produced sugarcane or sugar beets that has a satisfactory
14 credit history, determines a need for increased storage ca-
15 pacity (taking into account the effects of marketing allot-
16 ments), and demonstrates an ability to repay the loan.

17 (c) TERM OF LOANS.—Storage facility loans shall be
18 for a minimum of seven years, and shall be in such
19 amounts and on such terms and conditions (including
20 down payment, security requirements, and eligible equip-
21 ment) as are normal, customary, and appropriate for the
22 size and commercial nature of the borrower.

23 (d) ADMINISTRATION.—The sugar storage facility
24 loan program shall be administered using the services, fa-
25 cilities, funds, and authorities of the Commodity Credit
26 Corporation.

CHAPTER 3—PEANUTS**SEC. 161. DEFINITIONS.**

In this chapter:

(1) COUNTER-CYCLICAL PAYMENT.—The term “counter-cyclical payment” means a payment made to peanut producers under section 164.

(2) EFFECTIVE PRICE.—The term “effective price” means the price calculated by the Secretary under section 164 for peanuts to determine whether counter-cyclical payments are required to be made under such section for a crop year.

(3) HISTORIC PEANUT PRODUCER.—The term “historic peanut producer” means a peanut producer on a farm in the United States that produced or attempted to produce peanuts during any or all of crop years 1998, 1999, 2000, and 2001.

(4) FIXED, DECOUPLED PAYMENT.—The term “fixed, decoupled payment” means a payment made to peanut producers under section 163.

(5) PAYMENT ACRES.—The term “payment acres” means 85 percent of the peanut acres on a farm, as established under section 162, upon which fixed, decoupled payments and counter-cyclical payments are to be made.

1 (6) PEANUT ACRES.—The term “peanut acres”
2 means the number of acres assigned to a particular
3 farm by historic peanut producers pursuant to sec-
4 tion 162(b).

5 (7) PAYMENT YIELD.—The term “payment
6 yield” means the yield assigned to a particular farm
7 by historic peanut producers pursuant to section
8 162(b).

9 (8) PEANUT PRODUCER.—The term “peanut
10 producer” means an owner, operator, landlord, ten-
11 ant, or sharecropper who shares in the risk of pro-
12 ducing a crop of peanuts in the United States and
13 who is entitled to share in the crop available for
14 marketing from the farm, or would have shared had
15 the crop been produced.

16 (9) SECRETARY.—The term “Secretary” means
17 the Secretary of Agriculture.

18 (10) STATE.—The term “State” means each of
19 the several States of the United States, the District
20 of Columbia, the Commonwealth of Puerto Rico, and
21 any other territory or possession of the United
22 States.

23 (11) TARGET PRICE.—The term “target price”
24 means the price per ton of peanuts used to deter-

1 mine the payment rate for counter-cyclical pay-
2 ments.

3 (12) UNITED STATES.—The term “United
4 States”, when used in a geographical sense, means
5 all of the States.

6 **SEC. 162. ESTABLISHMENT OF PAYMENT YIELD, PEANUT**
7 **ACRES, AND PAYMENT ACRES FOR A FARM.**

8 (a) ESTABLISHMENT OF PAYMENT YIELD AND PAY-
9 MENT ACRES.—

10 (1) DETERMINATION OF AVERAGE YIELD.—The
11 Secretary shall determine, for each historic peanut
12 producer, the average yield for peanuts on each farm
13 on which the historic peanut producer produced pea-
14 nuts for the 1998 through 2001 crop years, exclud-
15 ing any crop year in which the producer did not
16 produce peanuts. If, for any of these four crop years
17 in which peanuts were planted on a farm by the pro-
18 ducer, the farm would have satisfied the eligibility
19 criteria established to carry out section 1102 of the
20 Agriculture, Rural Development, Food and Drug
21 Administration, and Related Agencies Appropria-
22 tions Act, 1999 (7 U.S.C. 1421 note; Public Law
23 105–277), the Secretary shall assign a yield for the
24 producer for that year equal to 65 percent of the
25 county yield, as determined by the Secretary.

1 (2) DETERMINATION OF ACREAGE AVERAGE.—

2 (A) IN GENERAL.—Except as provided in
3 subparagraph (B), the Secretary shall deter-
4 mine, for each historic peanut producer, the
5 four-year average of acreage actually planted in
6 peanuts by the historic peanut producer for
7 harvest on one or more farms during crop years
8 1998, 1999, 2000, and 2001 and any acreage
9 that the producer was prevented from planting
10 to peanuts during such crop years because of
11 drought, flood, or other natural disaster, or
12 other condition beyond the control of the pro-
13 ducer, as determined by the Secretary. If more
14 than one historic peanut producer shared in the
15 risk of producing the crop on the farm, the his-
16 toric peanut producers shall receive their pro-
17 portional share of the number of acres planted
18 (or prevented from being planted) to peanuts
19 for harvest on the farm based on the sharing
20 arrangement that was in effect among the pro-
21 ducers for the crop.

22 (B) SELECTION BY PRODUCER.—If a coun-
23 ty in which a historic peanut producer described
24 in subparagraph (A) is located is declared a dis-
25 aster area during 1 or more of the 4 crop years

1 described in that subparagraph, for purposes of
 2 determining the 4-year average acreage for the
 3 historic peanut producer, the historic peanut
 4 producer may elect to substitute, for not more
 5 than 1 of the crop years during which a dis-
 6 aster is declared—

7 (i) the State average of acreage actu-
 8 ally planted in peanuts; for

9 (ii) the average of acreage for the his-
 10 toric peanut producer determined by the
 11 Secretary under subparagraph (A).

12 (3) TIME FOR DETERMINATIONS; CONSIDER-
 13 ATIONS.—The Secretary shall make the determina-
 14 tions required by this subsection not later than 90
 15 days after the date of the enactment of this Act. In
 16 making such determinations, the Secretary shall
 17 take into account changes in the number and iden-
 18 tity of persons sharing in the risk of producing a
 19 peanut crop since the 1998 crop year, including pro-
 20 viding a method for the assignment of average acres
 21 and average yield to a farm when the historic peanut
 22 producer is no longer living or an entity composed
 23 of historic peanut producers has been dissolved.

24 (b) ASSIGNMENT OF PAYMENT YIELD AND PEANUT
 25 ACRES TO FARMS.—

1 (1) ASSIGNMENT BY HISTORIC PEANUT PRO-
2 DUCERS.—The Secretary shall give each historic
3 peanut producer an opportunity to assign the aver-
4 age peanut yield and average acreage determined
5 under subsection (a) for the producer to cropland on
6 a farm.

7 (2) PAYMENT YIELD.—The average of all of the
8 yields assigned by historic peanut producers to a
9 farm shall be deemed to be the payment yield for
10 that farm for the purpose of making fixed decoupled
11 payments and counter-cyclical payments under this
12 chapter.

13 (3) PEANUT ACRES.—Subject to subsection (e),
14 the total number of acres assigned by historic pea-
15 nut producers to a farm shall be deemed to be the
16 peanut acres for a farm for the purpose of making
17 fixed decoupled payments and counter-cyclical pay-
18 ments under this chapter.

19 (c) TIME FOR ASSIGNMENT.—The opportunity to
20 make the assignments described in subsection (b) shall be
21 available to historic peanut producers only once. The his-
22 toric peanut producers shall notify the Secretary of the
23 assignments made by such producers under such sub-
24 sections not later than 180 days after the date of the en-
25 actment of this Act.

1 (d) PAYMENT ACRES.—The payment acres for pea-
2 nuts on a farm shall be equal to 85 percent of the peanut
3 acres assigned to the farm.

4 (e) PREVENTION OF EXCESS PEANUT ACRES.—

5 (1) REQUIRED REDUCTION.—If the sum of the
6 peanut acres for a farm, together with the acreage
7 described in paragraph (2), exceeds the actual crop-
8 land acreage of the farm, the Secretary shall reduce
9 the quantity of peanut acres for the farm or base
10 acres for one or more covered commodities for the
11 farm as necessary so that the sum of the peanut
12 acres and acreage described in paragraph (2) does
13 not exceed the actual cropland acreage of the farm.
14 The Secretary shall give the peanut producers on the
15 farm the opportunity to select the peanut acres or
16 base acres against which the reduction will be made.

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

19 (A) Any base acres for the farm under
20 subtitle A.

21 (B) Any acreage on the farm enrolled in
22 the conservation reserve program or wetlands
23 reserve program under chapter 1 of subtitle D
24 of title XII of the Food Security Act of 1985
25 (16 U.S.C. 3830 et seq.).

1 (C) Any other acreage on the farm enrolled
2 in a conservation program for which payments
3 are made in exchange for not producing an ag-
4 ricultural commodity on the acreage.

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

9 **SEC. 163. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS**
10 **FOR PEANUTS.**

11 (a) PAYMENT REQUIRED.—For each of the 2002
12 through 2011 crop years, the Secretary shall make fixed,
13 decoupled payments to peanut producers on a farm.

14 (b) PAYMENT RATE.—The payment rate used to
15 make fixed, decoupled payments with respect to peanuts
16 for a crop year shall be equal to \$0.018 per pound.

17 (c) PAYMENT AMOUNT.—The amount of the fixed,
18 decoupled payment to be paid to the peanut producers on
19 a farm for a covered commodity for a crop year shall be
20 equal to the product of the following:

21 (1) The payment rate specified in subsection

22 (b).

23 (2) The payment acres on the farm.

24 (3) The payment yield for the farm.

25 (d) TIME FOR PAYMENT.—

1 (1) GENERAL RULE.—Fixed, decoupled pay-
2 ments shall be paid not later than September 30 of
3 each of fiscal years 2002 through 2011. In the case
4 of the 2002 crop, payments may begin to be made
5 on or after December 1, 2001.

6 (2) ADVANCE PAYMENTS.—At the option of a
7 peanut producer, 50 percent of the fixed, decoupled
8 payment for a fiscal year shall be paid on a date se-
9 lected by the peanut producer. The selected date
10 shall be on or after December 1 of that fiscal year,
11 and the peanut producer may change the selected
12 date for a subsequent fiscal year by providing ad-
13 vance notice to the Secretary.

14 (3) REPAYMENT OF ADVANCE PAYMENTS.—If a
15 peanut producer that receives an advance fixed, de-
16 coupled payment for a fiscal year ceases to be a pea-
17 nut producer before the date the fixed, decoupled
18 payment would otherwise have been made by the
19 Secretary under paragraph (1), the peanut producer
20 shall be responsible for repaying the Secretary the
21 full amount of the advance payment.

22 **SEC. 164. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS**
23 **FOR PEANUTS.**

24 (a) PAYMENT REQUIRED.—During the 2002 through
25 2011 crop years for peanuts, the Secretary shall make

1 counter-cyclical payments with respect to peanuts when-
2 ever the Secretary determines that the effective price for
3 peanuts is less than the target price.

4 (b) EFFECTIVE PRICE.—For purposes of subsection
5 (a), the effective price for peanuts is equal to the sum
6 of the following:

7 (1) The higher of the following:

8 (A) The national average market price re-
9 ceived by peanut producers during the 12-
10 month marketing year for peanuts, as deter-
11 mined by the Secretary.

12 (B) The national average loan rate for a
13 marketing assistance loan for peanuts in effect
14 for the same period under this chapter.

15 (2) The payment rate in effect under section
16 163 for the purpose of making fixed, decoupled pay-
17 ments.

18 (c) TARGET PRICE.—For purposes of subsection (a),
19 the target price for peanuts shall be equal to \$520 per
20 ton.

21 (d) PAYMENT RATE.—The payment rate used to
22 make counter-cyclical payments for a crop year shall be
23 equal to the difference between—

24 (1) the target price; and

1 (2) the effective price determined under sub-
2 section (b).

3 (e) PAYMENT AMOUNT.—The amount of the counter-
4 cyclical payment to be paid to the peanut producers on
5 a farm for a crop year shall be equal to the product of
6 the following:

7 (1) The payment rate specified in subsection
8 (d).

9 (2) The payment acres on the farm.

10 (3) The payment yield for the farm.

11 (f) TIME FOR PAYMENTS.—

12 (1) GENERAL RULE.—The Secretary shall make
13 counter-cyclical payments under this section for a
14 peanut crop as soon as possible after determining
15 under subsection (a) that such payments are re-
16 quired for that crop year.

17 (2) PARTIAL PAYMENT.—The Secretary may
18 permit, and, if so permitted, a peanut producer may
19 elect to receive, up to 40 percent of the projected
20 counter-cyclical payment, as determined by the Sec-
21 retary, to be made under this section for a peanut
22 crop upon completion of the first six months of the
23 marketing year for that crop. The peanut producer
24 shall repay to the Secretary the amount, if any, by

1 which the partial payment exceeds the actual
2 counter-cyclical payment to be made for that crop.

3 **SEC. 165. PRODUCER AGREEMENT REQUIRED AS CONDI-**
4 **TION ON PROVISION OF FIXED, DECOUPLED**
5 **PAYMENTS AND COUNTER-CYCLICAL PAY-**
6 **MENTS.**

7 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

8 (1) REQUIREMENTS.—Before the peanut pro-
9 ducers on a farm may receive fixed, decoupled pay-
10 ments or counter-cyclical payments with respect to
11 the farm, the peanut producers shall agree, in ex-
12 change for the payments—

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

17 (B) to comply with applicable wetland pro-
18 tection requirements under subtitle C of title
19 XII of the Act (16 U.S.C. 3821 et seq.);

20 (C) to comply with the planting flexibility
21 requirements of section 166; and

22 (D) to use the land on the farm, in an
23 amount equal to the peanut acres, for an agri-
24 cultural or conserving use, and not for a non-

1 agricultural commercial or industrial use, as de-
2 termined by the Secretary.

3 (2) COMPLIANCE.—The Secretary may issue
4 such rules as the Secretary considers necessary to
5 ensure peanut producer compliance with the require-
6 ments of paragraph (1).

7 (b) EFFECT OF FORECLOSURE.—A peanut producer
8 may not be required to make repayments to the Secretary
9 of fixed, decoupled payments and counter-cyclical pay-
10 ments if the farm has been foreclosed on and the Secretary
11 determines that forgiving the repayments is appropriate
12 to provide fair and equitable treatment. This subsection
13 shall not void the responsibilities of the peanut producer
14 under subsection (a) if the peanut producer continues or
15 resumes operation, or control, of the farm. On the resump-
16 tion of operation or control over the farm by the producer,
17 the requirements of subsection (a) in effect on the date
18 of the foreclosure shall apply.

19 (c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

20 (1) TERMINATION.—Except as provided in
21 paragraph (4), a transfer of (or change in) the inter-
22 est of a peanut producer in peanut acres for which
23 fixed, decoupled payments or counter-cyclical pay-
24 ments are made shall result in the termination of
25 the payments with respect to the peanut acres, un-

1 less the transferee or owner of the acreage agrees to
2 assume all obligations under subsection (a). The ter-
3 mination shall be effective on the date of the trans-
4 fer or change.

5 (2) TRANSFER OF PAYMENT BASE.—There is
6 no restriction on the transfer of a farm’s peanut
7 acres or payment yield as part of a change in the
8 peanut producers on the farm.

9 (3) MODIFICATION.—At the request of the
10 transferee or owner, the Secretary may modify the
11 requirements of subsection (a) if the modifications
12 are consistent with the objectives of such subsection,
13 as determined by the Secretary.

14 (4) EXCEPTION.—If a peanut producer entitled
15 to a fixed, decoupled payment or counter-cyclical
16 payment dies, becomes incompetent, or is otherwise
17 unable to receive the payment, the Secretary shall
18 make the payment, in accordance with regulations
19 prescribed by the Secretary.

20 (d) ACREAGE REPORTS.—As a condition on the re-
21 ceipt of any benefits under this chapter, the Secretary
22 shall require peanut producers to submit to the Secretary
23 acreage reports.

24 (e) TENANTS AND SHARECROPPERS.—In carrying
25 out this chapter, the Secretary shall provide adequate

1 safeguards to protect the interests of tenants and share-
2 croppers.

3 (f) SHARING OF PAYMENTS.—The Secretary shall
4 provide for the sharing of fixed, decoupled payments and
5 counter-cyclical payments among the peanut producers on
6 a farm on a fair and equitable basis.

7 **SEC. 166. PLANTING FLEXIBILITY.**

8 (a) PERMITTED CROPS.—Subject to subsection (b),
9 any commodity or crop may be planted on peanut acres
10 on a farm.

11 (b) LIMITATIONS AND EXCEPTIONS REGARDING
12 CERTAIN COMMODITIES.—

13 (1) LIMITATIONS.—The planting of the fol-
14 lowing agricultural commodities shall be prohibited
15 on peanut acres:

16 (A) Fruits.

17 (B) Vegetables (other than lentils, mung
18 beans, and dry peas).

19 (C) Wild rice.

20 (2) EXCEPTIONS.—Paragraph (1) shall not
21 limit the planting of an agricultural commodity spec-
22 ified in such paragraph—

23 (A) in any region in which there is a his-
24 tory of double-cropping of peanuts with agricul-
25 tural commodities specified in paragraph (1), as

1 determined by the Secretary, in which case the
2 double-cropping shall be permitted;

3 (B) on a farm that the Secretary deter-
4 mines has a history of planting agricultural
5 commodities specified in paragraph (1) on pea-
6 nut acres, except that fixed, decoupled pay-
7 ments and counter-cyclical payments shall be
8 reduced by an acre for each acre planted to
9 such an agricultural commodity; or

10 (C) by a peanut producer who the Sec-
11 retary determines has an established planting
12 history of a specific agricultural commodity
13 specified in paragraph (1), except that—

14 (i) the quantity planted may not ex-
15 ceed the peanut producer's average annual
16 planting history of such agricultural com-
17 modity in the 1991 through 1995 crop
18 years (excluding any crop year in which no
19 plantings were made), as determined by
20 the Secretary; and

21 (ii) fixed, decoupled payments and
22 counter-cyclical payments shall be reduced
23 by an acre for each acre planted to such
24 agricultural commodity.

1 **SEC. 167. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.**
2

3 (a) **NONRECOURSE LOANS AVAILABLE.**—

4 (1) **AVAILABILITY.**—For each of the 2002
5 through 2011 crops of peanuts, the Secretary shall
6 make available to peanut producers on a farm non-
7 recourse marketing assistance loans for peanuts pro-
8 duced on the farm. The loans shall be made under
9 terms and conditions that are prescribed by the Sec-
10 retary and at the loan rate established under sub-
11 section (b).

12 (2) **ELIGIBLE PRODUCTION.**—Any production of
13 peanuts on a farm shall be eligible for a marketing
14 assistance loan under this subsection.

15 (3) **TREATMENT OF CERTAIN COMMINGLED**
16 **COMMODITIES.**—In carrying out this subsection, the
17 Secretary shall make loans to a peanut producer
18 that is otherwise eligible to obtain a marketing as-
19 sistance loan, but for the fact the peanuts owned by
20 the peanut producer are commingled with other pea-
21 nuts in facilities unlicensed for the storage of agri-
22 cultural commodities by the Secretary or a State li-
23 censing authority, if the peanut producer obtaining
24 the loan agrees to immediately redeem the loan col-
25 lateral in accordance with section 166 of the Federal

1 Agriculture Improvement and Reform Act of 1996
2 (7 U.S.C. 7286).

3 (4) OPTIONS FOR OBTAINING LOAN.—A mar-
4 keting assistance loan under this subsection, and
5 loan deficiency payments under subsection (e), may
6 be obtained at the option of the peanut producer
7 through—

8 (A) a designated marketing association of
9 peanut producers that is approved by the Sec-
10 retary;

11 (B) the Farm Service Agency; or

12 (C) a loan servicing agent approved by the
13 Secretary.

14 (b) LOAN RATE.—The loan rate for a marketing as-
15 sistance loan under for peanuts subsection (a) shall be
16 equal to \$400 per ton.

17 (c) TERM OF LOAN.—

18 (1) IN GENERAL.—A marketing assistance loan
19 for peanuts under subsection (a) shall have a term
20 of nine months beginning on the first day of the
21 first month after the month in which the loan is
22 made.

23 (2) EXTENSIONS PROHIBITED.—The Secretary
24 may not extend the term of a marketing assistance
25 loan under subsection (a).

1 (d) REPAYMENT RATE.—The Secretary shall permit
2 peanut producers to repay a marketing assistance loan for
3 peanuts under subsection (a) at a rate that is the lesser
4 of—

5 (1) the loan rate established for the commodity
6 under subsection (b), plus interest (as determined by
7 the Secretary); or

8 (2) a rate that the Secretary determines will—

9 (A) minimize potential loan forfeitures;

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

12 (C) minimize the cost incurred by the Fed-
13 eral Government in storing peanuts; and

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

17 (e) LOAN DEFICIENCY PAYMENTS.—

18 (1) AVAILABILITY.—The Secretary may make
19 loan deficiency payments available to peanut pro-
20 ducers who, although eligible to obtain a marketing
21 assistance loan for peanuts under subsection (a),
22 agree to forgo obtaining the loan for the peanuts in
23 return for payments under this subsection.

1 (2) COMPUTATION.—A loan deficiency payment
2 under this subsection shall be computed by
3 multiplying—

4 (A) the loan payment rate determined
5 under paragraph (3) for peanuts; by

6 (B) the quantity of the peanuts produced
7 by the peanut producers, excluding any quan-
8 tity for which the producers obtain a loan under
9 subsection (a).

10 (3) LOAN PAYMENT RATE.—For purposes of
11 this subsection, the loan payment rate shall be the
12 amount by which—

13 (A) the loan rate established under sub-
14 section (b); exceeds

15 (B) the rate at which a loan may be repaid
16 under subsection (d).

17 (4) TIME FOR PAYMENT.—The Secretary shall
18 make a payment under this subsection to a peanut
19 producer with respect to a quantity of peanuts as of
20 the earlier of the following:

21 (A) The date on which the peanut pro-
22 ducer marketed or otherwise lost beneficial in-
23 terest in the peanuts, as determined by the Sec-
24 retary.

1 (B) The date the peanut producer requests
2 the payment.

3 (f) COMPLIANCE WITH CONSERVATION AND WET-
4 LANDS REQUIREMENTS.—As a condition of the receipt of
5 a marketing assistance loan under subsection (a), the pea-
6 nut producer shall comply with applicable conservation re-
7 quirements under subtitle B of title XII of the Food Secu-
8 rity Act of 1985 (16 U.S.C. 3811 et seq.) and applicable
9 wetland protection requirements under subtitle C of title
10 XII of the Act (16 U.S.C. 3821 et seq.) during the term
11 of the loan.

12 (g) REIMBURSABLE AGREEMENTS AND PAYMENT OF
13 EXPENSES.—To the extent practicable, the Secretary
14 shall implement any reimbursable agreements or provide
15 for the payment of expenses under this chapter in a man-
16 ner that is consistent with such activities in regard to
17 other commodities.

18 (h) TERMINATION OF SUPERSEDED PRICE SUPPORT
19 AUTHORITY.—

20 (1) REPEAL.—Section 155 of the Federal Agri-
21 culture Improvement and Reform Act of 1996 (7
22 U.S.C. 7271) is repealed.

23 (2) CONFORMING AMENDMENTS.—The Agricul-
24 tural Act of 1949 (7 U.S.C. 1441 et seq.) is
25 amended—

1 (A) in section 101(b) (7 U.S.C. 1441(b)),
2 by striking “and peanuts”; and

3 (B) in section 408(c) (7 U.S.C. 1428(c)),
4 by striking “peanuts,”.

5 **SEC. 168. QUALITY IMPROVEMENT.**

6 (a) OFFICIAL INSPECTION.—

7 (1) MANDATORY INSPECTION.—All peanuts
8 placed under a marketing assistance loan under sec-
9 tion 167 shall be officially inspected and graded by
10 Federal or State inspectors.

11 (2) OPTIONAL INSPECTION.—Peanuts not
12 placed under a marketing assistance loan may be
13 graded at the option of the peanut producer.

14 (b) TERMINATION OF PEANUT ADMINISTRATIVE
15 COMMITTEE.—The Peanut Administrative Committee es-
16 tablished under Marketing Agreement No. 1436, which
17 regulates the quality of domestically produced peanuts
18 under the Agricultural Adjustment Act (7 U.S.C. 601 et
19 seq.), reenacted with amendments by the Agricultural
20 Marketing Agreement Act of 1937, is terminated.

21 (c) ESTABLISHMENT OF PEANUT STANDARDS
22 BOARD.—The Secretary shall establish a Peanut Stand-
23 ards Board for the purpose of assisting in the establish-
24 ment of quality standards with respect to peanuts. The
25 authority of the Board is limited to assisting in the estab-

1 lishment of quality standards for peanuts. The members
 2 of the Board should fairly reflect all regions and segments
 3 of the peanut industry.

4 (d) EFFECTIVE DATE.—This section shall take effect
 5 with the 2002 crop of peanuts.

6 **SEC. 169. PAYMENT LIMITATIONS.**

7 For purposes of sections 1001 through 1001C of the
 8 Food Security Act of 1985 (7 U.S.C. 1308 through 1308–
 9 3), separate payment limitations shall apply to peanuts
 10 with respect to—

11 (1) fixed, decoupled payments;

12 (2) counter-cyclical payments, and

13 (3) limitations on marketing loan gains and
 14 loan deficiency payments.

15 **SEC. 170. TERMINATION OF MARKETING QUOTA PROGRAMS**
 16 **FOR PEANUTS AND COMPENSATION TO PEA-**
 17 **NUT QUOTA HOLDERS FOR LOSS OF QUOTA**
 18 **ASSET VALUE.**

19 (a) REPEAL OF MARKETING QUOTA.—

20 (1) REPEAL.—Part VI of subtitle B of title III
 21 of the Agricultural Adjustment Act of 1938 (7
 22 U.S.C. 1357–1359a), relating to peanuts, is re-
 23 pealed.

24 (2) TREATMENT OF 2001 CROP.—Part VI of
 25 subtitle B of title III of the Agricultural Adjustment

1 Act of 1938 (7 U.S.C. 1357–1359a), as in effect on
2 the day before the date of the enactment of this Act,
3 shall continue to apply with respect to the 2001 crop
4 of peanuts notwithstanding the amendment made by
5 paragraph (1).

6 (b) COMPENSATION CONTRACT REQUIRED.—The
7 Secretary shall offer to enter into a contract with eligible
8 peanut quota holders for the purpose of providing com-
9 pensation for the lost value of the quota on account of
10 the repeal of the marketing quota program for peanuts
11 under subsection (a). Under the contracts, the Secretary
12 shall make payments to eligible peanut quota holders dur-
13 ing fiscal years 2002 through 2006.

14 (c) TIME FOR PAYMENT.—The payments required
15 under the contracts shall be provided in five equal install-
16 ments not later than September 30 of each of fiscal years
17 2002 through 2006.

18 (d) PAYMENT AMOUNT.—The amount of the pay-
19 ment for a fiscal year to a peanut quota holder under a
20 contract shall be equal to the product obtained by
21 multiplying—

22 (1) \$0.12 per pound; by

23 (2) the actual farm poundage quota (excluding
24 seed and experimental peanuts) established for the
25 peanut quota holder's farm under section 358–1(b)

1 of the Agricultural Adjustment Act of 1938 (7
2 U.S.C. 1358–1(b)) for the 2001 marketing year.

3 (e) ASSIGNMENT OF PAYMENTS.—The provisions of
4 section 8(g) of the Soil Conservation and Domestic Allot-
5 ment Act (16 U.S.C. 590h(g)), relating to assignment of
6 payments, shall apply to the payments made to peanut
7 quota holders under the contracts. The peanut quota hold-
8 er making the assignment, or the assignee, shall provide
9 the Secretary with notice, in such manner as the Secretary
10 may require, of any assignment made under this sub-
11 section.

12 (f) PEANUT QUOTA HOLDER DEFINED.—In this sec-
13 tion, the term “peanut quota holder” means a person or
14 enterprise that owns a farm that—

15 (1) was eligible, immediately before the date of
16 the enactment of this Act, to have a peanut quota
17 established upon it;

18 (2) if there are not quotas currently established,
19 would be eligible to have a quota established upon
20 it for the succeeding crop year, in the absence of the
21 amendment made by subsection (a); or

22 (3) is otherwise a farm that was eligible for
23 such a quota at the time the general quota establish-
24 ment authority was repealed.

1 The Secretary shall apply this definition without regard
2 to temporary leases or transfers or quotas for seed or ex-
3 perimental purposes.

4 **Subtitle D—Administration**

5 **SEC. 181. ADMINISTRATION GENERALLY.**

6 (a) USE OF COMMODITY CREDIT CORPORATION.—

7 The Secretary shall carry out this title through the Com-
8 modity Credit Corporation.

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

12 (c) REGULATIONS.—Not later than 90 days after the
13 date of the enactment of this Act, the Secretary and the
14 Commodity Credit Corporation, as appropriate, shall issue
15 such regulations as are necessary to implement this title.
16 The issuance of the regulations shall be made without re-
17 gard to—

18 (1) the notice and comment provisions of sec-
19 tion 553 of title 5, United States Code;

20 (2) the Statement of Policy of the Secretary of
21 Agriculture effective July 24, 1971 (36 Fed. Reg.
22 13804) relating to notices of proposed rulemaking
23 and public participation in rulemaking; and

1 (3) chapter 35 of title 44, United States Code
2 (commonly know as the “Paperwork Reduction
3 Act”).

4 (d) PROTECTION OF PRODUCERS.—The protection
5 afforded producers that elect the option to accelerate the
6 receipt of any payment under a production flexibility con-
7 tract payable under the Federal Agriculture Improvement
8 and Reform Act of 1996 (7 U.S.C. 7212 note) shall also
9 apply to the advance payment of fixed, decoupled pay-
10 ments and counter-cyclical payments.

11 (e) ADJUSTMENT AUTHORITY RELATED TO URU-
12 GUAY ROUND COMPLIANCE.—If the Secretary determines
13 that expenditures under subtitles A, B, and C that are
14 subject to the total allowable domestic support levels under
15 the Uruguay Round Agreements (as defined in section
16 2(7) of the Uruguay Round Agreements Act (19 U.S.C.
17 3501(7))), as in effect on the date of the enactment of
18 this Act, will exceed such allowable levels for any applica-
19 ble reporting period, the Secretary may make adjustments
20 in the amount of such expenditures during that period to
21 ensure that such expenditures do not exceed, but in no
22 case are less than, such allowable levels.

1 **SEC. 182. EXTENSION OF SUSPENSION OF PERMANENT**
2 **PRICE SUPPORT AUTHORITY.**

3 (a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—
4 Section 171(a)(1) of the Federal Agriculture Improvement
5 and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amend-
6 ed by striking “2002” both places it appears and inserting
7 “2011”.

8 (b) AGRICULTURAL ACT OF 1949.—Section
9 171(b)(1) of the Federal Agriculture Improvement and
10 Reform Act of 1996 (7 U.S.C. 7301(b)(1)) is amended
11 by striking “2002” both places it appears and inserting
12 “2011”.

13 (c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—
14 Section 171(c) of the Federal Agriculture Improvement
15 and Reform Act of 1996 (7 U.S.C. 7301(c)) is amended
16 by striking “2002” and inserting “2011”.

17 **SEC. 183. LIMITATIONS.**

18 (a) LIMITATION ON AMOUNTS RECEIVED.—Section
19 1001 of the Food Security Act of 1985 (7 U.S.C. 1308)
20 is amended—

21 (1) in paragraph (1)—

22 (A) by striking “PAYMENTS UNDER PRO-
23 Duction FLEXIBILITY CONTRACTS” and insert-
24 ing “FIXED, DECOUPLED PAYMENTS”;

25 (B) by striking “contract payments made
26 under the Agricultural Market Transition Act

1 to a person under 1 or more production flexi-
2 bility contracts” and inserting “fixed, decoupled
3 payments made to a person”; and

4 (C) by striking “4” and inserting “5”;

5 (2) in paragraphs (2) and (3)—

6 (A) by striking “payments specified” and
7 all that follows through “and oilseeds” and in-
8 serting “following payments that a person shall
9 be entitled to receive”;

10 (B) by striking “75” and inserting “150”;

11 (C) by striking the period at the end of
12 paragraph (2) and all that follows through “the
13 following” in paragraph (3);

14 (D) by striking “section 131” and all that
15 follows through “section 132” and inserting
16 “section 121 of the Farm Security Act of 2001
17 for a crop of any covered commodity at a lower
18 level than the original loan rate established for
19 the commodity under section 122”; and

20 (E) by striking “section 135” and insert-
21 ing “section 125”; and

22 (3) by inserting after paragraph (2) the fol-
23 lowing new paragraph (3):

24 “(3) LIMITATION ON COUNTER-CYCLICAL PAY-
25 MENTS.—The total amount of counter-cyclical pay-

1 ments that a person may receive during any crop
2 year shall not exceed the amount specified in para-
3 graph (2), as in effect on the day before the date of
4 the enactment of the Farm Security Act of 2001.”.

5 (b) DEFINITIONS.—Paragraph (4) of section 1001 of
6 the Food Security Act of 1985 (7 U.S.C. 1308) is amend-
7 ed to read as follows:

8 “(4) DEFINITIONS.—In this title, the terms
9 ‘covered commodity’, ‘counter-cyclical payment’, and
10 ‘fixed, decoupled payment’ have the meaning given
11 those terms in section 100 of the Farm Security Act
12 of 2001.”.

13 (c) TRANSITION.—Section 1001 of the Food Security
14 Act of 1985 (7 U.S.C. 1308), as in effect on the day before
15 the date of the enactment of this Act, shall continue to
16 apply with respect to fiscal year 2001 and the 2001 crop
17 of any covered commodity.

18 **SEC. 184. ADJUSTMENTS OF LOANS.**

19 Section 162(b) of the Federal Agriculture Improve-
20 ment and Reform Act of 1996 (7 U.S.C. 7282(b)) is
21 amended by striking “this title” and inserting “this title
22 and title I of the Farm Security Act of 2001”.

1 **SEC. 185. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.**
 2 **CIENCIES.**

3 Section 164 of the Federal Agriculture Improvement
 4 and Reform Act of 1996 (7 U.S.C. 7284) is amended by
 5 striking “this title” each places it appears and inserting
 6 “this title and title I of the Farm Security Act of 2001”.

7 **SEC. 186. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.**
 8 **THORITY REGARDING LOANS.**

9 Section 166 of the Federal Agriculture Improvement
 10 and Reform Act of 1996 (7 U.S.C. 7286) is amended—

11 (1) in subsection (a)—

12 (A) by striking “IN GENERAL.—” and in-
 13 serting “SPECIFIC PAYMENTS.—”; and

14 (B) by striking “subtitle C” and inserting
 15 “subtitle C of this title and title I of the Farm
 16 Security Act of 2001”; and

17 (2) in subsection (c)(1)—

18 (A) by striking “producer” the first two
 19 places it appears and inserting “person”; and

20 (B) by striking “to producers under sub-
 21 title C” and inserting “by the Commodity Cred-
 22 it Corporation”.

23 **SEC. 187. ASSIGNMENT OF PAYMENTS.**

24 The provisions of section 8(g) of the Soil Conserva-
 25 tion and Domestic Allotment Act (16 U.S.C. 590h(g)), re-
 26 lating to assignment of payments, shall apply to payments

1 made under the authority of this Act. The producer mak-
2 ing the assignment, or the assignee, shall provide the Sec-
3 retary with notice, in such manner as the Secretary may
4 require, of any assignment made under this section.

5 **SEC. 188. REPORT ON EFFECT OF CERTAIN FARM PRO-**
6 **GRAM PAYMENTS ON ECONOMIC VIABILITY**
7 **OF PRODUCERS AND FARMING INFRASTRUC-**
8 **TURE.**

9 (a) REVIEW REQUIRED.—The Secretary of Agri-
10 culture shall conduct a review of the effects that payments
11 under production flexibility contracts and market loss as-
12 sistance payments have had, and that fixed, decoupled
13 payments and counter-cyclical payments are likely to have,
14 on the economic viability of producers and the farming in-
15 frastructure, particularly in areas where climate, soil
16 types, and other agronomic conditions severely limit the
17 covered crops that producers can choose to successfully
18 and profitably produce.

19 (b) CASE STUDY RELATED TO RICE PRODUCTION.—
20 The review shall include a case study of the effects that
21 the payments described in subsection (a), and the forecast
22 effects of increasing these or other decoupled payments,
23 are likely to have on rice producers (including tenant rice
24 producers), the rice milling industry, and the economies
25 of rice farming areas in Texas, where harvested rice acre-

1 age has fallen from 320,000 acres in 1995 to only 211,000
2 acres in 2001.

3 (c) REPORT AND RECOMMENDATIONS.—Not later
4 than 90 days after the date of the enactment of this Act,
5 the Secretary shall submit to the Committee on Agri-
6 culture of the House of Representatives and the Com-
7 mittee on Agriculture, Nutrition, and Forestry of the Sen-
8 ate a report describing the information collected for the
9 review and the case study and any findings made on the
10 basis of such information. The report shall include rec-
11 ommendations for minimizing the adverse effects on pro-
12 ducers, with a special focus on producers who are tenants,
13 on the agricultural economies in farming areas generally,
14 on those particular areas described in subsection (a), and
15 on the area that is the subject of the case study in sub-
16 section (b).

17 **TITLE II—CONSERVATION**
18 **Subtitle A—Environmental Con-**
19 **servation Acreage Reserve Pro-**
20 **gram**

21 **SEC. 201. GENERAL PROVISIONS.**

22 Title XII of the Food Security Act of 1985 is
23 amended—

24 (1) in section 1230(a), by striking “1996
25 through 2002” and inserting “2002 through 2011”;

1 (2) in paragraph (4)—

2 (A) by striking subparagraph (A) and in-
3 serting the following:

4 “(A) if the Secretary determines that—

5 “(i) the lands contribute to the deg-
6 radation of soil, water, or air quality, or
7 would pose an on-site or off-site environ-
8 mental threat to soil, water, or air quality
9 if permitted to remain in agricultural pro-
10 duction; and

11 “(ii) soil, water, and air quality objec-
12 tives with respect to the land cannot be
13 achieved under the environmental quality
14 incentives program established under chap-
15 ter 4;”;

16 (B) by striking “or” at the end of subpara-
17 graph (C);

18 (C) by striking the period at the end of
19 subparagraph (D) and inserting “; or”; and

20 (D) by adding at the end the following:

21 “(E) if the Secretary determines that en-
22 rollment of such lands would contribute to con-
23 servation of ground or surface water.”; and

24 (3) by adding after and below the end the fol-
25 lowing flush sentence:

1 “Notwithstanding the preceding sentence (but subject to
2 subsection (c)), the Secretary may not include in the pro-
3 gram established under this subchapter any land that has
4 not been in production for at least 4 years, unless the land
5 is in the program as of the effective date of this sen-
6 tence.”.

7 (b) INCREASE IN MAXIMUM ENROLLMENT.—Section
8 1231(d) of such Act (16 U.S.C. 3831(d)) is amended by
9 striking “36,400,000” and inserting “39,200,000”.

10 (c) ELIGIBILITY ON CONTRACT EXPIRATION.—Sec-
11 tion 1231(f) of such Act (16 U.S.C. 3831(f)) is amended
12 to read as follows:

13 “(f) ELIGIBILITY ON CONTRACT EXPIRATION.—On
14 the expiration of a contract entered into under this sub-
15 chapter, the land subject to the contract shall be eligible
16 to be considered for re-enrollment in the conservation re-
17 serve.”.

18 (d) BALANCE OF NATURAL RESOURCE PURPOSES.—

19 (1) IN GENERAL.—Section 1231 of such Act
20 (16 U.S.C. 3831) is amended by adding at the end
21 the following:

22 “(i) BALANCE OF NATURAL RESOURCE PURPOSES.—
23 In determining the acceptability of contract offers under
24 this subchapter, the Secretary shall ensure an equitable

1 balance among the conservation purposes of soil erosion,
2 water quality and wildlife habitat.”.

3 (2) REGULATIONS.—Not later than 180 days
4 after the date of the enactment of this Act, the Sec-
5 retary of Agriculture shall issue final regulations im-
6 plementing section 1231(i) of the Food Security Act
7 of 1985, as added by paragraph (1) of this sub-
8 section.

9 **SEC. 213. DUTIES OF OWNERS AND OPERATORS.**

10 Section 1232 of the Food Security Act of 1985 (16
11 U.S.C. 3832) is amended—

12 (1) in subsection (a)—

13 (A) in paragraph (3), by inserting “as de-
14 scribed in section 1232(a)(7) or for other pur-
15 poses” before “as permitted”;

16 (B) in paragraph (4), by inserting “where
17 practicable, or maintain existing cover” before
18 “on such land”; and

19 (C) in paragraph (7), by striking “Sec-
20 retary—” and all that follows and inserting
21 “Secretary may permit, consistent with the con-
22 servation of soil, water quality, and wildlife
23 habitat—

24 “(A) managed grazing and limited haying,
25 in which case the Secretary shall reduce the

1 conservation reserve payment otherwise payable
2 under the contract by an amount commensurate
3 with the economic value of the activity;

4 “(B) wind turbines for the provision of
5 wind energy, whether or not commercial in na-
6 ture; and

7 “(C) land subject to the contract to be
8 harvested for recovery of biomass used in en-
9 ergy production, in which case the Secretary
10 shall reduce the conservation reserve payment
11 otherwise payable under the contract by an
12 amount commensurate with the economic value
13 of such activity;” and

14 (2) by striking subsections (c) and (d) and re-
15 designating subsection (e) as subsection (c).

16 **SEC. 214. REFERENCE TO CONSERVATION RESERVE PAY-**
17 **MENTS.**

18 Subchapter B of chapter 1 of subtitle D of title XII
19 of such Act (16 U.S.C. 3831–3836) is amended—

20 (1) by striking “rental payment” each place it
21 appears and inserting “conservation reserve pay-
22 ment”;

23 (2) by striking “rental payments” each place it
24 appears and inserting “conservation reserve pay-
25 ments”; and

1 (3) in the paragraph heading for section
2 1235(e)(4), by striking “RENTAL PAYMENT” and in-
3 serting “CONSERVATION RESERVE PAYMENT”.

4 **SEC. 215. EXPANSION OF PILOT PROGRAM TO ALL STATES.**

5 Section 1231(h) of the Food Security Act of 1985
6 (16 U.S.C. 3831(h)) is amended—

7 (1) in paragraph (1), by striking “and 2002”
8 and all that follows through “South Dakota” and in-
9 serting “through 2011 calendar years, the Secretary
10 shall carry out a program in each State”;

11 (2) in paragraph (3)(C), by striking “—” and
12 all that follows and inserting “not more than
13 150,000 acres in any 1 State.”; and

14 (3) by striking paragraph (2) and redesignating
15 paragraphs (3) through (5) as paragraphs (2)
16 through (4), respectively.

17 **Subtitle C—Wetlands Reserve**
18 **Program**

19 **SEC. 221. ENROLLMENT.**

20 (a) **MAXIMUM.**—Section 1237(b) of the Food Secu-
21 rity Act of 1985 (16 U.S.C. 3837(b)) is amended by strik-
22 ing paragraph (1) and inserting the following:

23 “(1) **ANNUAL ENROLLMENT.**—In addition to
24 any acres enrolled in the wetlands reserve program
25 as of the end of a calendar year, the Secretary may

1 in the succeeding calendar year enroll in the pro-
2 gram a number of additional acres equal to—

3 “(A) if the succeeding calendar year is cal-
4 endar year 2002, 150,000; or

5 “(B) if the succeeding calendar year is a
6 calendar year after calendar year 2002—

7 “(i) 150,000; plus

8 “(ii) the amount (if any) by which
9 150,000, multiplied by the number of cal-
10 endar years in the period that begins with
11 calendar year 2002 and ends with the cal-
12 endar year preceding such succeeding cal-
13 endar year, exceeds the total number of
14 acres added to the reserve during the pe-
15 riod.”.

16 (b) METHODS.—Section 1237 of such Act (16 U.S.C.
17 3837(b)(2)) is amended—

18 (1) in subsection (b), by striking paragraph (2)
19 and inserting the following:

20 “(2) METHODS OF ENROLLMENT.—The Sec-
21 retary shall enroll acreage into the wetlands reserve
22 program through the use of easements, restoration
23 cost share agreements, or both.”; and

24 (2) by striking subsection (g).

1 (c) EXTENSION.—Section 1237(c) of such Act (16
2 U.S.C. 3837(c)) is amended by striking “2002” and in-
3 serting “2011”.

4 **SEC. 222. EASEMENTS AND AGREEMENTS.**

5 Section 1237A of the Food Security Act of 1985 (16
6 U.S.C. 3837a) is amended—

7 (1) in subsection (b), by striking paragraph (2)
8 and inserting the following:

9 “(2) prohibits the alteration of wildlife habitat
10 and other natural features of such land, unless spe-
11 cifically permitted by the plan;”;

12 (2) in subsection (e), by striking paragraph (2)
13 and inserting the following:

14 “(2) shall be consistent with applicable State
15 law.”;

16 (3) by striking subsection (h).

17 **SEC. 223. DUTIES OF THE SECRETARY.**

18 Section 1237C of the Food Security Act of 1985 (16
19 U.S.C. 3837c) is amended by striking subsection (d).

20 **SEC. 224. CHANGES IN OWNERSHIP; AGREEMENT MODI-**
21 **FICATION; TERMINATION.**

22 Section 1237E(a)(2) of the Food Security Act of
23 1985 (16 U.S.C. 3837e(a)(2)) is amended to read as fol-
24 lows:

1 “(2) the ownership change occurred due to fore-
2 closure on the land and the owner of the land imme-
3 diately before the foreclosure exercises a right of re-
4 demption from the mortgage holder in accordance
5 with State law; or”.

6 **Subtitle D—Environmental Quality**
7 **Incentives Program**

8 **SEC. 231. PURPOSES.**

9 Section 1240 of the Food Security Act of 1985 (16
10 U.S.C. 3839aa) is amended—

11 (1) by striking “to—” and all that follows
12 through “provides—” and inserting “to provide—”;

13 (2) by striking “that face the most serious
14 threats to” and inserting “to address environmental
15 needs and provide benefits to air,”;

16 (3) by redesignating the subparagraphs (A)
17 through (D) that follow the matter amended by
18 paragraph (2) of this section as paragraphs (1)
19 through (4), respectively;

20 (4) by moving each of such redesignated provi-
21 sions 2 ems to the left; and

22 (5) by striking “farmers and ranchers” each
23 place it appears and inserting “producers”.

1 **SEC. 232. DEFINITIONS.**

2 Section 1240A of the Food Security Act of 1985 (16
3 U.S.C. 3839aa-1) is amended—

4 (1) in paragraph (1)—

5 (A) by inserting “non-industrial private
6 forest land,” before “and other land”; and

7 (B) by striking “poses a serious threat”
8 and all that follows and inserting “provides in-
9 creased environmental benefits to air, soil,
10 water, or related resources.”; and

11 (2) in paragraph (4), by inserting “, including
12 non-industrial private forestry” before the period.

13 **SEC. 233. ESTABLISHMENT AND ADMINISTRATION.**

14 (a) REAUTHORIZATION.—Section 1240B(a)(1) of the
15 Food Security Act of 1985 (16 U.S.C. 3839aa-2(a)(1))
16 is amended by striking “2002” and inserting “2011”.

17 (b) TERM OF CONTRACTS.—Section 1240B(b)(2) of
18 such Act (16 U.S.C. 3839aa-2(b)(2)) is amended by strik-
19 ing “not less than 5, nor more than 10, years” and insert-
20 ing “not less than 1 year, nor more than 10 years”.

21 (c) STRUCTURAL PRACTICES.—Section
22 1240B(c)(1)(B) of such Act (16 U.S.C. 3839aa-
23 2(c)(1)(B)) is amended to read as follows:

24 “(B) achieving the purposes established
25 under this subtitle.”.

1 (d) ELIMINATION OF CERTAIN LIMITATIONS ON ELI-
2 GIBILITY FOR COST-SHARE PAYMENTS.—Section
3 1240B(e)(1) of such Act (16 U.S.C. 3839aa-2(e)(1)) is
4 amended—

5 (1) by striking subparagraph (B) and redesignig-
6 nating subparagraph (C) as subparagraph (B); and

7 (2) in subparagraph (B) (as so redesignated),
8 by striking “or 3”.

9 (e) INCENTIVE PAYMENTS.—Section 1240B of such
10 Act (16 U.S.C. 3839aa-2) is amended—

11 (1) in subsection (e)—

12 (A) in the subsection heading, by striking
13 “, INCENTIVE PAYMENTS,”; and

14 (B) by striking paragraph (2); and

15 (2) by redesignating subsections (f) and (g) as
16 subsections (g) and (h), respectively, and inserting
17 after subsection (e) the following:

18 “(f) CONSERVATION INCENTIVE PAYMENTS.—

19 “(1) IN GENERAL.—The Secretary may make
20 incentive payments in an amount and at a rate de-
21 termined by the Secretary to be necessary to encour-
22 age a producer to perform multiple land manage-
23 ment practices and to promote the enhancement of
24 soil, water, wildlife habitat, air, and related re-
25 sources.

1 “(2) SPECIAL RULE.—In determining the
2 amount and rate of incentive payments, the Sec-
3 retary may accord great weight to those practices
4 that include residue, nutrient, pest, invasive species,
5 and air quality management.”.

6 **SEC. 234. EVALUATION OF OFFERS AND PAYMENTS.**

7 Section 1240C of the Food Security Act of 1985 (16
8 U.S.C. 3839aa–3) is amended by striking paragraphs (1)
9 through (3) and inserting the following:

10 “(1) aid producers in complying with this title
11 and Federal and State environmental laws, and en-
12 courage environmental enhancement and conserva-
13 tion;

14 “(2) maximize the beneficial usage of animal
15 manure and other similar soil amendments which
16 improve soil health, tilth, and water-holding capac-
17 ity; and

18 “(3) encourage the utilization of sustainable
19 grazing systems, such as year-round, rotational, or
20 managed grazing.”.

21 **SEC. 235. ENVIRONMENTAL QUALITY INCENTIVES PRO-**
22 **GRAM PLAN.**

23 Section 1240E(a) of the Food Security Act of 1985
24 (16 U.S.C. 3839aa–5(a)) is amended by striking “that in-
25 corporates such conservation practices” and all that fol-

1 lows and inserting “that provides or will continue to pro-
2 vide increased environmental benefits to air, soil, water,
3 or related resources.”.

4 **SEC. 236. DUTIES OF THE SECRETARY.**

5 Section 1240F(3) of the Food Security Act of 1985
6 (16 U.S.C. 3839aa-6(3)) is amended to read as follows:

7 “(3) providing technical assistance or cost-share
8 payments for developing and implementing 1 or
9 more structural practices or 1 or more land manage-
10 ment practices, as appropriate;”.

11 **SEC. 237. LIMITATION ON PAYMENTS.**

12 Section 1240G of the Food Security Act of 1985 (16
13 U.S.C. 3839aa-7) is amended—

14 (1) in subsection (a)—

15 (A) in paragraph (1), by striking
16 “\$10,000” and inserting “\$50,000”; and

17 (B) in paragraph (2), by striking
18 “\$50,000” and inserting “\$200,000”;

19 (2) in subsection (b)(2), by striking “the maxi-
20 mization of environmental benefits per dollar ex-
21 pended and”; and

22 (3) by striking subsection (c).

23 **SEC. 238. GROUND AND SURFACE WATER CONSERVATION.**

24 Section 1240H of the Food Security Act of 1985 (16
25 U.S.C. 3839aa-8) is amended to read as follows:

1 **“SEC. 1240H. GROUND AND SURFACE WATER CONSERVA-**
 2 **TION.**

3 “(a) SUPPORT FOR CONSERVATION MEASURES.—
 4 The Secretary shall provide cost-share payments and low-
 5 interest loans to encourage ground and surface water con-
 6 servation, including irrigation system improvement, and
 7 provide incentive payments for capping wells, reducing use
 8 of water for irrigation, and switching from irrigation to
 9 dryland farming.

10 “(b) FUNDING.—Of the funds of the Commodity
 11 Credit Corporation, the Secretary shall make available the
 12 following amounts to carry out this section:

13 “(1) \$30,000,000 for fiscal year 2002.

14 “(2) \$45,000,000 for fiscal year 2003.

15 “(3) \$60,000,000 for each of fiscal years 2004
 16 through 2011.”.

17 **Subtitle E—Funding and**
 18 **Administration**

19 **SEC. 241. REAUTHORIZATION.**

20 Section 1241(a) of the Food Security Act of 1985
 21 (16 U.S.C. 3841(a)) is amended by striking “2002” and
 22 inserting “2011”.

23 **SEC. 242. FUNDING.**

24 Section 1241(b)(1) of the Food Security Act of 1985
 25 (16 U.S.C. 3841(b)(1)) is amended—

1 (1) by striking “\$130,000,000” and all that fol-
2 lows through “2002, for” and inserting “the fol-
3 lowing amounts for purposes of”;

4 (2) by striking “subtitle D.” and inserting
5 “subtitle D.”; and

6 (3) by adding at the end the following:

7 “(A) \$200,000,000 for fiscal year 2001.

8 “(B) \$1,025,000,000 for each of fiscal
9 years 2002 and 2003.

10 “(C) \$1,200,000,000 for each of fiscal
11 years 2004, 2005, and 2006.

12 “(D) \$1,400,000,000 for each of fiscal
13 years 2007, 2008, and 2009.

14 “(E) \$1,500,000,000 for each of fiscal
15 years 2010 and 2011.”.

16 **SEC. 243. ALLOCATION FOR LIVESTOCK PRODUCTION.**

17 Section 1241(b)(2) of the Food Security Act of 1985
18 (16 U.S.C. 3841(b)(2)) is amended by striking “2002”
19 and inserting “2011”.

20 **SEC. 244. ADMINISTRATION AND TECHNICAL ASSISTANCE.**

21 (a) **BROADENING OF EXCEPTION TO ACREAGE LIM-
22 ITATION.**—Section 1243(b)(2) of the Food Security Act of
23 1985 (16 U.S.C. 3843(b)(2)) is amended by striking
24 “that—” and all that follows and inserting “that the ac-

1 tion would not adversely affect the local economy of the
2 county.”.

3 (b) RULES GOVERNING PROVISION OF TECHNICAL
4 ASSISTANCE.—Section 1243(d) of such Act (16 U.S.C.
5 3843(d)) is amended to read as follows:

6 “(d) RULES GOVERNING PROVISION OF TECHNICAL
7 ASSISTANCE.—

8 “(1) IN GENERAL.—The Secretary shall provide
9 technical assistance under this title to a producer el-
10 igible for such assistance, by providing the assist-
11 ance directly or, at the option of the producer,
12 through an approved third party if available.

13 “(2) REEVALUATION.—The Secretary shall re-
14 evaluate the provision of, and the amount of, tech-
15 nical assistance made available under subchapters B
16 and C of chapter 1 and chapter 4 of subtitle D.

17 “(3) CERTIFICATION OF THIRD-PARTY PRO-
18 VIDERS.—

19 “(A) IN GENERAL.—Not later than 6
20 months after the date of the enactment of this
21 subsection, the Secretary of Agriculture shall,
22 by regulation, establish a system for approving
23 persons to provide technical assistance pursuant
24 to chapter 4 of subtitle D. For purposes of this
25 paragraph, a person shall be considered ap-

1 proved if they have a memorandum of under-
2 standing regarding the provision of technical
3 assistance in place with the Secretary.

4 “(B) EXPERTISE REQUIRED.—In pre-
5 scribing such regulations, the Secretary shall
6 ensure that persons with expertise in the tech-
7 nical aspects of conservation planning, water-
8 shed planning, environmental engineering, in-
9 cluding commercial entities, nonprofit entities,
10 State or local governments or agencies, and
11 other Federal agencies, are eligible to become
12 approved providers of such technical assist-
13 ance.”.

14 (c) DUTY OF SECRETARY.—

15 (1) IN GENERAL.—Section 1770(d) of such Act
16 (7 U.S.C. 2276(d)) is amended—

17 (A) by striking “or” at the end of para-
18 graph (9);

19 (B) by striking the period at the end of
20 paragraph (11) and inserting “; or”; and

21 (C) by adding at the end the following:

22 “(12) title XII of this Act.”.

23 (2) CONFORMING AMENDMENTS.—Section
24 1770(e) of such Act (7 U.S.C. 2276(e)) is
25 amended—

1 (A) by striking the subsection heading and
2 inserting “EXCEPTIONS”; and

3 (B) by inserting “, or as necessary to carry
4 out a program under title XII of this Act as de-
5 termined by the Secretary” before the period.

6 **Subtitle F—Other Programs**

7 **SEC. 251. PRIVATE GRAZING LAND CONSERVATION ASSIST-** 8 **ANCE.**

9 Section 386(d)(1) of the Federal Agriculture Im-
10 provement and Reform Act of 1996 (16 U.S.C.
11 2005b(d)(1)) is amended—

12 (1) by striking “and” at the end of subpara-
13 graph (G);

14 (2) by striking the period at the end of sub-
15 paragraph (H) and inserting “; and”; and

16 (3) by adding at the end the following new sub-
17 paragraph:

18 “(I) encouraging the utilization of sustain-
19 able grazing systems, such as year-round, rota-
20 tional, or managed grazing.”.

21 **SEC. 252. WILDLIFE HABITAT INCENTIVES PROGRAM.**

22 Subsection (c) of section 387 of the Federal Agri-
23 culture Improvement and Reform Act of 1996 (16 U.S.C.
24 3836a) is amended to read as follows:

1 “(c) FUNDING.—Of the funds of the Commodity
2 Credit Corporation, the Secretary of Agriculture shall
3 make available \$25,000,000 for each of fiscal years 2002
4 through 2011 to carry out this section.”.

5 **SEC. 253. FARMLAND PROTECTION PROGRAM.**

6 (a) REMOVAL OF ACREAGE LIMITATION; EXPANSION
7 OF PURPOSES.—Subsection (a) of section 388 of the Fed-
8 eral Agriculture Improvement and Reform Act of 1996
9 (16 U.S.C. 3830 note) is amended—

10 (1) by striking “not less than 170,000, nor
11 more than 340,000 acres of”; and

12 (2) by inserting “, or agricultural land that
13 contains historic or archaeological resources,” after
14 “other productive soil”.

15 (b) FUNDING.—Subsection (c) of such section is
16 amended to read as follows:

17 “(c) FUNDING.—The Secretary shall use not more
18 than \$25,000,000 of the funds of the Commodity Credit
19 Corporation in each of fiscal years 2002 through 2011 to
20 carry out this section.”.

21 (c) ELIGIBLE ENTITIES.—Such section is further
22 amended—

23 (1) in subsection (a), by striking “a State or
24 local government” and inserting “an eligible entity”;
25 and

1 (2) by adding at the end the following:

2 “(d) DEFINITION OF ELIGIBLE ENTITY.—In this sec-
3 tion, the term ‘eligible entity’ means—

4 “(1) any agency of any State or local govern-
5 ment, or federally recognized Indian tribe, including
6 farmland protection boards and land resource coun-
7 cils established under State law; and

8 “(2) any organization that—

9 “(A) is organized for, and at all times
10 since the formation of the organization has
11 been operated principally for, one or more of
12 the conservation purposes specified in clause (i),
13 (ii), or (iii) of section 170(h)(4)(A) of the Inter-
14 nal Revenue Code of 1986;

15 “(B) is an organization described in sec-
16 tion 501(e)(3) of that Code that is exempt from
17 taxation under section 501(a) of that Code;

18 “(C) is described in section 509(a)(2) of
19 that Code; or

20 “(D) is described in section 509(a)(3) of
21 that Code and is controlled by an organization
22 described in section 509(a)(2) of that Code.”.

1 **SEC. 254. RESOURCE CONSERVATION AND DEVELOPMENT**
2 **PROGRAM.**

3 (a) PURPOSE.—Section 1528 of the Agriculture and
4 Food Act of 1981 (16 U.S.C. 3451) is amended—

5 (1) by striking the section heading and all that
6 follows through “SEC. 1528. It is the purpose” and
7 inserting the following:

8 **“SEC. 1528. STATEMENT OF PURPOSE.**

9 “It is the purpose”; and

10 (2) by inserting “through designated RC&D
11 councils” before “in rural areas”.

12 (b) DEFINITIONS.—Section 1529 of such Act (16
13 U.S.C. 3452) is amended—

14 (1) by striking the section heading and all that
15 follows through “SEC. 1529. As used in this sub-
16 title—” and inserting the following:

17 **“SEC. 1529. DEFINITIONS.**

18 “In this title:”;

19 (2) in paragraph (1)—

20 (A) in the matter preceding subparagraph
21 (A), by inserting “RC&D council” before “area
22 plan”;

23 (B) in subparagraph (B), by striking
24 “through control of nonpoint sources of pollu-
25 tion”;

26 (C) in subparagraph (C)—

1 (i) by striking “natural resources
2 based” and inserting “resource-based”;

3 (ii) by striking “development of aqua-
4 culture,”;

5 (iii) by striking “and satisfaction”
6 and inserting “satisfaction”; and

7 (iv) by inserting “, food security, eco-
8 nomic development, and education” before
9 the semicolon; and

10 (D) in subparagraph (D), by striking
11 “other” the 1st place it appears and inserting
12 “land management”;

13 (3) in paragraph (3), by striking “any State,
14 local unit of government, or local nonprofit organiza-
15 tion” and inserting “the designated RC&D council”;

16 (4) by striking paragraphs (4) through (6) and
17 inserting the following:

18 “(4)(A) The term ‘financial assistance’ means
19 the Secretary may—

20 “(i) provide funds directly to RC&D coun-
21 cils or associations of RC&D councils through
22 grants, cooperative agreements, and interagency
23 agreements that directly implement RC&D area
24 plans; and

1 “(ii) may join with other federal agencies
2 through interagency agreements and other ar-
3 rangements as needed to carry out the pro-
4 gram’s purpose.

5 “(B) Funds may be used for such things as—

6 “(i) technical assistance;

7 “(ii) financial assistance in the form of
8 grants for planning, analysis and feasibility
9 studies, and business plans;

10 “(iii) training and education; and

11 “(iv) all costs associated with making such
12 services available to RC&D councils or RC&D
13 associations.

14 “(5) The term ‘RC&D council’ means the re-
15 sponsible leadership of the RC&D area. RC&D coun-
16 cils and associations are non-profit entities whose
17 members are volunteers and include local civic and
18 elected officials. Affiliations of RC&D councils are
19 formed in states and regions.”;

20 (5) in paragraph (8), by inserting “and feder-
21 ally recognized Indian tribes” before the period;

22 (6) in paragraph (9), by striking “works of im-
23 provement” and inserting “projects”;

24 (7) by redesignating paragraphs (7) through
25 (9) as paragraphs (6) through (8), respectively; and

1 (8) by striking paragraph (10) and inserting
2 the following:

3 “(9) The term ‘project’ means any action taken
4 by a designated RC&D council that achieves any of
5 the elements identified under paragraph (1).”.

6 (c) ESTABLISHMENT AND SCOPE.—Section 1530 of
7 such Act (16 U.S.C. 3453) is amended—

8 (1) by striking the section heading and all that
9 follows through “SEC. 1530. The Secretary” and in-
10 serting the following:

11 **“SEC. 1530. ESTABLISHMENT AND SCOPE.**

12 “The Secretary”; and

13 (2) by striking “the technical and financial as-
14 sistance necessary to permit such States, local units
15 of government, and local nonprofit organizations”
16 and inserting “through designated RC&D councils
17 the technical and financial assistance necessary to
18 permit such RC&D Councils”.

19 (d) SELECTION OF DESIGNATED AREAS.—Section
20 1531 of such Act (16 U.S.C. 3454) is amended by striking
21 the section heading and all that follows through “SEC.
22 1531. The Secretary” and inserting the following:

23 **“SEC. 1531. SELECTION OF DESIGNATED AREAS.**

24 “The Secretary”.

1 (e) AUTHORITY OF SECRETARY.—Section 1532 of
2 such Act (16 U.S.C. 3455) is amended—

3 (1) by striking the section heading and all that
4 follows through “SEC. 1532. In carrying” and in-
5 serting the following:

6 **“SEC. 1532. AUTHORITY OF SECRETARY.**

7 “In carrying”;

8 (2) in each of paragraphs (1) and (3)—

9 (A) by striking “State, local unit of gov-
10 ernment, or local nonprofit organization” and
11 inserting “RC&D council”; and

12 (B) by inserting “RC&D council” before
13 “area plan”;

14 (3) in paragraph (2), by inserting “RC&D
15 council” before “area plans”; and

16 (4) in paragraph (4), by striking “States, local
17 units of government, and local nonprofit organiza-
18 tions” and inserting “RC&D councils or affiliations
19 of RC&D councils”.

20 (f) TECHNICAL AND FINANCIAL ASSISTANCE.—Sec-
21 tion 1533 of such Act (16 U.S.C. 3456) is amended—

22 (1) by striking the section heading and all that
23 follows through “SEC. 1533. (a) Technical” and in-
24 serting the following:

1 **“SEC. 1533. TECHNICAL AND FINANCIAL ASSISTANCE.**

2 “(a) Technical”;

3 (2) in subsection (a)—

4 (A) by striking “State, local unit of gov-
5 ernment, or local nonprofit organization to as-
6 sist in carrying out works of improvement spec-
7 ified in an” and inserting “RC&D councils or
8 affiliations of RC&D councils to assist in car-
9 rying out a project specified in a RC&D coun-
10 cil”;

11 (B) in paragraph (1)—

12 (i) by striking “State, local unit of
13 government, or local nonprofit organiza-
14 tion” and inserting “RC&D council or af-
15 filiate”; and16 (ii) by striking “works of improve-
17 ment” each place it appears and inserting
18 “project”;

19 (C) in paragraph (2)—

20 (i) by striking “works of improve-
21 ment” and inserting “project”; and22 (ii) by striking “State, local unit of
23 government, or local nonprofit organiza-
24 tion” and inserting “RC&D council”;25 (D) in paragraph (3), by striking “works
26 of improvement” and all that follows and in-

1 serting “project concerned is necessary to ac-
2 complish and RC&D council area plan objec-
3 tive;”;

4 (E) in paragraph (4), by striking “the
5 works of improvement provided for in the” and
6 inserting “the project provided for in the RC&D
7 council”;

8 (F) in paragraph (5), by inserting “feder-
9 ally recognized Indian tribe” before “or local”
10 each place it appears; and

11 (G) in paragraph (6), by inserting “RC&D
12 council” before “area plan”;

13 (3) in subsection (b), by striking “work of im-
14 provement” and inserting “project”; and

15 (4) in subsection (c), by striking “any State,
16 local unit of government, or local nonprofit organiza-
17 tion to carry out any” and inserting “RC&D council
18 to carry out any RC&D council”.

19 (g) RESOURCE CONSERVATION AND DEVELOPMENT
20 POLICY BOARD.—Section 1534 of such Act (16 U.S.C.
21 3457) is amended—

22 (1) by striking the section heading and all that
23 follows through “SEC. 1534. (a) The Secretary” and
24 inserting the following:

1 **“SEC. 1534. RESOURCE CONSERVATION AND DEVELOP-**
2 **MENT POLICY BOARD.**

3 “(a) The Secretary”; and

4 (2) in subsection (b), by striking “seven”.

5 (h) PROGRAM EVALUATION.—Section 1535 of such
6 Act (16 U.S.C. 3458) is amended—

7 (1) by striking the section heading and all that
8 follows through “SEC. 1535. The Secretary” and in-
9 serting the following:

10 **“SEC. 1535. PROGRAM EVALUATION.**

11 “The Secretary”;

12 (2) by inserting “with assistance from RC&D
13 councils” before “provided”;

14 (3) by inserting “federally recognized Indian
15 tribes,” before “local units”; and

16 (4) by striking “1986” and inserting “2007”.

17 (i) LIMITATION ON ASSISTANCE.—Section 1536 of
18 such Act (16 U.S.C. 3458) is amended by striking the sec-
19 tion heading and all that follows through “SEC. 1536. The
20 program” and inserting the following:

21 **“SEC. 1536. LIMITATION ON ASSISTANCE.**

22 “The program”.

23 (j) SUPPLEMENTAL AUTHORITY OF THE SEC-
24 RETARY.—Section 1537 of such Act (16 U.S.C. 3460) is
25 amended—

1 (1) by striking the section heading and all that
2 follows through “SEC. 1537. The authority” and in-
3 serting the following:

4 **“SEC. 1537. SUPPLEMENTAL AUTHORITY OF SECRETARY.**

5 “The authority”; and

6 (2) by striking “States, local units of govern-
7 ment, and local nonprofit organizations” and insert-
8 ing “RC&D councils”.

9 (i) AUTHORIZATION OF APPROPRIATIONS.—Section
10 1538 of such Act (16 U.S.C. 3461) is amended—

11 (1) by striking the section heading and all that
12 follows through “SEC. 1538. There are” and insert-
13 ing the following:

14 **“SEC. 1538. AUTHORIZATION OF APPROPRIATIONS.**

15 “There are”; and

16 (2) by striking “for each of the fiscal years
17 1996 through 2002”.

18 **SEC. 255. GRASSLAND RESERVE PROGRAM.**

19 (a) IN GENERAL.—Chapter 1 of subtitle D of title
20 XII of the Food Security Act of 1985 (16 U.S.C. 3830–
21 3837f) is amended by adding at the end the following:

22 **“Subchapter D—Grassland Reserve Program**

23 **“SEC. 1238. GRASSLAND RESERVE PROGRAM.**

24 “(a) ESTABLISHMENT.—The Secretary, acting
25 through the Natural Resource Conservation Service, shall

1 establish a grassland reserve program (referred to in this
2 subchapter as ‘the program’) to assist owners in restoring
3 and protecting eligible land described in subsection (c).

4 “(b) ENROLLMENT CONDITIONS.—

5 “(1) IN GENERAL.—The Secretary shall enroll
6 in the program, from willing owners, not less than—

7 “(A) 100 contiguous acres of land west of
8 the 90th meridian; or

9 “(B) 50 contiguous acres of land east of
10 the 90th meridian.

11 “(2) MAXIMUM ENROLLMENT.—The total num-
12 ber of acres enrolled in the program shall not exceed
13 1,000,000 acres.

14 “(3) METHODS OF ENROLLMENT.—The Sec-
15 retary shall enroll land in the program through—

16 “(A) permanent easements or 30-year
17 easements;

18 “(B) in a State that imposes a maximum
19 duration for such an easement, an easement for
20 the maximum duration allowed under State law;
21 or

22 “(C) a 30-year rental agreement.

23 “(c) ELIGIBLE LAND.—Land shall be eligible to be
24 enrolled in the program if the Secretary determines that
25 the land is—

1 “(1) natural grassland or shrubland;

2 “(2) land that—

3 “(A) is located in an area that has been
4 historically dominated by natural grassland or
5 shrubland; and

6 “(B) has potential to serve as habitat for
7 animal or plant populations of significant eco-
8 logical value if the land is restored to natural
9 grassland or shrubland; or

10 “(3) land that is incidental to land described in
11 paragraph (1) or (2), if the incidental land is deter-
12 mined by the Secretary to be necessary for the effi-
13 cient administration of the easement.

14 **“SEC. 1238A. EASEMENTS AND AGREEMENTS.**

15 “(a) IN GENERAL.—To be eligible to enroll land in
16 the program, the owner of the land shall enter into an
17 agreement with the Secretary—

18 “(1) to grant an easement that runs with the
19 land to the Secretary;

20 “(2) to create and record an appropriate deed
21 restriction in accordance with applicable State law to
22 reflect the easement;

23 “(3) to provide a written statement of consent
24 to the easement signed by persons holding a security
25 interest or any vested interest in the land;

1 “(4) to provide proof of unencumbered title to
2 the underlying fee interest in the land that is the
3 subject of the easement; and

4 “(5) to comply with the terms of the easement
5 and restoration agreement.

6 “(b) TERMS OF EASEMENT.—An easement under
7 subsection (a) shall—

8 “(1) permit—

9 “(A) grazing on the land in a manner that
10 is consistent with maintaining the viability of
11 natural grass and shrub species indigenous to
12 that locality;

13 “(B) haying (including haying for seed
14 production) or mowing, except during the nest-
15 ing season for birds in the area that are in sig-
16 nificant decline, as determined by the Natural
17 Resources Conservation Service State conserva-
18 tionist, or are protected Federal or State law;
19 and

20 “(C) fire rehabilitation, construction of fire
21 breaks, and fences (including placement of the
22 posts necessary for fences);

23 “(2) prohibit—

24 “(A) the production of row crops, fruit
25 trees, vineyards, or any other agricultural com-

1 modify that requires breaking the soil surface;
2 and

3 “(B) except as permitted under paragraph
4 (1)(C), the conduct of any other activities that
5 would disturb the surface of the land covered by
6 the easement, including—

7 “(i) plowing; and

8 “(ii) disking; and

9 “(3) include such additional provisions as the
10 Secretary determines are appropriate to carry out
11 this subchapter or to facilitate the administration of
12 this subchapter.

13 “(c) EVALUATION AND RANKING OF EASEMENT AP-
14 PLICATIONS.—

15 “(1) IN GENERAL.—The Secretary, in conjunc-
16 tion with State technical committees, shall establish
17 criteria to evaluate and rank applications for ease-
18 ments under this subchapter.

19 “(2) CRITERIA.—In establishing the criteria,
20 the Secretary shall emphasize support for grazing
21 operations, plant and animal biodiversity, and grass-
22 land and shrubland under the greatest threat of con-
23 version.

24 “(d) RESTORATION AGREEMENTS.—

1 “(1) IN GENERAL.—The Secretary shall pre-
2 scribe the terms by which grassland and shrubland
3 subject to an easement under an agreement entered
4 into under the program shall be restored.

5 “(2) REQUIREMENTS.—The restoration agree-
6 ment shall describe the respective duties of the
7 owner and the Secretary (including paying the Fed-
8 eral share of the cost of restoration and the provi-
9 sion of technical assistance).

10 “(e) VIOLATIONS.—

11 “(1) IN GENERAL.—On the violation of the
12 terms or conditions of an easement or restoration
13 agreement entered into under this section—

14 “(A) the easement shall remain in force;

15 and

16 “(B) the Secretary may require the owner
17 to refund all or part of any payments received
18 by the owner under this subchapter, with inter-
19 est on the payments as determined appropriate
20 by the Secretary.

21 “(2) PERIODIC INSPECTIONS.—

22 “(A) IN GENERAL.—After providing notice
23 to the owner, the Secretary shall conduct peri-
24 odic inspections of land subject to easements
25 under this subchapter to ensure that the terms

1 of the easement and restoration agreement are
2 being met.

3 “(B) LIMITATION.—The Secretary may
4 not prohibit the owner, or a representative of
5 the owner, from being present during a periodic
6 inspection.

7 **“SEC. 1238B. DUTIES OF SECRETARY.**

8 “(a) IN GENERAL.—In return for the granting of an
9 easement by an owner under this subchapter, the Sec-
10 retary shall, in accordance with this section—

11 “(1) make easement payments;

12 “(2) pay the Federal share of the cost of res-
13 toration; and

14 “(3) provide technical assistance to the owner.

15 “(b) PAYMENT SCHEDULE.—

16 “(1) EASEMENT PAYMENTS.—

17 “(A) AMOUNT.—In return for the granting
18 of an easement by an owner under this sub-
19 chapter, the Secretary shall make easement
20 payments to the owner in an amount equal to—

21 “(i) in the case of a permanent ease-
22 ment, the fair market value of the land
23 less the grazing value of the land encum-
24 bered by the easement; and

1 “(ii) in the case of a 30-year easement
2 or an easement for the maximum duration
3 allowed under applicable State law, 30 per-
4 cent of the fair market value of the land
5 less the grazing value of the land for the
6 period during which the land is encum-
7 bered by the easement.

8 “(B) SCHEDULE.—Easement payments
9 may be provided in not less than 1 payment nor
10 more than 10 annual payments of equal or un-
11 equal amount, as agreed to by the Secretary
12 and the owner.

13 “(2) RENTAL AGREEMENT PAYMENTS.—

14 “(A) AMOUNT.—If an owner enters into a
15 30-year rental agreement authorized under sec-
16 tion 1238(b)(3)(C), the Secretary shall make 30
17 annual rental payments to the owner in an
18 amount that equals, to the maximum extent
19 practicable, the 30-year easement payment
20 amount under paragraph (1)(A)(ii).

21 “(B) ASSESSMENT.—Not less than once
22 every 5 years throughout the 30-year rental pe-
23 riod, the Secretary shall assess whether the
24 value of the rental payments under subpara-
25 graph (A) equals, to the maximum extent prac-

1 ticable, the 30-year easement payments as of
2 the date of the assessment.

3 “(C) ADJUSTMENT.—If on completion of
4 the assessment under subparagraph (B), the
5 Secretary determines that the rental payments
6 do not equal, to the maximum extent prac-
7 ticable, the value of payments under a 30-year
8 easement, the Secretary shall adjust the
9 amount of the remaining payments to equal, to
10 the maximum extent practicable, the value of a
11 30-year easement over the entire 30-year rental
12 period.

13 “(c) FEDERAL SHARE OF COST OF RESTORATION.—
14 The Secretary shall make payments to the owner of not
15 more than 75 percent of the cost of carrying out measures
16 and practices necessary to restore grassland and
17 shrubland functions and values.

18 “(d) TECHNICAL ASSISTANCE.—

19 “(1) IN GENERAL.—The Secretary shall provide
20 owners with technical assistance to execute easement
21 documents and restore the grassland and shrubland.

22 “(2) REIMBURSEMENT BY COMMODITY CREDIT
23 CORPORATION.—The Commodity Credit Corporation
24 shall reimburse the Secretary, acting through the
25 Natural Resources Conservation Service, for not

1 more than 10 percent of the cost of acquisition of
2 the easement and the Federal share of the cost of
3 restoration obligated for that fiscal year.

4 “(e) PAYMENTS TO OTHERS.—If an owner that is en-
5 titled to a payment under this subchapter dies, becomes
6 incompetent, is otherwise unable to receive the payment,
7 or is succeeded by another person who renders or com-
8 pletes the required performance, the Secretary shall make
9 the payment, in accordance with regulations promulgated
10 by the Secretary and without regard to any other provision
11 of law, in such manner as the Secretary determines is fair
12 and reasonable in light of all the circumstances.

13 “(f) OTHER PAYMENTS.—Easement payments re-
14 ceived by an owner under this subchapter shall be in addi-
15 tion to, and not affect, the total amount of payments that
16 the owner is otherwise eligible to receive under other Fed-
17 eral laws.

18 **“SEC. 1238C. ADMINISTRATION.**

19 “(a) DELEGATION TO PRIVATE ORGANIZATIONS.—

20 “(1) IN GENERAL.—The Secretary shall permit
21 a private conservation or land trust organization or
22 a State agency to hold and enforce an easement
23 under this subchapter, in lieu of the Secretary, if—

1 “(A) the Secretary determines that grant-
2 ing such permission is likely to promote grass-
3 land and shrubland protection; and

4 “(B) the owner authorizes the private con-
5 servation or land trust or a State agency to
6 hold and enforce the easement.

7 “(2) APPLICATION.—An organization that de-
8 sires to hold an easement under this subchapter
9 shall apply to the Secretary for approval.

10 “(3) APPROVAL BY SECRETARY.—The Sec-
11 retary shall approve an organization under this sub-
12 chapter that is constituted for conservation or
13 ranching purposes and is competent to administer
14 grassland and shrubland easements.

15 “(4) REASSIGNMENT.—If an organization hold-
16 ing an easement on land under this subchapter
17 terminates—

18 “(A) the owner of the land shall reassign
19 the easement to another organization described
20 in paragraph (1) or to the Secretary; and

21 “(B) the owner and the new organization
22 shall notify the Secretary in writing that a reas-
23 signment for termination has been made.

24 “(b) REGULATIONS.—Not later than 180 days after
25 the date of enactment of this subchapter, the Secretary

1 shall issue such regulations as are necessary to carry out
2 this subchapter.”.

3 (b) FUNDING.—Section 1241(a)(2) of the Food Secu-
4 rity Act of 1985 (16 U.S.C. 3841(a)(2)) is amended by
5 striking “subchapter C” and inserting “subchapters C and
6 D”.

7 **SEC. 256. FARMLAND STEWARDSHIP PROGRAM.**

8 Subtitle D of title XII of the Food Security Act of
9 1985 (16 U.S.C. 3830–3839bb) is amended by inserting
10 after chapter 1 (and the matter added by section 255 of
11 this Act) the following:

12 **“CHAPTER 2—FARMLAND STEWARDSHIP**
13 **PROGRAM**

14 **“SEC. 1238. DEFINITIONS.**

15 “In this chapter:

16 “(1) AGREEMENT.—The term ‘agreement’
17 means a service contract authorized by this chapter.

18 “(2) BIOFUEL.—

19 “(A) IN GENERAL.—The term ‘biofuel’
20 means an energy source derived from living or-
21 ganisms.

22 “(B) INCLUSIONS.—The term ‘biofuel’
23 includes—

1 “(i) plant residue that is harvested,
2 dried, and burned, or further processed
3 into a solid, liquid, or gaseous fuel;

4 “(ii) agricultural waste (such as cereal
5 straw, seed hulls, corn stalks and cobs);

6 “(iii) native shrubs and herbaceous
7 plants (such as some varieties of willows
8 and prairie switchgrass); and

9 “(iv) animal waste (including methane
10 gas that is produced as a byproduct of ani-
11 mal waste).

12 “(3) BIOPRODUCT.—The term ‘bioproduct’
13 means a product that is manufactured or
14 produced—

15 “(A) by using plant material and plant by-
16 product (such as glucose, starch, and protein);
17 and

18 “(B) to replace a petroleum-based product,
19 additive, or activator used in the production of
20 a solvent, paint, adhesive, chemical, or other
21 product (such as tires or Styrofoam cups).

22 “(4) CARBON SEQUESTRATION.—The term ‘car-
23 bon sequestration’ means the process of providing
24 plant cover to avoid contributing to the greenhouse
25 effect by—

1 “(A) removing carbon dioxide from the air;
2 and

3 “(B) developing a ‘carbon sink’ to retain
4 that carbon dioxide.

5 “(5) CONTRACTING AGENCY.—The term ‘con-
6 tracting agency’ means a local conservation district,
7 resource conservation and development council, ex-
8 tension service office, state-chartered stewardship
9 entity, nonprofit organization, local office of the De-
10 partment, or other participating government agency
11 that is authorized by the Secretary to enter into
12 farmland stewardship agreements on behalf of the
13 Secretary.

14 “(6) ELIGIBLE AGRICULTURAL LAND.—The
15 term ‘eligible agricultural land’ means private land
16 that is in primarily native or natural condition, or
17 that is classified by the Secretary as cropland,
18 pastureland, grazing land, timberland, or another
19 similar type of land, that—

20 “(A) contains wildlife habitat, wetland, or
21 other natural resources; or

22 “(B) provides 1 or more benefits to the
23 public, such as—

24 “(i) conservation of soil, water, and
25 related resources;

- 1 “(ii) water quality protection or im-
2 provement;
- 3 “(iii) control of invasive and exotic
4 species;
- 5 “(iv) wetland restoration, develop-
6 ment, and protection;
- 7 “(v) wildlife habitat development and
8 protection;
- 9 “(vi) survival and recovery of listed
10 species or candidate species;
- 11 “(vii) preservation of open spaces or
12 prime, unique, or other productive farm
13 land;
- 14 “(viii) increased participation in Fed-
15 eral agricultural or forestry programs in
16 an area or region that has traditional
17 under-representation in those programs;
- 18 “(ix) provision of a structure for
19 interstate cooperation to address ecosystem
20 challenges that affect an area involving 1
21 or more States;
- 22 “(x) improvements in the ecological
23 integrity of the area, region or corridor;
- 24 “(xi) carbon sequestration;
- 25 “(xii) phytoremediation;

1 “(xiii) improvements in the economic
2 viability of agriculture;

3 “(xiv) production of biofuels and bio-
4 products;

5 “(xv) establishment of experimental or
6 innovative crops;

7 “(xvi) use of existing crops or crop
8 byproducts in experimental or innovative
9 ways;

10 “(xvii) installation of equipment to
11 produce materials that may be used for
12 biofuels or other bioproducts;

13 “(xviii) maintenance of experimental
14 or innovative crops until the earlier of the
15 date on which—

16 “(I) a viable market is estab-
17 lished for those crops; or

18 “(II) an agreement terminates;

19 and

20 “(xix) other similar conservation pur-
21 poses identified by the Secretary.

22 “(7) GERMPLOSM.—The term ‘germplasm’
23 means the genetic material of a germ cell of any life
24 form that is important for food or agricultural pro-
25 duction.

1 “(8) INDIAN TRIBE.—The term ‘Indian tribe’
2 has the meaning given the term in section 4 of the
3 Indian Self-Determination and Education Assistance
4 Act (25 U.S.C. 450b).

5 “(9) PROGRAM.—The term ‘program’ means
6 the farmland stewardship program established by
7 this chapter.

8 “(10) PYTOREMEDIATION.—The term
9 ‘pytoremediation’ means the use of green living
10 plant material (including plants that may be har-
11 vested and used to produce biofuel or other biopro-
12 duces) to remove contaminants from water and soil.

13 “(11) SECRETARY.—The term ‘Secretary’
14 means the Secretary of Agriculture, acting—

15 “(A) through the Natural Resources Con-
16 servation Service; and

17 “(B) in cooperation with any applicable ag-
18 ricultural or other agencies of a State.

19 “(12) SERVICE CONTRACT.—The term ‘service
20 contract’ means a legally binding agreement between
21 2 parties under which—

22 “(A) 1 party agrees to render 1 or more
23 services in accordance with the terms of the
24 contract; and

1 “(B) the second party agrees to pay the
2 first party for the each service rendered.

3 **“SEC. 1238A. ESTABLISHMENT AND PURPOSE OF PROGRAM.**

4 “(a) ESTABLISHMENT.—

5 “(1) IN GENERAL.—The Secretary shall estab-
6 lish within the Department a program to be known
7 as the ‘farmland stewardship program’.

8 “(2) PURPOSE.—The purpose of the program
9 shall be to modify and more effectively target con-
10 servation programs administered by the Secretary to
11 the specific conservation needs of, and opportunities
12 presented by, individual parcels of eligible agricul-
13 tural land.

14 “(b) RELATION TO OTHER CONSERVATION PRO-
15 GRAMS.—Under the program, the Secretary may imple-
16 ment, alone or in combination, the features of—

17 “(1) any conservation program administered by
18 the Secretary; or

19 “(2) any conservation program administered by
20 another Federal agency or a State or local govern-
21 ment, if implementation by the Secretary—

22 “(A) is feasible; and

23 “(B) is carried out with the consent of the
24 applicable administering agency or government.

1 “(3) CONSERVATION ENHANCEMENT PRO-
2 GRAMS.—

3 “(A) IN GENERAL.—States, local govern-
4 ments, Indian tribes, or any combination of
5 those entities may submit, and the Secretary
6 may approve, a conservation enhancement pro-
7 gram that integrates 1 or more Federal agri-
8 culture and forestry conservation programs and
9 1 or more State, local, or private efforts to ad-
10 dress, in critical areas and corridors, in a man-
11 ner that enhances the conservation benefits of
12 the individual programs and modifies programs
13 to more effectively address State and local
14 needs—

15 “(i) water quality;

16 “(ii) wildlife;

17 “(iii) farm preservation; and

18 “(iv) any other conservation need.

19 “(B) REQUIREMENT.—

20 “(i) IN GENERAL.—A conservation en-
21 hancement program submitted under sub-
22 paragraph (A) shall be designed to provide
23 benefits greater than benefits that, by rea-
24 son of any factor described in clause (ii),
25 would be provided through the individual

1 application of a conservation program ad-
2 ministered by the Secretary.

3 “(ii) FACTORS.—Factors referred to
4 in clause (i) include—

5 “(I) conservation commitments of
6 greater duration;

7 “(II) more intensive conservation
8 benefits;

9 “(III) integrated treatment of
10 special natural resource problems
11 (such as preservation and enhance-
12 ment of natural resource corridors);
13 and

14 “(IV) improved economic viability
15 for agriculture.

16 “(C) APPROVAL.—

17 “(i) DEFINITION OF RESOURCES.—In
18 this subparagraph, the term ‘resources’
19 means, with respect to any conservation
20 program administered by the Secretary—

21 “(I) acreage enrolled under the
22 conservation program; and

23 “(II) funding made available to
24 the Secretary to carry out the con-

1 servation program with respect to
2 acreage described in subclause (I).

3 “(ii) DETERMINATION.—If the Sec-
4 retary determines that a plan submitted
5 under subparagraph (A) meets the require-
6 ments of subparagraph (B), the Secretary,
7 in accordance with an agreement, may use
8 not more than 20 percent of the resources
9 of any conservation program administered
10 by the Secretary to implement the plan.

11 “(D) CRP ACREAGE.—Acreage enrolled
12 under an approved conservation reserve en-
13 hancement program shall be considered acreage
14 of conservation reserve program that is com-
15 mitted to conservation reserve enhancement
16 program.

17 “(c) FUNDING.—

18 “(1) IN GENERAL.—The program and agree-
19 ments shall be funded by the Secretary using—

20 “(A) the funding authorities of the con-
21 servation programs that are implemented
22 through the use of Farmland Stewardship
23 Agreements for the conservation purposes listed
24 in Sec. 1238(4)(A) and (B)(i through x);

1 “(B) technical assistance in accordance
2 with Sec. 1243(d); and

3 “(C) such other funds as are appropriated
4 to carry out the Farmland Stewardship Pro-
5 gram.

6 “(2) COST SHARING.—It shall be a requirement
7 of the Farmland Stewardship Program that the ma-
8 jority of the funds to carry out the Program must
9 come from existing conservation programs, which
10 may be Federal, State, regional, local, or private,
11 that are combined into and made a part of an agree-
12 ment, with the balance made up from matching
13 funding contributions made by State, regional, or
14 local agencies and divisions of government or from
15 private funding sources. Funds from existing pro-
16 grams may be used only to carry out the purposes
17 and intents of those programs to the degree that
18 those programs are made a part of a Farmland
19 Stewardship Agreement. Funding for other purposes
20 or intents must come from the funds provided under
21 paragraphs (1)(B) and (1)(C) of subsection (c) or
22 from the matching funding contributions made by
23 State, regional, or local agencies and divisions of
24 government or from private funding sources.

1 “(d) PERSONNEL COSTS.—The Secretary shall use
2 the Natural Resources Conservation Service to carry out
3 the Farmland Stewardship Program in cooperation with
4 the state department of agriculture or other designated
5 agency within the state. The role of the Natural Resources
6 Conservation Services shall be limited to federal oversight
7 of the program. The Natural Resources Conservation
8 Service shall perform its normal functions with respect to
9 the conservation programs that it administers. However,
10 it shall play no role in the assembly of programs adminis-
11 tered by other federal agencies into Farmland Stewardship
12 Agreements.

13 “(e) STATE LEVEL ADMINISTRATION.—The state de-
14 partments of agriculture shall have primary responsibility
15 for operating the Farmland Stewardship Program. A state
16 department of agriculture may choose to operate the pro-
17 gram on its own, may collaborate with another local, state
18 or federal agency, conservation district or tribe in oper-
19 ating the program, or may delegate responsibility to an-
20 other state agency, such as the state department of nat-
21 ural resources or the state conservation district agency.
22 The state department of agriculture or designated state
23 agency shall consult with the agencies with management
24 authority and responsibility for the resources affected on

1 properties on which Farmland Stewardship Agreements
2 are negotiated and assembled.

3 “(1) A state department of agriculture shall
4 submit an application to the Secretary requesting
5 designation as the ‘designated state agency’ to oper-
6 ate the Farmland Stewardship Program. If the state
7 department of agriculture chooses to delegate re-
8 sponsibility to another state agency, the department
9 of agriculture shall ask the governor to designate an-
10 other agency for this purpose and that agency shall
11 submit application to the Secretary.

12 “(2) The Secretary shall approve the request
13 for designation as the ‘designated state agency’ if
14 the agency demonstrates that it has the capability to
15 implement the Farmland Stewardship Program and
16 attests that it shall conform with the confidentiality
17 requirements in Sec. 1238B(g). Upon approval of
18 the request, the Secretary shall enter into a memo-
19 randum of understanding with the designated state
20 agency specifying the state’s responsibilities in car-
21 rying out the program and the amount of technical
22 assistance funds that shall be provided to the state
23 on an annual basis to operate the program, in ac-
24 cordance with paragraphs (1)(C), (1)(E) and (1)(F)
25 of subsection (g).

1 “(f) ANNUAL REPORTS.—The designated state agen-
2 cy shall annually submit to the Secretary and make pub-
3 licly available a report that describes—

4 “(1) The progress achieved, the funds ex-
5 pended, the purposes for which funds were expended
6 and monitoring and evaluating results obtained by
7 local contracting agencies, and

8 “(2) The plans and objectives of the State for
9 future activities under the program.

10 “(g) TECHNICAL ASSISTANCE.—

11 “(1) Of the funds used from other programs
12 and of funds made available to carry out the Farm-
13 land Stewardship Program for a fiscal year, the Sec-
14 retary shall reserve not more than twenty-five per-
15 cent for the provision of technical assistance under
16 the Program. Of the funds made available—

17 “(A) not more than 1.5% shall be reserved
18 for administration, coordination and oversight
19 through the Natural Resources Conservation
20 Service headquarters office;

21 “(B) not more than 1.5% shall be reserved
22 for the Farmland Stewardship Council to carry
23 out its duties in cooperation with the State
24 Technical Committees, as provided under sec-
25 tion 1238E;

1 “(C) not more than 2.0% shall be reserved
2 for administration and coordination through the
3 designated state agency in the state where the
4 property is located;

5 “(D) not more than 1.0% shall be reserved
6 for administration and coordination through the
7 Natural Resources Conservation Service state
8 office, in the state where property is located;

9 “(E) not more than 1.0% shall be reserved
10 for administration and coordination through the
11 state conservation district agency, unless such
12 agency is the designated state agency for ad-
13 ministering this program, in which case these
14 funds shall be added to the funds in the next
15 paragraph; and

16 “(F) not less than 18% shall be reserved
17 for local technical assistance, carried out
18 through a designated ‘contracting agency’ and
19 subcontractors chosen by and working with the
20 contracting agency for preparing and executing
21 agreements and monitoring, evaluating and ad-
22 ministering agreements for their full term.

23 “(2) An owner or operator who is receiving a
24 benefit under this chapter shall be eligible to receive
25 technical assistance in accordance with section

1 1243(d) to assist the owner or operator in carrying
2 out a contract entered into under this chapter.

3 “(h) ENSURING AVAILABILITY OF FUNDS.—All
4 amounts required for preparing, executing, carrying out,
5 monitoring, evaluating and administering an agreement
6 for its entire term shall be made available by the Federal,
7 State, and local agencies and private sector entities in-
8 volved in funding the agreement upon execution of the
9 agreement.

10 **“SEC. 1238B. USE OF FARMLAND STEWARDSHIP AGREE-**
11 **MENTS.**

12 “(a) AGREEMENTS AUTHORIZED.—The Secretary
13 shall carry out the Farmland Stewardship Program by en-
14 tering into service contracts as determined by the Sec-
15 retary, to be known as farmland stewardship agreements,
16 with the owners or operators of eligible agricultural land
17 to maintain and protect the natural and agricultural re-
18 sources on the land.

19 “(b) LEGAL BASIS.—An agreement shall operate in
20 all respects as a service contract and, as such, provides
21 the Secretary with the opportunity to hire the owner or
22 operator of eligible agricultural land as a vendor to per-
23 form one or more specific services for an equitable fee for
24 each service rendered. Any agency participating in the
25 Farmland Stewardship Program that has the authority to

1 enter into service contracts and to expend public funds
2 under such contracts may enter into or participate in the
3 funding of an agreement.

4 “(c) BASIC PURPOSES.—An agreement with the
5 owner or operator of eligible agricultural land shall be
6 used—

7 “(1) to negotiate a mutually agreeable set of
8 guidelines, practices, and procedures under which
9 conservation practices will be provided by the owner
10 or operator to protect, maintain, and, where pos-
11 sible, improve, the natural resources on the land cov-
12 ered by the agreement in return for annual pay-
13 ments to the owner or operator;

14 “(2) to enable an owner or operator to partici-
15 pate in one or more of the conservation programs of-
16 fered through agencies at all levels of government
17 and the private sector and, where possible and fea-
18 sible, comply with permit requirements and regula-
19 tions, through a one-stop, one-application process.

20 “(3) to implement a conservation program or
21 series of programs where there is no such program
22 or to implement conservation management activities
23 where there is no such activity;

24 “(4) to expand or maintain conservation prac-
25 tices and resource management activities to a prop-

1 erty where it is not possible at the present time to
2 negotiate or reach agreement on a public purchase
3 of a fee-simple or less-than-fee interest in the prop-
4 erty for conservation purposes; and

5 “(5) to negotiate and develop agreements with
6 private owners and operators to expand or maintain
7 their participation in conservation activities and pro-
8 grams; to enable them to install or maintain best
9 management practices (BMPs) and other rec-
10 ommended practices to improve the compatibility of
11 agriculture, horticulture, silviculture, aquaculture
12 and equine activities with the environment; and im-
13 prove compliance with public health, safety and envi-
14 ronmental regulations.

15 “(d) MODIFICATION OF OTHER CONSERVATION PRO-
16 GRAM ELEMENTS.—If most, but not all, of the limitations,
17 conditions, policies and requirements of a conservation
18 program that is implemented in whole, or in part, through
19 the Farmland Stewardship Program are met with respect
20 to a parcel of eligible agricultural land, and the purposes
21 to be achieved by the agreement to be entered into for
22 such land are consistent with the purposes of the conserva-
23 tion program, then the Secretary may waive any remain-
24 ing limitations, conditions, policies or requirements of the
25 conservation program that would otherwise prohibit or

1 limit the agreement. The Secretary may also grant re-
2 quests to—

3 “(1) establish different or automatic enrollment
4 criteria than otherwise established by regulation or
5 policy;

6 “(2) establish different compensation rates to
7 the extent the parties to the agreement consider jus-
8 tified;

9 “(3) establish different conservation practice
10 criteria if doing so will achieve greater conservation
11 benefits;

12 “(4) provide more streamlined and integrated
13 paperwork requirements;

14 “(5) provide for the transfer of conservation
15 program funds to states with flexible incentives ac-
16 counts; and

17 “(6) provide funds for an adaptive management
18 process to monitor the effectiveness of the Program
19 for wildlife, the protection of natural resources, eco-
20 nomic effectiveness and sustaining the agricultural
21 economy.

22 “(7) For a waiver or exception to be considered,
23 a contracting agency or the designated state agency
24 must—

1 “(A) Submit a request for a waiver to the
2 Secretary or Administrator who has responsi-
3 bility for the program for which a waiver or ex-
4 ception is being requested. Requests for waivers
5 or exceptions in programs administered by the
6 United States Department of Agriculture shall
7 be submitted to the Secretary of Agriculture,
8 while requests for waivers or exceptions in pro-
9 grams administered by the United States De-
10 partment of Interior shall be submitted to the
11 Secretary of Interior and requests for waivers
12 or exceptions in programs administered by the
13 United States Environmental Protection Agency
14 shall be submitted to the Administrator of that
15 Agency, and so forth.

16 “(B) The request shall—

17 “(i) explain why the property qualifies
18 for participation in the program;

19 “(ii) explain why it is necessary or de-
20 sirable to make an exception to or waive
21 one or more program limitations, condi-
22 tions, policies or requirements;

23 “(iii) if possible, suggest alternative
24 methods or approaches to satisfying these
25 limitations, conditions, policies or require-

1 ments that are appropriate for the prop-
2 erty in question;

3 “(iv) request that the Secretary or
4 Administrator grant the exception or waiv-
5 er, based on the documentation submitted.

6 “(C) The Secretary or Administrator may
7 request additional documentation, or may sug-
8 gest alternative methods of overcoming program
9 limitations or obstacles on the property in ques-
10 tion, prior to deciding whether or not to grant
11 a request for an exception or waiver.

12 “(D) Waivers and exceptions may be
13 granted by a Secretary or Administrator to
14 allow additional flexibility in tailoring conserva-
15 tion programs to the specific needs, opportuni-
16 ties and challenges offered by individual parcels
17 of land, and to remove administrative and regu-
18 latory obstacles that previously may have lim-
19 ited the use of these programs on eligible agri-
20 cultural land, or would prevent these programs
21 from being combined together through a Farm-
22 land Stewardship Agreement. Waivers and ex-
23 ceptions may be granted only if the purposes to
24 be achieved by the program after the waiver or
25 exception is granted remain consistent with the

1 purposes for which the program was estab-
2 lished.

3 “(E) The Secretaries and Administrators
4 who receive requests for waivers or exceptions
5 under this chapter shall respond to these re-
6 quests within sixty (60) days of receipt. Deci-
7 sions on whether to grant a request shall be
8 rendered within one hundred eighty (180) days
9 of receipt.

10 “(e) PROVISIONAL CONTRACTS.—Provisional con-
11 tracts shall be used to provide payments to private land-
12 owners or operators, and to the organization or agency
13 that will oversee the agreement, while baseline data is
14 gathered, documents are prepared and the formal agree-
15 ment is being negotiated. Provisional contracts shall pay
16 for all technical services required to establish an agree-
17 ment. Provisional contracts may be used to establish a
18 Farmland Stewardship Agreement, or any other type of
19 conservation program, permit or agreement on private
20 land. Provisional contracts shall be used during a two-year
21 planning period, which may be extended for up to two ad-
22 ditional periods of six months each by mutual agreement
23 between the Secretary, the contracting agency and the
24 owner or operator.

1 “(f) PAYMENTS.—Payments to owners and operators
2 shall be made as provided in the programs that are com-
3 bined as part of a Farmland Stewardship Agreement. At
4 the election of the owner or operator, payments may be
5 collected and combined together by the designated state
6 agency and issued to the owner or operator in equal an-
7 nual payments over the term of the agreement. Payments
8 for other services rendered by the owner or operator shall
9 be made as follows—

10 “(1) IN GENERAL.—Programs that contain
11 term or permanent easements may be combined into
12 a Farmland Stewardship Agreement. Except for por-
13 tions of a property affected by easements, Farmland
14 Stewardship Agreements shall provide no interest in
15 property and shall be solely contracts for specific
16 services. The fees paid shall be based on the services
17 provided. Compensation shall include—

18 “(A) ANNUAL BASE PAYMENT.—All owners
19 or operators enrolled in a Farmland Steward-
20 ship Agreement shall receive an annual base
21 payment, at a rate to be determined by the Sec-
22 retary. The annual base payment shall be con-
23 sidered by the Secretary to be satisfied if the
24 owner or operator receives annual payments
25 from another conservation program that has

1 been incorporated into the Farmland Steward-
2 ship Agreement. In addition, owners and opera-
3 tors shall receive—

4 “(B) DIRECT FEES FOR SERVICES.—These
5 fees shall be based on the cost of providing each
6 service. These fees may be set by adopting pri-
7 vate sector market prices for the performance
8 of similar services or by competitive bidding.
9 Or, alternatively—

10 “(C) ANNUAL PER-ACRE STEWARDSHIP
11 FEES.—These fees shall be based on the serv-
12 ices provided, or the quantity of benefits pro-
13 vided, with higher fees for greater benefits that
14 can be quantified. Such values shall be deter-
15 mined and set by the Secretary. Or,
16 alternatively—

17 “(D) OTHER INCENTIVES.—Other forms of
18 compensation acceptable to an owner or oper-
19 ator also may be considered. These other forms
20 of compensation may include federal, state or
21 local tax waivers, credits, reductions or exclu-
22 sions; priority processing of permits from state
23 and local agencies; consolidation of permits
24 from state and local agencies into a single oper-
25 ating plan; extended-duration permits from

1 state and local agencies; enhanced eligibility
2 and priority listing for participation in cost-
3 share programs, loan programs, conservation
4 programs and permanent conservation easement
5 or public purchase programs; and priority ac-
6 cess to technical assistance services provided by
7 federal and, where possible, local, regional and
8 state agencies.

9 “(g) CONFIDENTIALITY OF DATA.—All information
10 or data provided to, obtained by or developed by the Sec-
11 retary, or any contractor to the Secretary or the des-
12 ignated state agency, for the purpose of providing tech-
13 nical or financial assistance to owners or operators in con-
14 nection with the United States Department of Agri-
15 culture’s conservation programs, or in connection with the
16 Farmland Stewardship Program, shall be—

17 “(1) Kept confidential by all officers and em-
18 ployees of the Department and the designated state
19 agency;

20 “(2) Not released, disclosed, made public or in
21 any manner communicated to any agency, state or
22 person outside the Department and the designated
23 state agency; and

24 “(3) Not subject to any other law that would
25 require the information or data to be released, dis-

1 closed, made public or in any way communicated to
2 any agency, state or person outside the Department
3 and designated state agency.

4 “(4) Any information or data related to an indi-
5 vidual farm owner or operator may be reported only
6 in an anonymous, aggregated form as currently pro-
7 vided under the Department’s National Agricultural
8 Statistic Services.

9 “(h) STATE AND LOCAL CONSERVATION PRIOR-
10 ITIES.—To the maximum extent practicable, agreements
11 shall address the conservation priorities established by the
12 State and locality in which the eligible agricultural land
13 are located. The Secretary may adopt for this purpose a
14 pre-existing state or regional conservation plan or strategy
15 that maps economically and ecologically important land,
16 including a plan developed pursuant to planning require-
17 ments under Title VIII of the 2001 Interior Appropria-
18 tions Act and Title IX of the 2001 Commerce, Justice,
19 State Appropriations Act.

20 “(i) WATERSHED ENHANCEMENT.—To the extent
21 practicable, the Secretary shall encourage the development
22 of Farmland Stewardship Program applications on a wa-
23 tershed basis.

1 **“SEC. 1238C. PARTNERSHIP APPROACH TO PROGRAM.**

2 “(a) **AUTHORITY OF SECRETARY EXERCISED**
3 **THROUGH PARTNERSHIPS.**—The Secretary may admin-
4 ister agreements under the Farmland Stewardship Pro-
5 gram in partnership with other Federal, State, and local
6 agencies whose programs are incorporated into the Pro-
7 gram under section 1238A, and in partnership with state
8 departments of agriculture or other designated state agen-
9 cies.

10 “(b) **DESIGNATION AND USE OF CONTRACTING**
11 **AGENCIES.**—Subject to subsection (c), the Secretary may
12 authorize a local conservation district, resource conserva-
13 tion and development council, extension service office,
14 state-chartered stewardship entity, nonprofit organization,
15 local office of the Department of Agriculture, or other par-
16 ticipating government agency to enter into and administer
17 agreements under the Program as a contracting agency
18 on behalf of the Secretary.

19 “(c) **CONDITIONS OF DESIGNATION.**—The Secretary
20 may designate an eligible district or office as a contracting
21 agency under subsection (b) only if the district or office—

22 “(1) submits a written request for such des-
23 igation to the Secretary;

24 “(2) affirms that it is willing to follow all guide-
25 lines for executing and administering an agreement,
26 as promulgated by the Secretary;

1 “(3) demonstrates to the satisfaction of the
2 Secretary that it has established working relation-
3 ships with owners and operators of eligible agricul-
4 tural land, and based on the history of these work-
5 ing relationships, demonstrates that it has the abil-
6 ity to work with owners and operators of eligible ag-
7 ricultural land in a cooperative manner;

8 “(4) affirms its responsibility for preparing all
9 documentation for the agreement, negotiating its
10 terms with an owner or operator, monitoring compli-
11 ance, making annual reports to the Secretary, and
12 administering the agreement throughout its full
13 term; and

14 “(5) demonstrates to the satisfaction of the
15 Secretary that it has or will have the necessary staff
16 resources and expertise to carry out its responsibil-
17 ities under paragraphs (3) and (4).

18 “(d) DELEGATION OF RESPONSIBILITY.—The Sec-
19 retary may delegate responsibility for reviewing and ap-
20 proving applications from local contracting agencies to the
21 state department of agriculture or other designated state
22 agency in the state in which the property is located, pro-
23 vided that the designated agency follows the criteria for
24 reviewing and approving applications as established by the
25 Secretary and consults with the agencies with manage-

1 ment authority and responsibility for the resources af-
2 fected on properties on which Farmland Stewardship
3 Agreements are negotiated and assembled.

4 **“SEC. 1238D. PARTICIPATION OF OWNERS AND OPERATORS**
5 **OF ELIGIBLE AGRICULTURAL LAND.**

6 “(a) APPLICATION AND APPROVAL PROCESS.—To
7 participate in the Farmland Stewardship Program, an
8 owner or operator of eligible agricultural land shall—

9 “(1) submit to the Secretary an application in-
10 dicating interest in the Program and describing the
11 owner’s or operator’s property, its resources, and
12 their ecological and agricultural values;

13 “(2) submit to the Secretary the purpose and
14 objectives of the proposed agreement and a list of
15 services to be provided, or a management plan to be
16 implemented, or both, under the proposed agree-
17 ment;

18 “(3) if the application and list are accepted by
19 the Secretary, enter into an agreement that details
20 the purpose and objectives of the agreement and the
21 services to be provided, or management plan to be
22 implemented, or both, and requires compliance with
23 the other terms of the agreement.

24 “(b) APPLICATION ON BEHALF OF AN OWNER OR
25 OPERATOR.—A designated contracting agency may sub-

1 mit the application required by subsection (a) on behalf
2 of an owner or operator if the contracting agency has se-
3 cured the consent of the owner or operator to enter into
4 an agreement.

5 “(c) DELEGATION OF RESPONSIBILITY.—The Sec-
6 retary may delegate responsibility for reviewing and ap-
7 proving applications from or on behalf of an owner or op-
8 erator to the state department of agriculture or other des-
9 ignated agency in the state in which the property is lo-
10 cated, provided that the designated agency follows the cri-
11 teria for reviewing and approving applications as estab-
12 lished by the Secretary and consults with the agencies with
13 management authority and responsibility for the resources
14 affected on properties on which Farmland Stewardship
15 Agreements are negotiated and assembled.

16 **“SEC. 1238E. CREATION OF A FARMLAND STEWARDSHIP**
17 **COUNCIL REGARDING PROGRAM.**

18 “(a) APPOINTMENT.—The Secretary shall appoint an
19 advisory committee to assist the Secretary in carrying out
20 the Farmland Stewardship Program.

21 “(b) IN GENERAL.—The Committee shall be known
22 as the Farmland Stewardship Council and shall operate
23 on the federal level in the same manner, with the same
24 roles and responsibilities and the same membership re-
25 quirements as provided in the policies and guidelines gov-

1 erning State Technical Committees in Subpart B of Part
2 501 of the United States Department of Agriculture's di-
3 rectives to the Natural Resources Conservation Service re-
4 garding Conservation Program Delivery.

5 “(c) DUTIES.—The Farmland Stewardship Council
6 shall cooperate in all respects with the State Technical
7 Committees and Resource Advisory Committees in each
8 state. In addition to the roles and responsibilities set forth
9 for these committees, the Farmland Stewardship Council
10 shall assist the Secretary in—

11 “(1) drafting such regulations as are necessary
12 to carry out the Program;

13 “(2) developing the documents necessary for
14 executing farmland stewardship agreements;

15 “(3) developing procedures and guidelines to fa-
16 cilitate partnerships with other levels of government
17 and nonprofit organizations and assist contracting
18 agencies in gathering data and negotiating agree-
19 ments;

20 “(4) designing criteria to consider applications
21 submitted under sections 1238C and 1238D;

22 “(5) providing assistance and training to des-
23 ignated state agencies, project partners and con-
24 tracting agencies;

1 “(6) assisting designated state agencies, project
2 partners and contracting agencies in combining to-
3 gether other conservation programs into agreements;

4 “(7) tailoring the agreements to each individual
5 property;

6 “(8) developing agreements that are highly
7 flexible and can be used to respond to and fit in with
8 the conservation needs and opportunities on any
9 property in the United States;

10 “(9) developing a methodology for determining
11 a fair market price in each state for each service
12 rendered by a private owner or operator under a
13 Farmland Stewardship Agreement;

14 “(10) developing guidelines for administering
15 the Farmland Stewardship Program on a national
16 basis that respond to the conservation needs and op-
17 portunities in each state and in each rural commu-
18 nity in which Farmland Stewardship Agreements
19 may be implemented;

20 “(11) monitoring progress under the agree-
21 ments; and

22 “(12) reviewing and recommending possible
23 modifications, additions, adaptations, improvements,
24 enhancements, or other changes to the Program to
25 improve the way in which the program operates.

1 “(d) MEMBERSHIP.—The Farmland Stewardship
2 Council shall have the same membership requirements as
3 the State Technical Committees, except that C

4 “(1) All participating members must have of-
5 fices located in the Washington, D.C. metropolitan
6 area;

7 “(2) The list of members representing ‘Federal
8 Agencies and Other Groups Required by Law’ shall
9 be expanded to include all federal agencies whose
10 programs might be included in Farmland Steward-
11 ship Program;

12 “(3) State agency representation shall be pro-
13 vided by the organizations located in the Wash-
14 ington, D.C. metropolitan area representing state
15 agencies and shall include individuals from organiza-
16 tions representing wetland managers, environmental
17 councils, fish and wildlife agencies, counties, re-
18 source and conservation development councils, state
19 conservation agencies, state departments of agri-
20 culture, state foresters, and governors; and

21 “(4) Private Interest Membership shall be com-
22 prised of 21 members representing the principal ag-
23 ricultural commodity groups, farm organizations, na-
24 tional forestry associations, woodland owners, con-
25 servation districts, rural stewardship organizations,

1 and up to a maximum of six (6) conservation and
2 environment organizations, including organizations
3 with an emphasis on wildlife, rangeland management
4 and soil and water conservation.

5 “(5) The Secretary shall appoint one of the Pri-
6 vate Interest Members to serve as chair. The Private
7 Interest Members shall appoint another member to
8 serve as co-chair.

9 “(6) The Secretary shall follow equal oppor-
10 tunity practices in making appointments to the
11 Farmland Stewardship Council. To ensure that rec-
12 ommendations of the Council take into account the
13 needs of the diverse groups served by the United
14 States Department of Agriculture, membership will
15 include, to the extent practicable, individuals with
16 demonstrated ability to represent minorities, women,
17 and persons with disabilities.

18 “(e) PERSONNEL COSTS.—The technical assistance
19 funds designated in Sec. 1238A(g)(1)(B) may be used to
20 provide staff positions and support for the Farmland
21 Stewardship Council to—

22 “(1) carry out its duties as provided in sub-
23 section (c);

24 “(2) ensure communication and coordination
25 with all federal agencies, state organizations and

1 Private Interest Members on the council, and the
2 constituencies represented by these agencies, organi-
3 zations and members;

4 “(3) ensure communication and coordination
5 with the State Technical Committees and Resource
6 Advisory Committees in each state;

7 “(4) solicit input from agricultural producers
8 and owners and operators of private forestry oper-
9 ations and woodland through the organizations rep-
10 resented on the council and other organizations, as
11 necessary; and

12 “(5) take into consideration the needs and in-
13 terests of producers of different agricultural com-
14 modities and forest products in different regions of
15 the nation.

16 “(6) Representatives of federal agencies and
17 state organizations shall serve without additional
18 compensation, except for reimbursement of travel ex-
19 penses and per diem costs which are incurred as a
20 result of their Council responsibilities and service.

21 “(7) Payments may be made to the organiza-
22 tions serving as Private Interest Members for the
23 purposes of providing staff and support to carry out
24 paragraphs (1) through (5). The amounts and dura-
25 tion of these payments and the number of staff posi-

1 tions to be created within Private Interest Member
2 organizations to carry out these duties shall be de-
3 termined by the Secretary.

4 “(f) REPORTS.—The Farmland Stewardship Council
5 shall annually submit to the Secretary and make publicly
6 available a report that describes—

7 “(1) The progress achieved, the funds ex-
8 pended, the purposes for which funds were expended
9 and results obtained by the council; and

10 “(2) The plans and objectives for future activi-
11 ties.

12 “(g) TERMINATION.—The Farmland Stewardship
13 Council shall remain in force for as long as the Secretary
14 administers the Farmland Stewardship Program, except
15 that the council will terminate in 2011 unless renewed by
16 Congress in the next Farm Bill.

17 **“SEC. 1238F. STATE BLOCK GRANT PROGRAM.**

18 “(a) IN GENERAL.—The Secretary of Agriculture
19 may provide agricultural stewardship block grants on an
20 annual basis to state departments of agriculture as a
21 means of providing assistance and support, cost-share
22 payments, incentive payments, technical assistance or edu-
23 cation to agricultural producers and owners and operators
24 of agriculture, silviculture, aquaculture, horticulture or
25 equine operations for environmental enhancements, best

1 management practices, or air and water quality improve-
2 ments addressing resource concerns. Under the block
3 grant program, states shall have maximum flexibility to—

4 “(1) Address threats to soil, air, water and re-
5 lated natural resources including grazing land, wet-
6 land and wildlife habitats;

7 “(2) Comply with state and federal environ-
8 mental laws;

9 “(3) Make beneficial, cost-effective changes to
10 cropping systems; grazing management; nutrient,
11 pest, or irrigation management; land uses; or other
12 measures needed to conserve and improve soil,
13 water, and related natural resources; and

14 “(4) Implement other practices or obtain other
15 services to benefit the public through Farmland
16 Stewardship Agreements.

17 “(b) PROGRAM APPLICATION.—A state department
18 of agriculture, in collaboration with other state and local
19 agencies, conservation districts, tribes, partners or organi-
20 zations, may submit an application to the Secretary re-
21 questing approval for an agricultural stewardship block
22 grant program. The Secretary shall approve the grant re-
23 quest if the program proposed by the state maintains or
24 improves the state’s natural resources, and the state has
25 the capability to implement the agricultural stewardship

1 program. Upon approval of a stewardship program sub-
2 mitted by a state department of agriculture, the Secretary
3 shall—

4 “(1) Allocate funds to the state for administra-
5 tion of the program, and

6 “(2) Enter into a memorandum of under-
7 standing with the state department of agriculture
8 specifying the state’s responsibilities in carrying out
9 the program and the amount of the block grant that
10 shall be provided to the state on an annual basis.

11 “(c) PARTICIPATION.—A state department of agri-
12 culture may choose to operate the block grant program,
13 may collaborate with another local, state or federal agency,
14 conservation district or tribe in operating the program, or
15 may delegate responsibility for the program to another
16 local, state or federal agency, such as the state office of
17 the United States Department of Agriculture, Natural Re-
18 sources Conservation Service, or the state conservation
19 district agency.

20 “(d) COORDINATION.—A state department of agri-
21 culture may establish an agricultural stewardship plan-
22 ning committee, or other advisory body, or expand the au-
23 thority of an existing body, to design, develop and imple-
24 ment the state’s agricultural stewardship block grant pro-
25 gram. Such planning committee or advisory committee

1 shall cooperate fully with the Farmland Stewardship
2 Council established in Sec. 1238E and the State Technical
3 Committee and Resource Advisory Committee in the state.

4 “(e) DELIVERY.—The state department of agri-
5 culture, or other designated agency, shall administer the
6 stewardship block grants through existing delivery sys-
7 tems, infrastructure or processes, including contracts, co-
8 operative agreements, and grants with local, state and fed-
9 eral agencies that address resource concerns and were
10 prioritized and developed in cooperation with locally-led
11 advisory groups.

12 “(f) STRATEGIC PLANS.—The state department of
13 agriculture may collaborate with a local advisory or plan-
14 ning committee to develop a state strategic plan for the
15 enhancement and protection of land, air, water and wild-
16 life through resource planning. The state strategic plan
17 shall be submitted to the Secretary annually in a report
18 on the implementation of projects, activities, and other
19 measures under the block grant program. In general, state
20 strategic plans shall include—

21 “(1) A description of goals and objectives, in-
22 cluding outcome-related goals for designated pro-
23 gram activities;

24 “(2) A description of how the goals and objec-
25 tives are to be achieved, including a description of

1 the operational processes, skills and technologies,
2 and the human capital, information and other re-
3 sources required to meet the goals and objectives;

4 “(3) A description of performance indicators to
5 be used in measuring or assessing the relevant out-
6 put service levels and outcomes of the program ac-
7 tivities; and

8 “(4) A description of the program evaluation to
9 be used in comparing actual results with established
10 goals and objectives.

11 “(g) ANNUAL REPORTS.—The state department of
12 agriculture shall annually submit to the Secretary and
13 make publicly available a report that describes—

14 “(1) The progress achieved, the funds ex-
15 pended, the purposes for which funds were expended
16 and monitoring results obtained by the agricultural
17 stewardship planning committee or local advisory
18 group, where applicable; and

19 “(2) The plans and objectives of the State for
20 future activities under the program.

21 “(h) COORDINATION WITH FEDERAL AGENCIES.—
22 To the maximum extent possible, the Secretary shall co-
23 ordinate with other federal departments and agencies to
24 acknowledge and ensure that the block grant program is
25 consistent with and is meeting the needs and desired pub-

1 lie benefits of other federal programs on a state-by-state
2 basis.

3 “(i) PAYMENTS.—The agricultural stewardship pro-
4 gram may be used as a means of providing compensation
5 to owners and operators for implementing on-farm prac-
6 tices that enhance environmental goals. The type of finan-
7 cial assistance may be in the form of cost-share payments,
8 incentive payments or Farmland Stewardship Agreements,
9 as determined by guidelines established by the state de-
10 partment of agriculture and the agricultural stewardship
11 planning committee.

12 “(j) PROGRAM EXPENDITURES.—States shall have
13 flexibility to target resources where needed, including the
14 ability to allocate dollars between payments to owners and
15 operators or technical assistance based upon needs and
16 priorities.

17 “(k) METHOD OF PAYMENT.—A state department of
18 agriculture may collaborate with the agricultural steward-
19 ship planning committee or other local advisory group to
20 determine payment levels and methods for individual pro-
21 gram activities and projects, including any conditions, lim-
22 itations or restrictions. Payments may be made—

23 “(1) To compensate for a verifiable or measur-
24 able loss;

1 “(2) Under a binding agreement providing for
2 payments to carry out specific activities, measures,
3 practices or services prioritized by the state depart-
4 ment of agriculture, the agricultural stewardship
5 planning committee or a local advisory board; or

6 “(3) To fund portions of projects and measures
7 to complement other federal programs, including the
8 Conservation Reserve Program, the Environmental
9 Quality Incentives Program, the Wetlands Reserve
10 Program, the Forestry Incentives Program, the
11 Farmland Protection Program, and the Wildlife
12 Habitat Incentives Program.”.

13 **SEC. 257. SMALL WATERSHED REHABILITATION PROGRAM.**

14 Section 14(h) of the Watershed Protection and Flood
15 Prevention Act (16 U.S.C. 1012(h)) is amended—

16 (1) by adding “and” at the end of paragraph
17 (1); and

18 (2) by striking all that follows paragraph (1)
19 and inserting the following:

20 “(2) \$15,000,000 for fiscal year 2002 and each
21 succeeding fiscal year.”.

1 **SEC. 258. PROVISION OF ASSISTANCE FOR REPAUPO CREEK**
2 **TIDE GATE AND DIKE RESTORATION**
3 **PROJECT, NEW JERSEY.**

4 Notwithstanding section 403 of the Agricultural
5 Credit Act of 1978 (16 U.S.C. 2203), the Secretary of
6 Agriculture, acting through the Natural Resources Con-
7 servation Service, shall provide assistance for planning
8 and implementation of the Repaupo Creek Tide Gate and
9 Dike Restoration Project in the State of New Jersey.

10 **SEC. 259. GRASSROOTS SOURCE WATER PROTECTION PRO-**
11 **GRAM.**

12 Section 1256 of the Food Security Act of 1985 (16
13 U.S.C. 2101 note) is amended to read as follows:

14 **“SEC. 1256. GRASSROOTS SOURCE WATER PROTECTION**
15 **PROGRAM.**

16 “(a) IN GENERAL.—The Secretary shall establish a
17 national grassroots water protection program to more ef-
18 fectively use onsite technical assistance capabilities of each
19 State rural water association that, as of the date of enact-
20 ment of the Farm Security Act of 2001, operates a well-
21 head or groundwater protection program in the State.

22 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
23 is authorized to be appropriated to carry out this section
24 \$5,000,000 for each fiscal year.”.

Subtitle G—Repeals

1 **SEC. 261. PROVISIONS OF THE FOOD SECURITY ACT OF**
2 **1985.**
3

4 (a) WETLANDS MITIGATION BANKING PROGRAM.—
5 Section 1222 of the Food Security Act of 1985 (16 U.S.C.
6 3822) is amended by striking subsection (k).

7 (b) CONSERVATION RESERVE PROGRAM.—

8 (1) REPEALS.—(A) Section 1234(f) of such Act
9 (16 U.S.C. 3834(f)) is amended by striking para-
10 graph (3) and by redesignating paragraph (4) as
11 paragraph (3).

12 (B) Section 1236 of such Act (16 U.S.C. 3836)
13 is repealed.

14 (2) CONFORMING AMENDMENTS.—(A) Section
15 1232(a)(5) of such Act (16 U.S.C. 3832(a)(5)) is
16 amended by striking “in addition to the remedies
17 provided under section 1236(d),”.

18 (B) Section 1234(d)(4) of such Act (16 U.S.C.
19 3834(d)(4)) is amended by striking “subsection
20 (f)(4)” and inserting “subsection (f)(3)”.

21 (c) WETLANDS RESERVE PROGRAM.—Section
22 1237D(e) of such Act (16 U.S.C. 3837d(e)) is amended
23 by striking paragraph (3).

24 (d) ENVIRONMENTAL EASEMENT PROGRAM.—

1 (1) REPEAL.—Chapter 3 of subtitle D of title
2 XII of such Act (16 U.S.C. 3839–3839d) is re-
3 pealed.

4 (2) CONFORMING AMENDMENT.—Section
5 1243(b)(3) of such Act (16 U.S.C. 3843(b)(3)) is
6 amended by striking “or 3”.

7 (e) CONSERVATION FARM OPTION.—Chapter 5 of
8 subtitle D of title XII of such Act (16 U.S.C. 3839bb)
9 is repealed.

10 **SEC. 262. NATIONAL NATURAL RESOURCES CONSERVATION**
11 **FOUNDATION ACT.**

12 Subtitle F of title III of the Federal Agriculture Im-
13 provement and Reform Act of 1996 (16 U.S.C. 5801–
14 5809) is repealed.

15 **TITLE III—TRADE**

16 **SEC. 301. MARKET ACCESS PROGRAM.**

17 Section 211(c)(1) of the Agricultural Trade Act of
18 1978 (7 U.S.C. 5641(c)(1)) is amended—

19 (1) by striking “and not more” and inserting
20 “not more”;

21 (2) by inserting “and not more than
22 \$180,000,000 for each of fiscal years 2002 through
23 2011,” after “2002,”; and

24 (3) by striking “2002” and inserting “2001”.

1 **SEC. 302. FOOD FOR PROGRESS.**

2 (a) IN GENERAL.—Subsections (f)(3), (g), (k), and
3 (l)(1) of section 1110 of the Food Security Act of 1985
4 (7 U.S.C. 1736o) are each amended by striking “2002”
5 and inserting “2011”.

6 (b) INCREASE IN FUNDING.—Section 1110(l)(1) of
7 the Food Security Act of 1985 (7 U.S.C. 1736o(l)(1)) is
8 amended—

9 (1) by striking “2002” and inserting “2011”;
10 and

11 (2) by striking “\$10,000,000” and inserting
12 “\$15,000,000.

13 (c) EXCLUSION FROM LIMITATION.—Section
14 1110(e)(2) of the Food Security Act of 1985 (7 U.S.C.
15 1736o(e)(2)) is amended by inserting “, and subsection
16 (g) does not apply to such commodities furnished on a
17 grant basis or on credit terms under title I of the Agricul-
18 tural Trade Development Act of 1954” before the final
19 period.

20 (d) TRANSPORTATION COSTS.—Section 1110(f)(3) of
21 the Food Security Act of 1985 (7 U.S.C. 1736o(f)(3)) is
22 amended by striking “\$30,000,000” and inserting
23 “\$100,000,000”.

24 (e) AMOUNTS OF COMMODITIES.—Section 1110(g) of
25 the Food Security Act of 1985 (7 U.S.C. 1736o(g)) is

1 amended by striking “500,000” and inserting
2 “1,000,000”.

3 (f) MULTIYEAR BASIS.—Section 1110(j) of the Food
4 Security Act of 1985 (7 U.S.C. 1736o(j)) is amended—

5 (1) by striking “may” and inserting “is encour-
6 aged”; and

7 (2) by inserting “to” before “approve”.

8 (g) MONETIZATION.—Section 1110(l)(3) of the Food
9 Security Act of 1985 (7 U.S.C. 1736o(l)(3)) is amended
10 by striking “local currencies” and inserting “proceeds”.

11 (h) NEW PROVISIONS.—Section 1110 of the Food Se-
12 curity Act of 1985 (7 U.S.C. 1736o) is amended by adding
13 at the end the following:

14 “(p) The Secretary is encouraged to finalize program
15 agreements and resource requests for programs under this
16 section before the beginning of the relevant fiscal year.
17 By November 1 of the relevant fiscal year, the Secretary
18 shall provide to the Committee on Agriculture and the
19 Committee on International Relations of the House of
20 Representatives, and the Committee on Agriculture, Nu-
21 trition, and Forestry of the Senate a list of approved pro-
22 grams, countries, and commodities, and the total amounts
23 of funds approved for transportation and administrative
24 costs, under this section.”.

1 **SEC. 303. SURPLUS COMMODITIES FOR DEVELOPING OR**
2 **FRIENDLY COUNTRIES.**

3 (a) **USE OF CURRENCIES.**—Section 416(b)(7)(D) of
4 the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)) is
5 amended—

6 (1) in clauses (i) and (iii), by striking “foreign
7 currency” each place it appears;

8 (2) in clause (ii)—

9 (A) by striking “Foreign currencies” and
10 inserting “Proceeds”; and

11 (B) by striking “foreign currency”; and

12 (3) in clause (iv)—

13 (A) by striking “Foreign currency pro-
14 ceeds” and inserting “Proceeds”;

15 (B) by striking “country of origin” the sec-
16 ond place it appears and all that follows
17 through “as necessary to expedite” and insert-
18 ing “country of origin as necessary to expe-
19 dite”;

20 (C) by striking “; or” and inserting a pe-
21 riod; and

22 (D) by striking subclause (II).

23 (b) **IMPLEMENTATION OF AGREEMENTS.**—Section
24 416(b)(8)(A) of the Agricultural Act of 1949 (7 U.S.C.
25 1431(b)(8)(A)) is amended—

26 (1) by inserting “(i)” after “(A)”; and

1 (2) by adding at the end the following new
2 clauses:

3 “(ii) The Secretary shall publish in the Federal Reg-
4 ister, not later than October 31 of each fiscal year, an
5 estimate of the commodities that shall be available under
6 this section for that fiscal year.

7 “(iii) The Secretary is encouraged to finalize program
8 agreements under this section not later than December 31
9 of each fiscal year.”.

10 **SEC. 304. EXPORT ENHANCEMENT PROGRAM.**

11 Section 301(e)(1)(G) of the Agricultural Trade Act
12 of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by inserting
13 “and for each fiscal year thereafter through fiscal year
14 2011” after “2002”.

15 **SEC. 305. FOREIGN MARKET DEVELOPMENT COOPERATOR**
16 **PROGRAM.**

17 (a) IN GENERAL.—Section 703 of the Agricultural
18 Trade Act of 1978 (7 U.S.C. 5723) is amended—

19 (1) by inserting “(a) PRIOR YEARS.—” before
20 “There”;

21 (2) by striking “2002” and inserting “2001”;
22 and

23 (3) by adding at the end the following new sub-
24 section:

1 “(b) FISCAL 2002 AND LATER.—For each of fiscal
2 years 2002 through 2011 there are authorized to be ap-
3 propriated such sums as may be necessary to carry out
4 this title, and, in addition to any sums so appropriated,
5 the Secretary shall use \$37,000,000 of the funds of, or
6 an equal value of the commodities of, the Commodity
7 Credit Corporation to carry out this title.”.

8 (b) VALUE ADDED PRODUCTS.—

9 (1) IN GENERAL.—Section 702(a) of the Agri-
10 cultural Trade Act of 1978 (7 U.S.C. 5721 et seq.)
11 is amended by inserting “, with a significant empha-
12 sis on the importance of the export of value-added
13 United States agricultural products into emerging
14 markets” after “products”.

15 (2) REPORT TO CONGRESS.—Section 702 of the
16 Agricultural Trade Act of 1978 (7 U.S.C. 5722) is
17 amended by adding at the end the following:

18 “(c) REPORT TO CONGRESS.—

19 “(1) IN GENERAL.—The Secretary shall report
20 annually to appropriate congressional committees
21 the amount of funding provided, types of programs
22 funded, the value added products that have been tar-
23 geted, and the foreign markets for those products
24 that have been developed.

1 “(2) DEFINITION.—In this subsection, the term
2 ‘appropriate congressional committees’ means—

3 “(A) the Committee on Agriculture and
4 the Committee on International Relations of the
5 House of Representatives; and

6 “(B) the Committee on Agriculture, Nutri-
7 tion, and Forestry and the Committee on For-
8 eign Relations of the Senate.”.

9 **SEC. 306. EXPORT CREDIT GUARANTEE PROGRAM.**

10 (a) REAUTHORIZATION.—Section 211(b)(1) of the
11 Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is
12 amended by striking “2002” and inserting “2011”.

13 (b) PROCESSED AND HIGH VALUE PRODUCTS.—Sec-
14 tion 202(k)(1) of the Agricultural Trade Act of 1978 (7
15 U.S.C. 5622(k)(1)) is amended by striking “, 2001, and
16 2002” and inserting “through 2011”.

17 **SEC. 307. FOOD FOR PEACE (PUBLIC LAW 480).**

18 The Agricultural Trade Development and Assistance
19 Act of 1954 (7 U.S.C. 1691 et seq.) is amended—

20 (1) in section 2 (7 U.S.C. 1691), by striking
21 paragraph (2) and inserting the following:

22 “(2) promote broad-based, equitable, and sus-
23 tainable development, including agricultural develop-
24 ment as well as conflict prevention;”;

1 (2) in section 202(e)(1) (7 U.S.C. 1722(e)(1)),
2 by striking “not less than \$10,000,000, and not
3 more than \$28,000,000” and inserting “not less
4 than 5 percent and not more than 10 percent of
5 such funds”;

6 (3) in section 203(a) (7 U.S.C. 1723(a)), by
7 striking “the recipient country, or in a country” and
8 inserting “one or more recipient countries, or one or
9 more countries”;

10 (4) in section 203(c) (7 U.S.C. 1723(c))—

11 (A) by striking “foreign currency”; and

12 (B) by striking “the recipient country, or
13 in a country” and inserting “one or more re-
14 cipient countries, or one or more countries”;

15 (5) in section 203(d) (7 U.S.C. 1723(d))—

16 (A) by striking “Foreign currencies” and
17 inserting “Proceeds”;

18 (B) in paragraph (2)—

19 (i) by striking “income generating”
20 and inserting “income-generating”; and

21 (ii) by striking “the recipient country
22 or within a country” and inserting “one or
23 more recipient countries, or one or more
24 countries”; and

1 (C) in paragraph (3), by inserting a
2 comma after “invested” and “used”;

3 (6) in section 204(a) (7 U.S.C. 1724(a))—

4 (A) by striking “1996 through 2002” and
5 inserting “2002 through 2011”; and

6 (B) by striking “2,025,000” and inserting
7 “2,250,000”;

8 (7) in section 205(f) (7 U.S.C. 1725(f)), by
9 striking “2002” and inserting “2011”;

10 (8) by striking section 206 (7 U.S.C. 1726);

11 (9) in section 207(a) (7 U.S.C. 1726a(a))—

12 (A) by redesignating paragraph (2) as
13 paragraph (3); and

14 (B) by striking paragraph (1) and insert-
15 ing the following:

16 “(1) RECIPIENT COUNTRIES.—A proposal to
17 enter into a non-emergency food assistance agree-
18 ment under this title shall identify the recipient
19 country or countries subject to the agreement.

20 “(2) TIME FOR DECISION.—Not later than 120
21 days after receipt by the Administrator of a proposal
22 submitted by an eligible organization under this
23 title, the Administrator shall make a decision con-
24 cerning such proposal.”;

1 (10) in section 208(f), by striking “2002” and
2 inserting “2011”;

3 (11) in section 403 (7 U.S.C. 1733), by insert-
4 ing after subsection (k) the following:

5 “(l) SALES PROCEDURES.—Subsections (b) and (h)
6 shall apply to sales of commodities to generate proceeds
7 for titles II and III of this Act, section 416(b) of the Agri-
8 cultural Act of 1949, and section 1110 of the Food and
9 Security Act of 1985. Such sales transactions may be in
10 United States dollars and other currencies.

11 “(m) REGULATIONS AND GUIDANCE.—As soon as
12 practicable after the date of enactment of this subsection,
13 the Administrator of the Agency for International Devel-
14 opment and the Secretary shall jointly modify regulations
15 and guidance of the Administrator and Secretary relating
16 to private voluntary organizations and cooperatives to—

17 “(1) reflect performance-based standards;

18 “(2) eliminate micromanagement; and

19 “(3) recognize institutional capabilities and best
20 practices.”;

21 (12) in section 407(c)(4), by striking “2001
22 and 2002” and inserting “2001 through 2011”;

23 (13) in section 407(c)(1) (7 U.S.C.
24 1736a(c)(1))—

1 (A) by striking “The Administrator” and
2 inserting “(A) The Administrator”; and

3 (B) by adding at the end the following:

4 “(B) In the case of commodities made available
5 for nonemergency assistance under title II for least
6 developed countries that meet the poverty and other
7 eligibility criteria established by the International
8 Bank for Reconstruction and Development for fi-
9 nancing under the International Development Asso-
10 ciation, the Administrator may pay the transpor-
11 tation costs incurred in moving the commodities
12 from designated points of entry or ports of entry
13 abroad to storage and distribution sites and associ-
14 ated storage and distribution costs.”.

15 (14) in section 408, by striking “2002” and in-
16 serting “2011”; and

17 (15) in section 501(c), by striking “2002” and
18 inserting “2011”.

19 **SEC. 308. EMERGING MARKETS.**

20 Section 1542 of the Food, Agriculture, Conservation,
21 and Trade Act of 1990 (7 U.S.C. 5622 note) is
22 amended—

23 (1) in subsections (a) and (d)(1)(A)(i), by strik-
24 ing “2002” and inserting “2011”; and

1 (2) in subsection (d)(1)(H), by striking
2 “\$10,000,000 in any fiscal year” and inserting
3 “\$13,000,000 for each of fiscal years 2002 through
4 2011”.

5 **SEC. 309. BILL EMERSON HUMANITARIAN TRUST.**

6 Subsections (b)(2)(B)(i), (h)(1), and (h)(2) of section
7 302 of the Bill Emerson Humanitarian Trust Act (7
8 U.S.C. 1736f–1) are each amended by striking “2002”
9 and inserting “2011”.

10 **SEC. 310. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

11 (a) ESTABLISHMENT.—The Secretary of Agriculture
12 shall establish an export assistance program (referred to
13 in this section as the “program”) to address unique bar-
14 riers that prohibit or threaten the export of United States
15 specialty crops.

16 (b) PURPOSE.—The program shall provide direct as-
17 sistance through public and private sector projects and
18 technical assistance to remove, resolve, or mitigate sani-
19 tary and phytosanitary and related barriers to trade.

20 (c) PRIORITY.—The program shall address time sen-
21 sitive and strategic market access projects based on—

22 (1) trade effect on market retention, market ac-
23 cess, and market expansion; and

24 (2) trade impact.

1 (d) FUNDING.—The Secretary shall make available
2 \$3,000,000 for each of fiscal years 2002 through 2011
3 of the funds of, or an equal value of commodities owned
4 by, the Commodity Credit Corporation.

5 **SEC. 311. FARMERS FOR AFRICA AND CARIBBEAN BASIN**
6 **PROGRAM.**

7 (a) FINDINGS.—Congress finds the following:

8 (1) Many African farmers and farmers in Car-
9ibbean Basin countries use antiquated techniques to
10 produce their crops, which result in poor crop qual-
11ity and low crop yields.

12 (2) Many of these farmers are losing business
13 to farmers in European and Asian countries who use
14 advanced planting and production techniques and
15 are supplying agricultural produce to restaurants,
16 resorts, tourists, grocery stores, and other con-
17sumers in Africa and Caribbean Basin countries.

18 (3) A need exists for the training of African
19 farmers and farmers in Caribbean Basin countries
20 and other developing countries in farming techniques
21 that are appropriate for the majority of eligible
22 farmers in African or Caribbean countries, including
23 standard growing practices, insecticide and sanita-
24tion procedures, and other farming methods that will

1 produce increased yields of more nutritious and
2 healthful crops.

3 (4) African-American and other American farm-
4 ers, as well as banking and insurance professionals,
5 are a ready source of agribusiness expertise that
6 would be invaluable for African farmers and farmers
7 in Caribbean Basin countries.

8 (5) A United States commitment is appropriate
9 to support the development of a comprehensive agri-
10 cultural skills training program for these farmers
11 that focuses on—

12 (A) improving knowledge of insecticide and
13 sanitation procedures to prevent crop destruc-
14 tion;

15 (B) teaching modern farming techniques,
16 including the identification and development of
17 standard growing practices and the establish-
18 ment of systems for recordkeeping, that would
19 facilitate a continual analysis of crop produc-
20 tion;

21 (C) the use and maintenance of farming
22 equipment that is appropriate for the majority
23 of eligible farmers in African or Caribbean
24 Basin countries;

1 (D) expansion of small farming operations
2 into agribusiness enterprises through the devel-
3 opment and use of village banking systems and
4 the use of agricultural risk insurance pilot prod-
5 ucts, resulting in increased access to credit for
6 these farmers; and

7 (E) marketing crop yields to prospective
8 purchasers (businesses and individuals) for local
9 needs and export.

10 (6) The participation of African-American and
11 other American farmers and American agricultural
12 farming specialists in such a training program prom-
13 ises the added benefit of improving access to African
14 and Caribbean Basin markets for American farmers
15 and United States farm equipment and products and
16 business linkages for United States insurance pro-
17 viders offering technical assistance on, among other
18 things, agricultural risk insurance products.

19 (7) Existing programs that promote the ex-
20 change of agricultural knowledge and expertise
21 through the exchange of American and foreign farm-
22 ers have been effective in promoting improved agri-
23 cultural techniques and food security, and, thus, the
24 extension of additional resources to such farmer-to-
25 farmer exchanges is warranted.

1 (b) DEFINITIONS.—In this section:

2 (1) AGRICULTURAL FARMING SPECIALIST.—The
3 term “agricultural farming specialist” means an in-
4 dividual trained to transfer information and tech-
5 nical support relating to agribusiness, food security,
6 the mitigation and alleviation of hunger, the mitiga-
7 tion of agricultural and farm risk, maximization of
8 crop yields, agricultural trade, and other needs spe-
9 cific to a geographical location as determined by the
10 President.

11 (2) CARIBBEAN BASIN COUNTRY.—The term
12 “Caribbean Basin country” means a country eligible
13 for designation as a beneficiary country under sec-
14 tion 212 of the Caribbean Basin Economic Recovery
15 Act (19 U.S.C. 2702).

16 (3) ELIGIBLE FARMER.—The term “eligible
17 farmer” means an individual owning or working on
18 farm land (as defined by a particular country’s laws
19 relating to property) in the sub-Saharan region of
20 the continent of Africa, in a Caribbean Basin coun-
21 try, or in any other developing country in which the
22 President determines there is a need for farming ex-
23 pertise or for information or technical support de-
24 scribed in paragraph (1).

1 (4) PROGRAM.—The term “Program” means
2 the Farmers for Africa and Caribbean Basin Pro-
3 gram established under this section.

4 (c) ESTABLISHMENT OF PROGRAM.—The President
5 shall establish a grant program, to be known as the
6 “Farmers for Africa and Caribbean Basin Program”, to
7 assist eligible organizations in carrying out bilateral ex-
8 change programs whereby African-American and other
9 American farmers and American agricultural farming spe-
10 cialists share technical knowledge with eligible farmers
11 regarding—

12 (1) maximization of crop yields;

13 (2) use of agricultural risk insurance as finan-
14 cial tools and a means of risk management (as al-
15 lowed by Annex II of the World Trade Organization
16 rules);

17 (3) expansion of trade in agricultural products;

18 (4) enhancement of local food security;

19 (5) the mitigation and alleviation of hunger;

20 (6) marketing agricultural products in local, re-
21 gional, and international markets; and

22 (7) other ways to improve farming in countries
23 in which there are eligible farmers.

24 (d) ELIGIBLE GRANTEEES.—The President may make
25 a grant under the Program to—

1 (1) a college or university, including a histori-
2 cally black college or university, or a foundation
3 maintained by a college or university; and

4 (2) a private organization or corporation, in-
5 cluding grassroots organizations, with an established
6 and demonstrated capacity to carry out such a bilat-
7 eral exchange program.

8 (e) TERMS OF PROGRAM.—(1) It is the goal of the
9 Program that at least 1,000 farmers participate in the
10 training program by December 31, 2005, of which 80 per-
11 cent of the total number of participating farmers will be
12 African farmers or farmers in Caribbean Basin countries
13 and 20 percent of the total number of participating farm-
14 ers will be American farmers.

15 (2) Training under the Program will be provided to
16 eligible farmers in groups to ensure that information is
17 shared and passed on to other eligible farmers. Eligible
18 farmers will be trained to be specialists in their home com-
19 munities and will be encouraged not to retain enhanced
20 farming technology for their own personal enrichment.

21 (3) Through partnerships with American businesses,
22 the Program will utilize the commercial industrial capa-
23 bility of businesses dealing in agriculture to train eligible
24 farmers on farming equipment that is appropriate for the
25 majority of eligible farmers in African or Caribbean Basin

1 countries and to introduce eligible farmers to the use of
2 insurance as a risk management tool.

3 (f) SELECTION OF PARTICIPANTS.—(1) The selection
4 of eligible farmers, as well as African-American and other
5 American farmers and agricultural farming specialists, to
6 participate in the Program shall be made by grant recipi-
7 ents using an application process approved by the Presi-
8 dent.

9 (2) Participating farmers must have sufficient farm
10 or agribusiness experience and have obtained certain tar-
11 gets regarding the productivity of their farm or agri-
12 business.

13 (g) GRANT PERIOD.—The President may make
14 grants under the Program during a period of 5 years be-
15 ginning on October 1 of the first fiscal year for which
16 funds are made available to carry out the Program.

17 (h) AUTHORIZATION OF APPROPRIATIONS.—There
18 are authorized to be appropriated to carry out this section
19 \$25,000,000 for each of fiscal years 2002 through 2011.

20 **SEC. 312. GEORGE MCGOVERN-ROBERT DOLE INTER-**
21 **NATIONAL FOOD FOR EDUCATION AND**
22 **CHILD NUTRITION PROGRAM.**

23 (a) IN GENERAL.—The President may, subject to
24 subsection (j), direct the procurement of commodities and

1 the provision of financial and technical assistance to carry
2 out—

3 (1) preschool and school feeding programs in
4 foreign countries to improve food security, reduce
5 the incidence of hunger, and improve literacy and
6 primary education, particularly with respect to girls;
7 and

8 (2) maternal, infant, and child nutrition pro-
9 grams for pregnant women, nursing mothers, in-
10 fants, and children who are 5 years of age or young-
11 er.

12 (b) ELIGIBLE COMMODITIES AND COST ITEMS.—
13 Notwithstanding any other provision of law—

14 (1) any agricultural commodity is eligible for
15 distribution under this section;

16 (2) as necessary to achieve the purposes of this
17 section—

18 (A) funds may be used to pay the trans-
19 portation costs incurred in moving commodities
20 (including prepositioned commodities) provided
21 under this section from the designated points of
22 entry or ports of entry of one or more recipient
23 countries to storage and distribution sites in
24 these countries, and associated storage and dis-
25 tribution costs;

1 (B) funds may be used to pay the costs of
2 activities conducted in the recipient countries by
3 a nonprofit voluntary organization, cooperative,
4 or intergovernmental agency or organization
5 that would enhance the effectiveness of the ac-
6 tivities implemented by such entities under this
7 section; and

8 (C) funds may be provided to meet the al-
9 lowable administrative expenses of private vol-
10 untary organizations, cooperatives, or intergov-
11 ernmental organizations which are imple-
12 menting activities under this section; and

13 (3) for the purposes of this section, the term
14 “agricultural commodities” includes any agricultural
15 commodity, or the products thereof, produced in the
16 United States.

17 (c) GENERAL AUTHORITIES.—The President shall
18 designate one or more Federal agencies to—

19 (1) implement the program established under
20 this section;

21 (2) ensure that the program established under
22 this section is consistent with the foreign policy and
23 development assistance objectives of the United
24 States; and

1 (3) consider, in determining whether a country
2 should receive assistance under this section, whether
3 the government of the country is taking concrete
4 steps to improve the preschool and school systems in
5 its country.

6 (d) ELIGIBLE RECIPIENTS.—Assistance may be pro-
7 vided under this section to private voluntary organizations,
8 cooperatives, intergovernmental organizations, govern-
9 ments and their agencies, and other organizations.

10 (e) PROCEDURES.—

11 (1) IN GENERAL.—In carrying out subsection
12 (a) the President shall assure that procedures are
13 established that—

14 (A) provide for the submission of proposals
15 by eligible recipients, each of which may include
16 one or more recipient countries, for commod-
17 ities and other assistance under this section;

18 (B) provide for eligible commodities and
19 assistance on a multi-year basis;

20 (C) ensure eligible recipients demonstrate
21 the organizational capacity and the ability to
22 develop, implement, monitor, report on, and
23 provide accountability for activities conducted
24 under this section;

1 (D) provide for the expedited development,
2 review, and approval of proposals submitted in
3 accordance with this section;

4 (E) ensure monitoring and reporting by el-
5 igible recipients on the use of commodities and
6 other assistance provided under this section;
7 and

8 (F) allow for the sale or barter of commod-
9 ities by eligible recipients to acquire funds to
10 implement activities that improve the food secu-
11 rity of women and children or otherwise en-
12 hance the effectiveness of programs and activi-
13 ties authorized under this section.

14 (2) PRIORITIES FOR PROGRAM FUNDING.—In
15 carrying out paragraph (1) with respect to criteria
16 for determining the use of commodities and other
17 assistance provided for programs and activities au-
18 thorized under this section, the implementing agency
19 may consider the ability of eligible recipients to—

20 (A) identify and assess the needs of bene-
21 ficiaries, especially malnourished or undernour-
22 ished mothers and their children who are 5
23 years of age or younger, and school-age children
24 who are malnourished, undernourished, or do
25 not regularly attend school;

1 (B)(i) in the case of preschool and school-
2 age children, target low-income areas where
3 children's enrollment and attendance in school
4 is low or girls' enrollment and participation in
5 preschool or school is low, and incorporate de-
6 velopmental objectives for improving literacy
7 and primary education, particularly with re-
8 spect to girls; and

9 (ii) in the case of programs to benefit
10 mothers and children who are 5 years of age or
11 younger, coordinate supplementary feeding and
12 nutrition programs with existing or newly-estab-
13 lished maternal, infant, and children programs
14 that provide health-needs interventions, and
15 which may include maternal, prenatal, and
16 postnatal and newborn care;

17 (C) involve indigenous institutions as well
18 as local communities and governments in the
19 development and implementation to foster local
20 capacity building and leadership; and

21 (D) carry out multiyear programs that fos-
22 ter local self-sufficiency and ensure the lon-
23 gevity of recipient country programs.

24 (f) USE OF FOOD AND NUTRITION SERVICE.—The
25 Food and Nutrition Service of the Department of Agri-

1 culture may provide technical advice on the establishment
2 of programs under subsection (a)(1) and on their imple-
3 mentation in the field in recipient countries.

4 (g) MULTILATERAL INVOLVEMENT.—The President
5 is urged to engage existing international food aid coordi-
6 nating mechanisms to ensure multilateral commitments
7 to, and participation in, programs like those supported
8 under this section. The President shall report annually to
9 the Committee on International Relations and the Com-
10 mittee on Agriculture of the United States House of Rep-
11 resentatives and the Committee on Foreign Relations and
12 the Committee on Agriculture, Nutrition, and Forestry of
13 the United States Senate on the commitments and activi-
14 ties of governments, including the United States govern-
15 ment, in the global effort to reduce child hunger and in-
16 crease school attendance.

17 (h) PRIVATE SECTOR INVOLVEMENT.—The Presi-
18 dent is urged to encourage the support and active involve-
19 ment of the private sector, foundations, and other individ-
20 uals and organizations in programs assisted under this
21 section.

22 (i) REQUIREMENT TO SAFEGUARD LOCAL PRODUC-
23 TION AND USUAL MARKETING.—The requirement of sec-
24 tion 403(a) of the Agricultural Trade Development and
25 Assistance Act of 1954 (7 U.S.C. 1733(a) and 1733(h))

1 applies with respect to the availability of commodities
2 under this section.

3 (j) FUNDING.—

4 (1) IN GENERAL.—There are authorized to be
5 appropriated such sums as may be necessary to
6 carry out this section for each of fiscal years 2002
7 through 2011. Nothing in this section shall be inter-
8 preted to preclude the use of authorities in effect be-
9 fore the date of the enactment of this Act to carry
10 out the ongoing Global Food for Education Initia-
11 tive.

12 (2) ADMINISTRATIVE EXPENSES.—Funds made
13 available to carry out the purposes of this section
14 may be used to pay the administrative expenses of
15 any agency of the Federal Government implementing
16 or assisting in the implementation of this section.

17 **SEC. 313. STUDY ON FEE FOR SERVICES.**

18 (a) STUDY.—Not later than 1 year after the date of
19 the enactment of this Act, the Secretary shall provide a
20 report to the designated congressional committees on the
21 feasibility of instituting a program which would charge
22 and retain a fee to cover the costs for providing persons
23 with commercial services performed abroad on matters
24 within the authority of the Department of Agriculture ad-

1 ministered through the Foreign Agriculture Service or any
2 successor agency.

3 (b) DEFINITION.—In this section, the term “des-
4 ignated congressional committees” means the Committee
5 on Agriculture and the Committee on International Rela-
6 tions of the House of Representatives and the Committee
7 on Agriculture, Nutrition and Forestry of the Senate.

8 **SEC. 314. NATIONAL EXPORT STRATEGY REPORT.**

9 (a) REPORT.—Not later than 1 year after the date
10 of the enactment of this Act, the Secretary of Agriculture
11 shall provide to the designated congressional committees
12 a report on the policies and programs that the Department
13 of Agriculture has undertaken to implement the National
14 Export Strategy Report. The report shall contain a de-
15 scription of the effective coordination of these policies and
16 programs through all other appropriate Federal agencies
17 participating in the Trade Promotion Coordinating Com-
18 mittee and the steps the Department of Agriculture is tak-
19 ing to reduce the level of protectionism in agricultural
20 trade, to foster market growth, and to improve the com-
21 mercial potential of markets in both developed and devel-
22 oping countries for United States agricultural commod-
23 ities.

24 (b) DEFINITION.—In this section, the term “des-
25 ignated congressional committees” means the Committee

1 on Agriculture and the Committee on International Rela-
2 tions of the House of Representatives and the Committee
3 on Agriculture, Nutrition and Forestry of the Senate.

4 **TITLE IV—NUTRITION**
5 **PROGRAMS**

6 **Subtitle A—Food Stamp Program**

7 **SEC. 401. SIMPLIFIED DEFINITION OF INCOME.**

8 Section 5(d) of the Food Stamp Act of 1977 (7
9 U.S.C. 2014(d)) is amended—

10 (1) in paragraph (3)—

11 (A) by striking “and (C)” and inserting
12 “(C)”; and

13 (B) by inserting after “premiums,” the fol-
14 lowing:

15 “and (D) to the extent that any other educational loans
16 on which payment is deferred, grants, scholarships, fellow-
17 ships, veterans’ educational benefits, and the like, are re-
18 quired to be excluded under title XIX of the Social Secu-
19 rity Act, the state agency may exclude it under this sub-
20 section,”;

21 (2) by striking “and (15)” and inserting
22 “(15)”;

23 (3) by inserting before the period at the end the
24 following:

1 “, (16) any state complementary assistance program pay-
2 ments that are excluded pursuant to subsections (a) and
3 (b) of section 1931 of title XIX of the Social Security Act,
4 and (17) at the option of the State agency, any types of
5 income that the State agency does not consider when de-
6 termining eligibility for cash assistance under a program
7 funded under part A of title IV of the Social Security Act
8 (42 U.S.C. 601 et seq.) or medical assistance under sec-
9 tion 1931 of the Social Security Act (42 U.S.C. 1396u-
10 1), except that this paragraph shall not authorize a State
11 agency to exclude earned income, payments under title I,
12 II, IV, X, XIV, or XVI of the Social Security Act, or such
13 other types of income whose consideration the Secretary
14 determines essential to equitable determinations of eligi-
15 bility and benefit levels except to the extent that those
16 types of income may be excluded under other paragraphs
17 of this subsection”.

18 **SEC. 402. STANDARD DEDUCTION.**

19 Section 5(e)(1) of the Food Stamp Act of 1977 (7
20 U.S.C. 2014(e)(1)) is amended—

21 (1) by striking “of \$134, \$229, \$189, \$269,
22 and \$118” and inserting “equal to 9.7 percent of
23 the eligibility limit established under section 5(e)(1)
24 for fiscal year 2002 but not more than 9.7 percent
25 of the eligibility limit established under section

1 5(c)(1) for a household of six for fiscal year 2002
2 nor less than \$134, \$229, \$189, \$269, and \$118”;
3 and

4 (2) by inserting before the period at the end the
5 following:

6 “, except that the standard deduction for Guam
7 shall be determined with reference to 2 times the eli-
8 gibility limits under section 5(c)(1) for fiscal year
9 2002 for the 48 contiguous states and the District
10 of Columbia”.

11 **SEC. 403. TRANSITIONAL FOOD STAMPS FOR FAMILIES**

12 **MOVING FROM WELFARE.**

13 (a) IN GENERAL.—Section 11 of the Food Stamp Act
14 of 1977 (7 U.S.C. 2020) is amended by adding at the end
15 the following:

16 “(s) TRANSITIONAL BENEFITS OPTION.—

17 “(1) IN GENERAL.—A State may provide tran-
18 sitional food stamp benefits to a household that is
19 no longer eligible to receive cash assistance under a
20 State program funded under part A of title IV of the
21 Social Security Act (42 U.S.C. 601 et seq.).

22 “(2) TRANSITIONAL BENEFITS PERIOD.—Under
23 paragraph (1), a household may continue to receive
24 food stamp benefits for a period of not more than

1 6 months after the date on which cash assistance is
2 terminated.

3 “(3) AMOUNT.—During the transitional bene-
4 fits period under paragraph (2), a household shall
5 receive an amount equal to the allotment received in
6 the month immediately preceding the date on which
7 cash assistance is terminated. A household receiving
8 benefits under this subsection may apply for recer-
9 tification at any time during the transitional benefit
10 period. If a household reapplies, its allotment shall
11 be determined without regard to this subsection for
12 all subsequent months.

13 “(4) DETERMINATION OF FUTURE ELIGI-
14 BILITY.—In the final month of the transitional bene-
15 fits period under paragraph (2), the State agency
16 may—

17 “(A) require a household to cooperate in a
18 redetermination of eligibility to receive an au-
19 thorization card; and

20 “(B) renew eligibility for a new certifi-
21 cation period for the household without regard
22 to whether the previous certification period has
23 expired.

24 “(5) LIMITATION.—A household sanctioned
25 under section 6, or for a failure to perform an action

1 required by Federal, State, or local law relating to
2 such cash assistance program, shall not be eligible
3 for transitional benefits under this subsection.”.

4 (b) CONFORMING AMENDMENTS.—(1) Section 3(c) of
5 the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amend-
6 ed by adding at the end the following: “The limits in this
7 section may be extended until the end of any transitional
8 benefit period established under section 11(s).”.

9 (2) Section 6(c) of the Food Stamp Act of 1977 (7
10 U.S.C. 2015(c)) is amended by striking “No household”
11 and inserting “Except in a case in which a household is
12 receiving transitional benefits during the transitional ben-
13 efits period under section 11(s), no household”.

14 **SEC. 404. QUALITY CONTROL SYSTEMS.**

15 (a) TARGETED QUALITY CONTROL SYSTEM.—Sec-
16 tion 16(c) of the Food Stamp Act of 1977 (7 U.S.C.
17 2025(c)) is amended—

18 (1) in paragraph (1)(C)—

19 (A) in the matter preceding clause (i), by
20 inserting “the Secretary determines that a 95
21 percent statistical probability exists that for the
22 3d consecutive year” after “year in which”; and

23 (B) in clause (i)(II)(aa)(bbb) by striking
24 “the national performance measure for the fis-
25 cal year” and inserting “10 percent”;

1 (2) in the 1st sentence of paragraph (4)—

2 (A) by striking “or claim” and inserting
3 “claim”; and

4 (B) by inserting “or performance under
5 the measures established under paragraph
6 (10),” after “for payment error,”;

7 (3) in paragraph (5), by inserting “to comply
8 with paragraph (10) and” before “to establish”;

9 (4) in the 1st sentence of paragraph (6), by in-
10 sserting “one percentage point more than” after
11 “measure that shall be”; and

12 (5) by inserting at the end the following:

13 “(10)(A) In addition to the measures established
14 under paragraph (1), the Secretary shall measure the per-
15 formance of State agencies in each of the following
16 regards—

17 “(i) compliance with the deadlines established
18 under paragraphs (3) and (9) of section 11(e); and

19 “(ii) the percentage of negative eligibility deci-
20 sions that are made correctly.

21 “(B) For each fiscal year, the Secretary shall make
22 excellence bonus payments of \$1,000,000 each to the 5
23 States with the highest combined performance in the 2
24 measures in subparagraph (A) and to the 5 States whose

1 combined performance under the 2 measures in subpara-
2 graph (A) most improved in such fiscal year.

3 “(C) For any fiscal year in which the Secretary deter-
4 mines that a 95 percent statistical probability exists that
5 a State agency’s performance with respect to any of the
6 2 performance measures established in subparagraph (A)
7 is substantially worse than a level the Secretary deems
8 reasonable, other than for good cause shown, the Sec-
9 retary shall investigate that State agency’s administration
10 of the food stamp program. If this investigation deter-
11 mines that the State’s administration has been deficient,
12 the Secretary shall require the State agency to take
13 prompt corrective action.”.

14 (b) IMPLEMENTATION.—The amendment made by
15 subsection (a)(5) shall apply to all fiscal years beginning
16 on or after October 1, 2001, and ending before October
17 1, 2007. All other amendments made by this section shall
18 apply to all fiscal years beginning on or after October 1,
19 1999.

20 **SEC. 405. SIMPLIFIED APPLICATION AND ELIGIBILITY DE-**
21 **TERMINATION SYSTEMS.**

22 Section 16 of the Food Stamp Act of 1977 (7 U.S.C.
23 2025) is amended by inserting at the end the following:

24 “(l) SIMPLIFICATION OF SYSTEMS.—The Secretary
25 shall expend up to \$9,500,000 million in each fiscal year

1 to pay 100 percent of the costs of State agencies to de-
2 velop and implement simple application and eligibility de-
3 termination systems.”.

4 **SEC. 406. AUTHORIZATION OF APPROPRIATIONS.**

5 (a) EMPLOYMENT AND TRAINING PROGRAMS.—Sec-
6 tion 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C.
7 2025(h)(1)) is amended—

8 (1) in subparagraph (A)(vii) by striking “fiscal
9 year 2002” and inserting “each of the fiscal years
10 2003 through 2011”; and

11 (2) in subparagraph (B) by striking “2002”
12 and inserting “2011”.

13 (b) COST ALLOCATION.—Section 16(k)(3) of the
14 Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is
15 amended—

16 (1) in subparagraph (A) by striking “2002”
17 and inserting “2011”; and

18 (2) in subparagraph (B)(ii) by striking “2002”
19 and inserting “2011”.

20 (c) CASH PAYMENT PILOT PROJECTS.—Section
21 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C.
22 2026(b)(1)(B)(vi)) is amended by striking “2002” and in-
23 serting “2011”.

24 (d) OUTREACH DEMONSTRATION PROJECTS.—Sec-
25 tion 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C.

1 2026(i)(1)(A)) is amended by striking “1992 through
2 2002” and inserting “2003 through 2011”.

3 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
4 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C.
5 2027(a)(1)) is amended by striking “1996 through 2002”
6 and inserting “2003 through 2011”.

7 (f) PUERTO RICO.—Section 19(a)(1) of the Food
8 Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

9 (1) in subparagraph (A)—

10 (A) in clause (ii) by striking “and” at the
11 end;

12 (B) in clause (iii) by adding “and” at the
13 end; and

14 (C) by inserting after clause (iii) the fol-
15 lowing:

16 “(iv) for each of fiscal years 2003 through
17 2011, the amount equal to the amount required to
18 be paid under this subparagraph for the preceding
19 fiscal year, as adjusted by the percentage by which
20 the thrifty food plan is adjusted under section
21 3(o)(4) for the current fiscal year for which the
22 amount is determined under this clause;” and

23 (2) in subparagraph (B)—

24 (A) by inserting “(i)” after “(B)”; and

25 (B) by adding at the end the following:

1 “(ii) Notwithstanding subparagraph (A) and clause
2 (i), the Commonwealth may spend up to \$6,000,000 of
3 the amount required under subparagraph (A) to be paid
4 for fiscal year 2002 to pay 100 percent of the cost to up-
5 grade and modernize the electronic data processing system
6 used to provide such food assistance and to implement sys-
7 tems to simplify the determination of eligibility to receive
8 such assistance.”.

9 (g) TERRITORY OF AMERICAN SAMOA.—Section 24
10 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is
11 amended—

12 (1) by striking “Effective October 1, 1995,
13 from” and inserting “From”; and

14 (2) by striking “\$5,300,000 for each of fiscal
15 years 1996 through 2002” and inserting
16 “\$5,750,000 for fiscal year 2002 and \$5,800,000 for
17 each of fiscal years 2003 though 2011”.

18 (h) ASSISTANCE FOR COMMUNITY FOOD
19 PROJECTS.—Section 25(b)(2) of the Food Stamp Act of
20 1977 (7 U.S.C. 2034(b)(2)) is amended—

21 (1) in subparagraph (A) by striking “and” at
22 the end;

23 (2) in subparagraph (B)—

24 (A) by striking “2002” and inserting
25 “2001”; and

1 (B) by striking the period at the end and
2 inserting “; and”; and

3 (3) by inserting after subparagraph (B) the fol-
4 lowing:

5 “(C) \$7,500,000 for each of the fiscal
6 years 2002 through 2011.”.

7 (i) AVAILABILITY OF COMMODITIES FOR THE EMER-
8 GENCY FOOD ASSISTANCE PROGRAM.—Section 27 of the
9 Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

10 (1) in subsection (a)—

11 (A) by striking “1997 through 2002” and
12 inserting “2002 through 2011”; and

13 (B) by striking “\$100,000,000” and in-
14 serting “\$140,000,000”; and

15 (2) by adding at the end the following:

16 “(c) USE OF FUNDS FOR RELATED COSTS.—For
17 each of the fiscal years 2002 through 2011, the Secretary
18 shall use \$10,000,000 of the funds made available under
19 subsection (a) to pay for the direct and indirect costs of
20 the States related to the processing, storing, transporting,
21 and distributing to eligible recipient agencies of commod-
22 ities purchased by the Secretary under such subsection
23 and commodities secured from other sources, including
24 commodities secured by gleaning (as defined in section

1 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c
2 note)).”.

3 (j) SPECIAL EFFECTIVE DATE.—The amendments
4 made by subsections (g), (h), and (i) shall take effect on
5 October 1, 2001.

6 **Subtitle B—Commodity** 7 **Distribution**

8 **SEC. 441. DISTRIBUTION OF SURPLUS COMMODITIES TO** 9 **SPECIAL NUTRITION PROJECTS.**

10 Section 1114(a) of the Agriculture and Food Act of
11 1981 (7 U.S.C. 1431e) is amended by striking “2002”
12 and inserting “2011”.

13 **SEC. 442. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

14 The Agriculture and Consumer Protection Act of
15 1973 (7 U.S.C. 612c note) is amended—

16 (1) in section 4(a) by striking “1991 through
17 2002” and inserting “2003 through 2011”; and

18 (2) in subsections (a)(2) and (d)(2) of section
19 5 by striking “1991 through 2002” and inserting
20 “2003 through 2011”.

21 **SEC. 443. EMERGENCY FOOD ASSISTANCE.**

22 The 1st sentence of section 204(a)(1) of the Emer-
23 gency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1))
24 is amended—

1 (1) by striking “1991 through 2002” and in-
2 serting “2003 through 2011”;

3 (2) by striking “administrative”; and

4 (3) by inserting “storage,” after “processing.”

5 **Subtitle C—Miscellaneous** 6 **Provisions**

7 **SEC. 461. HUNGER FELLOWSHIP PROGRAM.**

8 (a) **SHORT TITLE; FINDINGS.—**

9 (1) **SHORT TITLE.—**This section may be cited
10 as the “Congressional Hunger Fellows Act of 2001”.

11 (2) **FINDINGS.—**The Congress finds as follows:

12 (A) There is a critical need for compas-
13 sionate individuals who are committed to assist-
14 ing people who suffer from hunger as well as a
15 need for such individuals to initiate and admin-
16 ister solutions to the hunger problem.

17 (B) Bill Emerson, the distinguished late
18 Representative from the 8th District of Mis-
19 souri, demonstrated his commitment to solving
20 the problem of hunger in a bipartisan manner,
21 his commitment to public service, and his great
22 affection for the institution and the ideals of
23 the United States Congress.

24 (C) George T. (Mickey) Leland, the distin-
25 guished late Representative from the 18th Dis-

1 trict of Texas, demonstrated his compassion for
2 those in need, his high regard for public service,
3 and his lively exercise of political talents.

4 (D) The special concern that Mr. Emerson
5 and Mr. Leland demonstrated during their lives
6 for the hungry and poor was an inspiration for
7 others to work toward the goals of equality and
8 justice for all.

9 (E) These two outstanding leaders main-
10 tained a special bond of friendship regardless of
11 political affiliation and worked together to en-
12 courage future leaders to recognize and provide
13 service to others, and therefore it is especially
14 appropriate to honor the memory of Mr. Emer-
15 son and Mr. Leland by creating a fellowship
16 program to develop and train the future leaders
17 of the United States to pursue careers in hu-
18 manitarian service.

19 (b) ESTABLISHMENT.—There is established as an
20 independent entity of the legislative branch of the United
21 States Government the Congressional Hunger Fellows
22 Program (hereinafter in this section referred to as the
23 “Program”).

24 (c) BOARD OF TRUSTEES.—

1 (1) IN GENERAL.—The Program shall be sub-
2 ject to the supervision and direction of a Board of
3 Trustees.

4 (2) MEMBERS OF THE BOARD OF TRUSTEES.—

5 (A) APPOINTMENT.—The Board shall be
6 composed of 6 voting members appointed under
7 clause (i) and one nonvoting ex officio member
8 designated in clause (ii) as follows:

9 (i) VOTING MEMBERS.—(I) The
10 Speaker of the House of Representatives
11 shall appoint two members.

12 (II) The minority leader of the House
13 of Representatives shall appoint one mem-
14 ber.

15 (III) The majority leader of the Sen-
16 ate shall appoint two members.

17 (IV) The minority leader of the Sen-
18 ate shall appoint one member.

19 (ii) NONVOTING MEMBER.—The Exec-
20 utive Director of the program shall serve
21 as a nonvoting ex officio member of the
22 Board.

23 (B) TERMS.—Members of the Board shall
24 serve a term of 4 years.

25 (C) VACANCY.—

1 (i) AUTHORITY OF BOARD.—A va-
2 cancy in the membership of the Board does
3 not affect the power of the remaining
4 members to carry out this section.

5 (ii) APPOINTMENT OF SUCCESSORS.—
6 A vacancy in the membership of the Board
7 shall be filled in the same manner in which
8 the original appointment was made.

9 (iii) INCOMPLETE TERM.—If a mem-
10 ber of the Board does not serve the full
11 term applicable to the member, the indi-
12 vidual appointed to fill the resulting va-
13 cancy shall be appointed for the remainder
14 of the term of the predecessor of the indi-
15 vidual.

16 (D) CHAIRPERSON.—As the first order of
17 business of the first meeting of the Board, the
18 members shall elect a Chairperson.

19 (E) COMPENSATION.—

20 (i) IN GENERAL.—Subject to clause
21 (ii), members of the Board may not receive
22 compensation for service on the Board.

23 (ii) TRAVEL.—Members of the Board
24 may be reimbursed for travel, subsistence,

1 and other necessary expenses incurred in
2 carrying out the duties of the program.

3 (3) DUTIES.—

4 (A) BYLAWS.—

5 (i) ESTABLISHMENT.—The Board
6 shall establish such bylaws and other regu-
7 lations as may be appropriate to enable the
8 Board to carry out this section, including
9 the duties described in this paragraph.

10 (ii) CONTENTS.—Such bylaws and
11 other regulations shall include provisions—

12 (I) for appropriate fiscal control,
13 funds accountability, and operating
14 principles;

15 (II) to prevent any conflict of in-
16 terest, or the appearance of any con-
17 flict of interest, in the procurement
18 and employment actions taken by the
19 Board or by any officer or employee
20 of the Board and in the selection and
21 placement of individuals in the fellow-
22 ships developed under the program;

23 (III) for the resolution of a tie
24 vote of the members of the Board;
25 and

1 (IV) for authorization of travel
2 for members of the Board.

3 (iii) TRANSMITTAL TO CONGRESS.—
4 Not later than 90 days after the date of
5 the first meeting of the Board, the Chair-
6 person of the Board shall transmit to the
7 appropriate congressional committees a
8 copy of such bylaws.

9 (B) BUDGET.—For each fiscal year the
10 program is in operation, the Board shall deter-
11 mine a budget for the program for that fiscal
12 year. All spending by the program shall be pur-
13 suant to such budget unless a change is ap-
14 proved by the Board.

15 (C) PROCESS FOR SELECTION AND PLACE-
16 MENT OF FELLOWS.—The Board shall review
17 and approve the process established by the Ex-
18 ecutive Director for the selection and placement
19 of individuals in the fellowships developed under
20 the program.

21 (D) ALLOCATION OF FUNDS TO FELLOW-
22 SHIPS.—The Board of Trustees shall determine
23 the priority of the programs to be carried out
24 under this section and the amount of funds to

1 be allocated for the Emerson and Leland fellow-
2 ships.

3 (d) PURPOSES; AUTHORITY OF PROGRAM.—

4 (1) PURPOSES.—The purposes of the program
5 are—

6 (A) to encourage future leaders of the
7 United States to pursue careers in humani-
8 tarian service, to recognize the needs of people
9 who are hungry and poor, and to provide assist-
10 ance and compassion for those in need;

11 (B) to increase awareness of the impor-
12 tance of public service; and

13 (C) to provide training and development
14 opportunities for such leaders through place-
15 ment in programs operated by appropriate or-
16 ganizations or entities.

17 (2) AUTHORITY.—The program is authorized to
18 develop such fellowships to carry out the purposes of
19 this section, including the fellowships described in
20 paragraph (3).

21 (3) FELLOWSHIPS.—

22 (A) IN GENERAL.—The program shall es-
23 tablish and carry out the Bill Emerson Hunger
24 Fellowship and the Mickey Leland Hunger Fel-
25 lowship.

1 (B) CURRICULUM.—

2 (i) IN GENERAL.—The fellowships es-
3 tablished under subparagraph (A) shall
4 provide experience and training to develop
5 the skills and understanding necessary to
6 improve the humanitarian conditions and
7 the lives of individuals who suffer from
8 hunger, including—

9 (I) training in direct service to
10 the hungry in conjunction with com-
11 munity-based organizations through a
12 program of field placement; and

13 (II) experience in policy develop-
14 ment through placement in a govern-
15 mental entity or nonprofit organiza-
16 tion.

17 (ii) FOCUS OF BILL EMERSON HUN-
18 GER FELLOWSHIP.—The Bill Emerson
19 Hunger Fellowship shall address hunger
20 and other humanitarian needs in the
21 United States.

22 (iii) FOCUS OF MICKEY LELAND HUN-
23 GER FELLOWSHIP.—The Mickey Leland
24 Hunger Fellowship shall address inter-

1 national hunger and other humanitarian
2 needs.

3 (iv) WORKPLAN.—To carry out clause
4 (i) and to assist in the evaluation of the
5 fellowships under paragraph (4), the pro-
6 gram shall, for each fellow, approve a work
7 plan that identifies the target objectives for
8 the fellow in the fellowship, including spe-
9 cific duties and responsibilities related to
10 those objectives.

11 (C) PERIOD OF FELLOWSHIP.—

12 (i) EMERSON FELLOW.—A Bill Emer-
13 son Hunger Fellowship awarded under this
14 paragraph shall be for no more than 1
15 year.

16 (ii) LELAND FELLOW.—A Mickey Le-
17 land Hunger Fellowship awarded under
18 this paragraph shall be for no more than
19 2 years. Not less than 1 year of the fellow-
20 ship shall be dedicated to fulfilling the re-
21 quirement of subparagraph (B)(i)(I).

22 (D) SELECTION OF FELLOWS.—

23 (i) IN GENERAL.—A fellowship shall
24 be awarded pursuant to a nationwide com-
25 petition established by the program.

1 (ii) QUALIFICATION.—A successful
2 applicant shall be an individual who has
3 demonstrated—

4 (I) an intent to pursue a career
5 in humanitarian service and out-
6 standing potential for such a career;

7 (II) a commitment to social
8 change;

9 (III) leadership potential or ac-
10 tual leadership experience;

11 (IV) diverse life experience;

12 (V) proficient writing and speak-
13 ing skills;

14 (VI) an ability to live in poor or
15 diverse communities; and

16 (VII) such other attributes as de-
17 termined to be appropriate by the
18 Board.

19 (iii) AMOUNT OF AWARD.—

20 (I) IN GENERAL.—Each indi-
21 vidual awarded a fellowship under this
22 paragraph shall receive a living allow-
23 ance and, subject to subclause (II), an
24 end-of-service award as determined by
25 the program.

1 (II) REQUIREMENT FOR SUC-
2 CESSFUL COMPLETION OF FELLOW-
3 SHIP.—Each individual awarded a fel-
4 lowship under this paragraph shall be
5 entitled to receive an end-of-service
6 award at an appropriate rate for each
7 month of satisfactory service as deter-
8 mined by the Executive Director.

9 (iv) RECOGNITION OF FELLOWSHIP
10 AWARD.—

11 (I) EMERSON FELLOW.—An indi-
12 vidual awarded a fellowship from the
13 Bill Emerson Hunger Fellowship shall
14 be known as an “Emerson Fellow”.

15 (II) LELAND FELLOW.—An indi-
16 vidual awarded a fellowship from the
17 Mickey Leland Hunger Fellowship
18 shall be known as a “Leland Fellow”.

19 (4) EVALUATION.—The program shall conduct
20 periodic evaluations of the Bill Emerson and Mickey
21 Leland Hunger Fellowships. Such evaluations shall
22 include the following:

23 (A) An assessment of the successful com-
24 pletion of the work plan of the fellow.

1 (B) An assessment of the impact of the fel-
2 lowship on the fellows.

3 (C) An assessment of the accomplishment
4 of the purposes of the program.

5 (D) An assessment of the impact of the
6 fellow on the community.

7 (e) TRUST FUND.—

8 (1) ESTABLISHMENT.—There is established the
9 Congressional Hunger Fellows Trust Fund (herein-
10 after in this section referred to as the “Fund”) in
11 the Treasury of the United States, consisting of
12 amounts appropriated to the Fund under subsection
13 (i), amounts credited to it under paragraph (3), and
14 amounts received under subsection (g)(3)(A).

15 (2) INVESTMENT OF FUNDS.—The Secretary of
16 the Treasury shall invest the full amount of the
17 Fund. Each investment shall be made in an interest
18 bearing obligation of the United States or an obliga-
19 tion guaranteed as to principal and interest by the
20 United States that, as determined by the Secretary
21 in consultation with the Board, has a maturity suit-
22 able for the Fund.

23 (3) RETURN ON INVESTMENT.—Except as pro-
24 vided in subsection (f)(2), the Secretary of the
25 Treasury shall credit to the Fund the interest on,

1 and the proceeds from the sale or redemption of, ob-
2 ligations held in the Fund.

3 (f) EXPENDITURES; AUDITS.—

4 (1) IN GENERAL.—The Secretary of the Treas-
5 ury shall transfer to the program from the amounts
6 described in subsection (e)(3) and subsection
7 (g)(3)(A) such sums as the Board determines are
8 necessary to enable the program to carry out the
9 provisions of this section.

10 (2) LIMITATION.—The Secretary may not
11 transfer to the program the amounts appropriated to
12 the Fund under subsection (i).

13 (3) USE OF FUNDS.—Funds transferred to the
14 program under paragraph (1) shall be used for the
15 following purposes:

16 (A) STIPENDS FOR FELLOWS.—To provide
17 for a living allowance for the fellows.

18 (B) TRAVEL OF FELLOWS.—To defray the
19 costs of transportation of the fellows to the fel-
20 lowship placement sites.

21 (C) INSURANCE.—To defray the costs of
22 appropriate insurance of the fellows, the pro-
23 gram, and the Board.

1 (D) TRAINING OF FELLOWS.—To defray
2 the costs of preservice and midservice education
3 and training of fellows.

4 (E) SUPPORT STAFF.—Staff described in
5 subsection (g).

6 (F) AWARDS.—End-of-service awards
7 under subsection (d)(3)(D)(iii)(II).

8 (G) ADDITIONAL APPROVED USES.—For
9 such other purposes that the Board determines
10 appropriate to carry out the program.

11 (4) AUDIT BY GAO.—

12 (A) IN GENERAL.—The Comptroller Gen-
13 eral of the United States shall conduct an an-
14 nual audit of the accounts of the program.

15 (B) BOOKS.—The program shall make
16 available to the Comptroller General all books,
17 accounts, financial records, reports, files, and
18 all other papers, things, or property belonging
19 to or in use by the program and necessary to
20 facilitate such audit.

21 (C) REPORT TO CONGRESS.—The Comp-
22 troller General shall submit a copy of the re-
23 sults of each such audit to the appropriate con-
24 gressional committees.

25 (g) STAFF; POWERS OF PROGRAM.—

1 (1) EXECUTIVE DIRECTOR.—

2 (A) IN GENERAL.—The Board shall ap-
3 point an Executive Director of the program who
4 shall administer the program. The Executive
5 Director shall carry out such other functions
6 consistent with the provisions of this section as
7 the Board shall prescribe.

8 (B) RESTRICTION.—The Executive Direc-
9 tor may not serve as Chairperson of the Board.

10 (C) COMPENSATION.—The Executive Di-
11 rector shall be paid at a rate not to exceed the
12 rate of basic pay payable for level V of the Ex-
13 ecutive Schedule under section 5316 of title 5,
14 United States Code.

15 (2) STAFF.—

16 (A) IN GENERAL.—With the approval of a
17 majority of the Board, the Executive Director
18 may appoint and fix the pay of additional per-
19 sonnel as the Executive Director considers nec-
20 essary and appropriate to carry out the func-
21 tions of the provisions of this section.

22 (B) COMPENSATION.—An individual ap-
23 pointed under subparagraph (A) shall be paid
24 at a rate not to exceed the rate of basic pay

1 payable for level GS-15 of the General Sched-
2 ule.

3 (3) POWERS.—In order to carry out the provi-
4 sions of this section, the program may perform the
5 following functions:

6 (A) GIFTS.—The program may solicit, ac-
7 cept, use, and dispose of gifts, bequests, or de-
8 vises of services or property, both real and per-
9 sonal, for the purpose of aiding or facilitating
10 the work of the program. Gifts, bequests, or de-
11 vises of money and proceeds from sales of other
12 property received as gifts, bequests, or devises
13 shall be deposited in the Fund and shall be
14 available for disbursement upon order of the
15 Board.

16 (B) EXPERTS AND CONSULTANTS.—The
17 program may procure temporary and intermit-
18 tent services under section 3109 of title 5,
19 United States Code, but at rates for individuals
20 not to exceed the daily equivalent of the max-
21 imum annual rate of basic pay payable for GS-
22 15 of the General Schedule.

23 (C) CONTRACT AUTHORITY.—The program
24 may contract, with the approval of a majority
25 of the members of the Board, with and com-

1 pensate Government and private agencies or
2 persons without regard to section 3709 of the
3 Revised Statutes (41 U.S.C. 5).

4 (D) OTHER NECESSARY EXPENDITURES.—

5 The program shall make such other expendi-
6 tures which the program considers necessary to
7 carry out the provisions of this section, but ex-
8 cluding project development.

9 (h) REPORT.—Not later than December 31 of each
10 year, the Board shall submit to the appropriate congres-
11 sional committees a report on the activities of the program
12 carried out during the previous fiscal year, and shall in-
13 clude the following:

14 (1) An analysis of the evaluations conducted
15 under subsection (d)(4) (relating to evaluations of
16 the Emerson and Leland fellowships and accomplish-
17 ment of the program purposes) during that fiscal
18 year.

19 (2) A statement of the total amount of funds
20 attributable to gifts received by the program in that
21 fiscal year (as authorized under subsection
22 (g)(3)(A)), and the total amount of such funds that
23 were expended to carry out the program that fiscal
24 year.

1 (i) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated \$18,000,000 to carry
3 out the provisions of this section.

4 (j) DEFINITION.—In this section, the term “appro-
5 priate congressional committees” means—

6 (1) the Committee on Agriculture and the Com-
7 mittee on International Relations of the House of
8 Representatives; and

9 (2) the Committee on Agriculture, Nutrition
10 and Forestry and the Committee on Foreign Rela-
11 tions of the Senate.

12 **SEC. 462. GENERAL EFFECTIVE DATE.**

13 Except as otherwise provided in this title, the amend-
14 ments made by this title shall take effect on October 1,
15 2002.

16 **TITLE V—CREDIT**

17 **Subtitle A—Farm Ownership Loans**

18 **SEC. 501. DIRECT LOANS.**

19 Section 302(b)(1) of the Consolidated Farm and
20 Rural Development Act (7 U.S.C. 1922(b)(1)) is amended
21 by striking “operated” and inserting “participated in the
22 business operations of”.

1 **SEC. 502. FINANCING OF BRIDGE LOANS.**

2 Section 303(a)(1) of the Consolidated Farm and
3 Rural Development Act (7 U.S.C. 1923(a)(1)) is
4 amended—

5 (1) in subparagraph (C), by striking “or” at
6 the end;

7 (2) in subparagraph (D), by striking the period
8 at the end and inserting “; or”; and

9 (3) by adding at the end the following:

10 “(E) refinancing, during a fiscal year, a
11 short-term, temporary bridge loan made by a
12 commercial or cooperative lender to a beginning
13 farmer or rancher for the acquisition of land for
14 a farm or ranch, if—

15 “(i) the Secretary approved an appli-
16 cation for a direct farm ownership loan to
17 the beginning farmer or rancher for acqui-
18 sition of the land; and

19 “(ii) funds for direct farm ownership
20 loans under section 346(b) were not avail-
21 able at the time at which the application
22 was approved.”.

1 **SEC. 503. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP**
2 **LOANS.**

3 Section 305 of the Consolidated Farm and Rural De-
4 velopment Act (7 U.S.C. 1925) is amended by striking
5 subsection (a) and inserting the following:

6 “(a) IN GENERAL.—The Secretary shall not make or
7 insure a loan under section 302, 303, 304, 310D, or 310E
8 that would cause the unpaid indebtedness under those sec-
9 tions of any 1 borrower to exceed the lesser of—

10 “(1) the value of the farm or other security; or

11 “(2)(A) in the case of a loan made by the
12 Secretary—

13 “(i) to a beginning farmer or rancher,
14 \$250,000, as adjusted (beginning with fiscal
15 year 2003) by the inflation percentage applica-
16 ble to the fiscal year in which the loan is made;
17 or

18 “(ii) to a borrower other than a beginning
19 farmer or rancher, \$200,000; or

20 “(B) in the case of a loan guaranteed by the
21 Secretary, \$700,000, as—

22 “(i) adjusted (beginning with fiscal year
23 2000) by the inflation percentage applicable to
24 the fiscal year in which the loan is guaranteed;
25 and

1 “(ii) reduced by the amount of any unpaid
2 indebtedness of the borrower on loans under
3 subtitle B that are guaranteed by the Sec-
4 retary.”.

5 **SEC. 504. JOINT FINANCING ARRANGEMENTS.**

6 Section 307(a)(3)(D) of the Consolidated Farm and
7 Rural Development Act (7 U.S.C. 1927(a)(3)(D)) is
8 amended—

9 (1) by striking “If” and inserting the following:

10 “(i) IN GENERAL.—Subject to clause
11 (ii), if”; and

12 (2) by adding at the end the following:

13 “(ii) BEGINNING FARMERS AND
14 RANCHERS.—The interest rate charged a
15 beginning farmer or rancher for a loan de-
16 scribed in clause (i) shall be 50 basis
17 points less than the rate charged farmers
18 and ranchers that are not beginning farm-
19 ers or ranchers.”.

20 **SEC. 505. GUARANTEE PERCENTAGE FOR BEGINNING**
21 **FARMERS AND RANCHERS.**

22 Section 309(h)(6) of the Consolidated Farm and
23 Rural Development Act (7 U.S.C. 1929(h)(6)) is amended
24 by striking “GUARANTEED UP” and all that follows

1 through “more than” and inserting “GUARANTEED AT 95
2 PERCENT.—The Secretary shall guarantee”.

3 **SEC. 506. GUARANTEE OF LOANS MADE UNDER STATE BE-
4 GINNING FARMER OR RANCHER PROGRAMS.**

5 Section 309 of the Consolidated Farm and Rural De-
6 velopment Act (7 U.S.C. 1929) is amended by adding at
7 the end the following:

8 “(j) GUARANTEE OF LOANS MADE UNDER STATE
9 BEGINNING FARMER OR RANCHER PROGRAMS.—The Sec-
10 retary may guarantee under this title a loan made under
11 a State beginning farmer or rancher program, including
12 a loan financed by the net proceeds of a qualified small
13 issue agricultural bond for land or property described in
14 section 144(a)(12)(B)(ii) of the Internal Revenue Code of
15 1986.”.

16 **SEC. 507. DOWN PAYMENT LOAN PROGRAM.**

17 Section 310E of the Consolidated Farm and Rural
18 Development Act (7 U.S.C. 1935) is amended—

19 (1) in subsection (b)—

20 (A) in paragraph (1), by striking “30 per-
21 cent” and inserting “40 percent”; and

22 (B) in paragraph (3), by striking “10
23 years” and inserting “20 years”; and

24 (2) in subsection (c)(3)(B), by striking “10-
25 year” and inserting “20-year”.

1 **SEC. 508. BEGINNING FARMER AND RANCHER CONTRACT**

2 **LAND SALES PROGRAM.**

3 (a) IN GENERAL.—Subtitle A of the Consolidated
4 Farm and Rural Development Act (7 U.S.C. 1922 et seq.)
5 is amended by adding at the end the following:

6 **“SEC. 310F. BEGINNING FARMER AND RANCHER CONTRACT**

7 **LAND SALES PROGRAM.**

8 “(a) IN GENERAL.—Not later than October 1, 2002,
9 the Secretary shall carry out a pilot program in not fewer
10 than 10 geographically dispersed States, as determined by
11 the Secretary, to guarantee up to 5 loans per State in each
12 of fiscal years 2003 through 2006 made by a private seller
13 of a farm or ranch to a qualified beginning farmer or
14 rancher on a contract land sale basis, if the loan meets
15 applicable underwriting criteria and a commercial lending
16 institution agrees to serve as escrow agent.

17 “(b) DATE OF COMMENCEMENT OF PROGRAM.—The
18 Secretary shall commence the pilot program on making
19 a determination that guarantees of contract land sales
20 present a risk that is comparable with the risk presented
21 in the case of guarantees to commercial lenders.”.

22 (b) REGULATIONS.—

23 (1) IN GENERAL.—As soon as practicable after
24 the date of enactment of this Act, the Secretary of
25 Agriculture shall promulgate such regulations as are

1 necessary to implement the amendment made by
2 subsection (a).

3 (2) PROCEDURE.—The promulgation of the reg-
4 ulations and administration of the amendment made
5 by subsection (a) shall be made without regard to—

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

8 (B) the Statement of Policy of the Sec-
9 retary of Agriculture effective July 24, 1971
10 (36 Fed. Reg. 13804), relating to notices of
11 proposed rulemaking and public participation in
12 rulemaking; and

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

16 (3) CONGRESSIONAL REVIEW OF AGENCY RULE-
17 MAKING.—In carrying out the amendment made by
18 subsection (a), the Secretary shall use the authority
19 provided under section 808 of title 5, United States
20 Code.

21 **Subtitle B—Operating Loans**

22 **SEC. 511. DIRECT LOANS.**

23 Section 311(c)(1)(A) of the Consolidated Farm and
24 Rural Development Act (7 U.S.C. 1941(c)(1)(A)) is

1 amended by striking “who has not” and all that follows
2 through “5 years”.

3 **SEC. 512. AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL**
4 **FARM OPERATIONS; WAIVER OF LIMITATIONS**
5 **FOR TRIBAL OPERATIONS AND OTHER OPER-**
6 **ATIONS.**

7 (a) AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL
8 OPERATIONS.—Section 309(h) of the Consolidated Farm
9 and Rural Development Act (7 U.S.C. 1929(h)) is
10 amended—

11 (1) in paragraph (4), by striking “paragraphs
12 (5) and (6)” and inserting “paragraphs (5), (6), and
13 (7)”; and

14 (2) by adding at the end the following:

15 “(7) AMOUNT OF GUARANTEE OF LOANS FOR
16 TRIBAL OPERATIONS.—In the case of an operating
17 loan made to a Native American farmer or rancher
18 whose farm or ranch is within an Indian reservation
19 (as defined in section 335(e)(1)(A)(ii)), the Sec-
20 retary shall guarantee 95 percent of the loan.”.

21 (b) WAIVER OF LIMITATIONS.—Section 311(c) of the
22 Consolidated Farm and Rural Development Act (7 U.S.C.
23 1941(c)) is amended—

24 (1) in paragraph (1), by striking “paragraph
25 (3)” and inserting “paragraphs (3) and (4)”; and

1 (2) by adding at the end the following:

2 “(4) WAIVERS.—

3 “(A) TRIBAL FARM AND RANCH OPER-
4 ATIONS.—The Secretary shall waive the limita-
5 tion under paragraph (1)(C) for a direct loan
6 made under this subtitle to a Native American
7 farmer or rancher whose farm or ranch is with-
8 in an Indian reservation (as defined in section
9 335(e)(1)(A)(ii)) if the Secretary determines
10 that commercial credit is not generally available
11 for such farm or ranch operations.

12 “(B) OTHER FARM AND RANCH OPER-
13 ATIONS.—On a case-by-case determination not
14 subject to administrative appeal, the Secretary
15 may grant a borrower a waiver, 1 time only for
16 a period of 2 years, of the limitation under
17 paragraph (1)(C) for a direct operating loan if
18 the borrower demonstrates to the satisfaction of
19 the Secretary that—

20 “(i) the borrower has a viable farm or
21 ranch operation;

22 “(ii) the borrower applied for commer-
23 cial credit from at least 2 commercial lend-
24 ers;

1 “(iii) the borrower was unable to ob-
2 tain a commercial loan (including a loan
3 guaranteed by the Secretary); and

4 “(iv) the borrower successfully has
5 completed, or will complete within 1 year,
6 borrower training under section 359 (from
7 which requirement the Secretary shall not
8 grant a waiver under section 359(f)).”.

9 **Subtitle C—Administrative**
10 **Provisions**

11 **SEC. 521. ELIGIBILITY OF LIMITED LIABILITY COMPANIES**
12 **FOR FARM OWNERSHIP LOANS, FARM OPER-**
13 **ATING LOANS, AND EMERGENCY LOANS.**

14 (a) IN GENERAL.—Sections 302(a), 311(a), and
15 321(a) of the Consolidated Farm and Rural Development
16 Act (7 U.S.C. 1922(a), 1941(a), 1961(a)) are amended
17 by striking “and joint operations” each place it appears
18 and inserting “joint operations, and limited liability com-
19 panies”.

20 (b) CONFORMING AMENDMENT.—Section 321(a) of
21 the Consolidated Farm and Rural Development Act (7
22 U.S.C. 1961(a)) is amended by striking “or joint oper-
23 ations” each place it appears and inserting “joint oper-
24 ations, or limited liability companies”.

1 **SEC. 522. DEBT SETTLEMENT.**

2 Section 331(b)(4) of the Consolidated Farm and
3 Rural Development Act (7 U.S.C. 1981(b)(4)) is amended
4 by striking “carried out—” and all that follows through
5 “(B) after” and inserting “carried out after”.

6 **SEC. 523. TEMPORARY AUTHORITY TO ENTER INTO CON-**
7 **TRACTS; PRIVATE COLLECTION AGENCIES.**

8 (a) IN GENERAL.—Section 331 of the Consolidated
9 Farm and Rural Development Act (7 U.S.C. 1981) is
10 amended by striking subsections (d) and (e).

11 (b) APPLICATION.—The amendment made by sub-
12 section (a) shall not apply to a contract entered into before
13 the effective date of this Act.

14 **SEC. 524. INTEREST RATE OPTIONS FOR LOANS IN SERV-**
15 **ICING.**

16 Section 331B of the Consolidated Farm and Rural
17 Development Act (7 U.S.C. 1981b) is amended—

18 (1) by striking “lower of (1) the” and inserting
19 the following: “lowest of—

20 “(1) the”; and

21 (2) by striking “original loan or (2) the” and
22 inserting the following: “original loan;

23 “(2) the rate being charged by the Secretary
24 for loans, other than guaranteed loans, of the same
25 type at the time at which the borrower applies for

1 a deferral, consolidation, rescheduling, or re-
2 amortization; or

3 “(3) the”.

4 **SEC. 525. ANNUAL REVIEW OF BORROWERS.**

5 Section 333 of the Consolidated Farm and Rural De-
6 velopment Act (7 U.S.C. 1983) is amended by striking
7 paragraph (2) and inserting the following:

8 “(2) except with respect to a loan under section
9 306, 310B, or 314—

10 “(A) an annual review of the credit history
11 and business operation of the borrower; and

12 “(B) an annual review of the continued eli-
13 gibility of the borrower for the loan;”.

14 **SEC. 526. SIMPLIFIED LOAN APPLICATIONS.**

15 Section 333A(g)(1) of the Consolidated Farm and
16 Rural Development Act (7 U.S.C. 1983a(g)(1)) is amend-
17 ed by striking “of loans the principal amount of which
18 is \$50,000 or less” and inserting “of farmer program
19 loans the principal amount of which is \$100,000 or less”.

20 **SEC. 527. INVENTORY PROPERTY.**

21 Section 335(c) of the Consolidated Farm and Rural
22 Development Act (7 U.S.C. 1985(c)) is amended—

23 (1) in paragraph (1)—

24 (A) in subparagraph (B)—

1 (i) in clause (i), by striking “75 days”
2 and inserting “135 days”; and

3 (ii) by adding at the end the fol-
4 lowing:

5 “(iv) COMBINING AND DIVIDING OF
6 PROPERTY.—To the maximum extent prac-
7 ticable, the Secretary shall maximize the
8 opportunity for beginning farmers and
9 ranchers to purchase real property ac-
10 quired by the Secretary under this title by
11 combining or dividing inventory parcels of
12 the property in such manner as the Sec-
13 retary determines to be appropriate.”; and
14 (B) in subparagraph (C)—

15 (i) by striking “75 days” and insert-
16 ing “135 days”; and

17 (ii) by striking “75-day period” and
18 inserting “135-day period”;

19 (2) by striking paragraph (2) and inserting the
20 following:

21 “(2) PREVIOUS LEASE.—In the case of real
22 property acquired before April 4, 1996, that the Sec-
23 retary leased before April 4, 1996, not later than 60
24 days after the lease expires, the Secretary shall offer

1 to sell the property in accordance with paragraph
2 (1).”; and

3 (3) in paragraph (3)—

4 (A) in subparagraph (A), by striking “sub-
5 paragraph (B)” and inserting “subparagraphs
6 (B) and (C)”; and

7 (B) by adding at the end the following:

8 “(C) OFFER TO SELL OR GRANT FOR
9 FARMLAND PRESERVATION.—For the purpose
10 of farmland preservation, the Secretary shall—

11 “(i) in consultation with the State
12 Conservationist of each State in which in-
13 ventory property is located, identify each
14 parcel of inventory property in the State
15 that should be preserved for agricultural
16 use; and

17 “(ii) offer to sell or grant an ease-
18 ment, restriction, development right, or
19 similar legal right to each parcel identified
20 under clause (i) to a State, a political sub-
21 division of a State, or a private nonprofit
22 organization separately from the under-
23 lying fee or other rights to the property
24 owned by the United States.”.

1 **SEC. 528. DEFINITIONS.**

2 (a) **QUALIFIED BEGINNING FARMER OR RANCHER.**—
3 Section 343(a)(11)(F) of the Consolidated Farm and
4 Rural Development Act (7 U.S.C. 1991(a)(11)(F)) is
5 amended by striking “25 percent” and inserting “30 per-
6 cent”.

7 (b) **DEBT FORGIVENESS.**—Section 343(a)(12) of the
8 Consolidated Farm and Rural Development Act (7 U.S.C.
9 1991(a)(12)) is amended by striking subparagraph (B)
10 and inserting the following:

11 “(B) **EXCEPTIONS.**—The term ‘debt for-
12 giveness’ does not include—

13 “(i) consolidation, rescheduling, re-
14 amortization, or deferral of a loan; or

15 “(ii) any write-down provided as part
16 of a resolution of a discrimination com-
17 plaint against the Secretary.”.

18 **SEC. 529. LOAN AUTHORIZATION LEVELS.**

19 Section 346 of the Consolidated Farm and Rural De-
20 velopment Act (7 U.S.C. 1994) is amended—

21 (1) in subsection (b)—

22 (A) by striking paragraph (1) and insert-
23 ing the following:

24 “(1) **IN GENERAL.**—The Secretary may make
25 or guarantee loans under subtitles A and B from the
26 Agricultural Credit Insurance Fund provided for in

1 section 309 for not more than \$3,750,000,000 for
2 each of fiscal years 2002 through 2006, of which,
3 for each fiscal year—

4 “(A) \$750,000,000 shall be for direct
5 loans, of which—

6 “(i) \$200,000,000 shall be for farm
7 ownership loans under subtitle A; and

8 “(ii) \$550,000,000 shall be for oper-
9 ating loans under subtitle B; and

10 “(B) \$3,000,000,000 shall be for guaran-
11 teed loans, of which—

12 “(i) \$1,000,000,000 shall be for guar-
13 antees of farm ownership loans under sub-
14 title A; and

15 “(ii) \$2,000,000,000 shall be for
16 guarantees of operating loans under sub-
17 title B.”; and

18 (B) in paragraph (2)(A)(ii), by striking
19 “farmers and ranchers” and all that follows
20 and inserting “farmers and ranchers 35 percent
21 for each of fiscal years 2002 through 2006.”;
22 and

23 (2) in subsection (c), by striking the last sen-
24 tence.

1 **SEC. 530. INTEREST RATE REDUCTION PROGRAM.**

2 Section 351 of the Consolidated Farm and Rural De-
3 velopment Act (7 U.S.C. 1999) is amended—

4 (1) in subsection (a)—

5 (A) by striking “PROGRAM.—” and all that
6 follows through “The Secretary” and inserting
7 “PROGRAM.—The Secretary”; and

8 (B) by striking paragraph (2);

9 (2) by striking subsection (c) and inserting the
10 following:

11 “(c) AMOUNT OF INTEREST RATE REDUCTION.—

12 “(1) IN GENERAL.—In return for a contract en-
13 tered into by a lender under subsection (b) for the
14 reduction of the interest rate paid on a loan, the
15 Secretary shall make payments to the lender in an
16 amount equal to not more than 100 percent of the
17 cost of reducing the annual rate of interest payable
18 on the loan, except that such payments shall not ex-
19 ceed the cost of reducing the rate by more than—

20 “(A) in the case of a borrower other than
21 a beginning farmer or rancher, 3 percent; and

22 “(B) in the case of a beginning farmer or
23 rancher, 4 percent.

24 “(2) BEGINNING FARMERS AND RANCHERS.—

25 The percentage reduction of the interest rate for
26 which payments are authorized to be made for a be-

1 ginning farmer or rancher under paragraph (1) shall
2 be 1 percent more than the percentage reduction for
3 farmers and ranchers that are not beginning farmers
4 or ranchers.”; and

5 (3) in subsection (e), by striking paragraph (2)
6 and inserting the following:

7 “(2) MAXIMUM AMOUNT OF FUNDS.—

8 “(A) IN GENERAL.—The total amount of
9 funds used by the Secretary to carry out this
10 section for a fiscal year shall not exceed
11 \$750,000,000.

12 “(B) BEGINNING FARMERS AND RANCH-
13 ERS.—

14 “(i) IN GENERAL.—The Secretary
15 shall reserve not less than 25 percent of
16 the funds used by the Secretary under sub-
17 paragraph (A) to make payments for guar-
18 anteed loans made to beginning farmers
19 and ranchers.

20 “(ii) DURATION OF RESERVATION OF
21 FUNDS.—Funds reserved for beginning
22 farmers or ranchers under clause (i) for a
23 fiscal year shall be reserved only until
24 April 1 of the fiscal year.”.

1 **SEC. 531. OPTIONS FOR SATISFACTION OF OBLIGATION TO**
2 **PAY RECAPTURE AMOUNT FOR SHARED AP-**
3 **PRECIATION AGREEMENTS.**

4 (a) IN GENERAL.—Section 353(e)(7) of the Consoli-
5 dated Farm and Rural Development Act (7 U.S.C.
6 2001(e)(7)) is amended—

7 (1) in subparagraph (C), by redesignating
8 clauses (i) and (ii) as subclauses (I) and (II), respec-
9 tively, and adjusting the margins appropriately;

10 (2) by redesignating subparagraphs (A) through
11 (C) as clauses (i) through (iii), respectively, and ad-
12 justing the margins appropriately;

13 (3) by striking the paragraph heading and in-
14 serting the following:

15 “(7) OPTIONS FOR SATISFACTION OF OBLIGA-
16 TION TO PAY RECAPTURE AMOUNT.—

17 “(A) IN GENERAL.—As an alternative to
18 repaying the full recapture amount at the end
19 of the term of the agreement (as determined by
20 the Secretary in accordance with this section),
21 a borrower may satisfy the obligation to pay the
22 amount of recapture by—

23 “(i) financing the recapture payment
24 in accordance with subparagraph (B); or

25 “(ii) granting the Secretary an agri-
26 cultural use protection and conservation

1 easement on the property subject to the
2 shared appreciation agreement in accord-
3 ance with subparagraph (C).

4 “(B) FINANCING OF RECAPTURE PAY-
5 MENT.—”; and

6 (4) by adding at the end the following:

7 “(C) AGRICULTURAL USE PROTECTION
8 AND CONSERVATION EASEMENT.—

9 “(i) IN GENERAL.—Subject to clause
10 (iii), the Secretary shall accept an agricul-
11 tural use protection and conservation ease-
12 ment from the borrower for all of the real
13 security property subject to the shared ap-
14 preciation agreement in lieu of payment of
15 the recapture amount.

16 “(ii) TERM.—The term of an ease-
17 ment accepted by the Secretary under this
18 subparagraph shall be 25 years.

19 “(iii) CONDITIONS.—The easement
20 shall require that the property subject to
21 the easement shall continue to be used or
22 conserved for agricultural and conservation
23 uses in accordance with sound farming and
24 conservation practices, as determined by
25 the Secretary.

1 “(iv) REPLACEMENT OF METHOD OF
2 SATISFYING OBLIGATION.—A borrower
3 that has begun financing of a recapture
4 payment under subparagraph (B) may re-
5 place that financing with an agricultural
6 use protection and conservation easement
7 under this subparagraph.”.

8 (b) APPLICABILITY.—The amendments made by sub-
9 section (a) shall apply to a shared appreciation agreement
10 that—

11 (1) matures on or after the date of enactment
12 of this Act; or

13 (2) matured before the date of enactment of
14 this Act, if—

15 (A) the recapture amount was reamortized
16 under section 353(e)(7) of the Consolidated
17 Farm and Rural Development Act (7 U.S.C.
18 2001(e)(7)) (as in effect on the day before the
19 date of enactment of this Act); or

20 (B)(i) the recapture amount had not been
21 paid before the date of enactment of this Act
22 because of circumstances beyond the control of
23 the borrower; and

1 (ii) the borrower acted in good faith (as
2 determined by the Secretary) in attempting to
3 repay the recapture amount.

4 **SEC. 532. WAIVER OF BORROWER TRAINING CERTIFI-**
5 **CATION REQUIREMENT.**

6 Section 359 of the Consolidated Farm and Rural De-
7 velopment Act (7 U.S.C. 2006a) is amended by striking
8 subsection (f) and inserting the following:

9 “(f) WAIVERS.—

10 “(1) IN GENERAL.—The Secretary may waive
11 the requirements of this section for an individual
12 borrower if the Secretary determines that the bor-
13 rower demonstrates adequate knowledge in areas de-
14 scribed in this section.

15 “(2) CRITERIA.—The Secretary shall establish
16 criteria providing for the application of paragraph
17 (1) consistently in all counties nationwide.”.

18 **SEC. 533. ANNUAL REVIEW OF BORROWERS.**

19 Section 360(d)(1) of the Consolidated Farm and
20 Rural Development Act (7 U.S.C. 2006b(d)(1)) is amend-
21 ed by striking “biannual” and inserting “annual”.

1 **Subtitle D—Farm Credit**

2 **SEC. 541. REPEAL OF BURDENSOME APPROVAL REQUIRE-** 3 **MENTS.**

4 (a) **BANKS FOR COOPERATIVES.**—Section 3.1(11)(B)
5 of the Farm Credit Act of 1971 (12 U.S.C. 2122(11)(B))
6 is amended—

7 (1) by striking clause (iii); and

8 (2) by redesignating clause (iv) as clause (iii).

9 (b) **OTHER SYSTEM BANKS; ASSOCIATIONS.**—Section
10 4.18A of the Farm Credit Act of 1971 (12 U.S.C. 2206a)
11 is amended—

12 (1) in subsection (a)(1), by striking
13 “3.11(11)(B)(iv)” and inserting “3.11(11)(B)(iii)”;
14 and

15 (2) by striking subsection (c).

16 **SEC. 542. BANKS FOR COOPERATIVES.**

17 Section 3.7(b) of the Farm Credit Act of 1971 (12
18 U.S.C. 2128(b)) is amended—

19 (1) in paragraphs (1) and (2)(A)(i), by striking
20 “farm supplies” each place it appears and inserting
21 “agricultural supplies”; and

22 (2) by adding at the end the following:

23 “(4) **DEFINITION OF AGRICULTURAL SUPPLY.**—

24 In this subsection, the term ‘agricultural supply’
25 includes—

1 “(A) a farm supply; and

2 “(B)(i) agriculture-related processing
3 equipment;

4 “(ii) agriculture-related machinery; and

5 “(iii) other capital-related goods related to
6 the storage or handling of agricultural commod-
7 ities or products.”.

8 **SEC. 543. INSURANCE CORPORATION PREMIUMS.**

9 (a) REDUCTION IN PREMIUMS FOR GSE-GUARAN-
10 TEED LOANS.—

11 (1) IN GENERAL.—Section 5.55 of the Farm
12 Credit Act of 1971 (12 U.S.C. 2277a-4) is
13 amended—

14 (A) in subsection (a)—

15 (i) in paragraph (1)—

16 (I) in subparagraph (A), by strik-
17 ing “government-guaranteed loans
18 provided for in subparagraph (C)”
19 and inserting “loans provided for in
20 subparagraphs (C) and (D)”;

21 (II) in subparagraph (B), by
22 striking “and” at the end;

23 (III) in subparagraph (C), by
24 striking the period at the end and in-
25 serting “; and”; and

1 (IV) by adding at the end the fol-
2 lowing:

3 “(D) the annual average principal out-
4 standing for such year on the guaranteed por-
5 tions of Government Sponsored Enterprise-
6 guaranteed loans made by the bank that are in
7 accrual status, multiplied by a factor, not to ex-
8 ceed 0.0015, determined by the Corporation at
9 the sole discretion of the Corporation.”; and

10 (ii) by adding at the end the fol-
11 lowing:

12 “(4) DEFINITION OF GOVERNMENT SPONSORED
13 ENTERPRISE-GUARANTEED LOAN.—In this section
14 and sections 1.12(b) and 5.56(a), the term ‘Govern-
15 ment Sponsored Enterprise-guaranteed loan’ means
16 a loan or credit, or portion of a loan or credit, that
17 is guaranteed by an entity that is chartered by Con-
18 gress to serve a public purpose and the debt obliga-
19 tions of which are not explicitly guaranteed by the
20 United States, including the Federal National Mort-
21 gage Association, the Federal Home Loan Mortgage
22 Corporation, the Federal Home Loan Bank System,
23 and the Federal Agricultural Mortgage Corporation,
24 but not including any other institution of the Farm
25 Credit System.”; and

1 (B) in subsection (e)(4)(B), by striking
2 “government-guaranteed loans described in sub-
3 section (a)(1)(C)” and inserting “loans de-
4 scribed in subparagraph (C) or (D) of sub-
5 section (a)(1)”.

6 (2) CONFORMING AMENDMENTS.—

7 (A) Section 1.12(b) of the Farm Credit
8 Act of 1971 (12 U.S.C. 2020(b)) is amended—

9 (i) in paragraph (1), by inserting
10 “and Government Sponsored Enterprise-
11 guaranteed loans (as defined in section
12 5.55(a)(4)) provided for in paragraph (4)”
13 after “government-guaranteed loans (as
14 defined in section 5.55(a)(3)) provided for
15 in paragraph (3)”;

16 (ii) in paragraph (2), by striking
17 “and” at the end;

18 (iii) in paragraph (3), by striking the
19 period at the end and inserting “; and”;
20 and

21 (iv) by adding at the end the fol-
22 lowing:

23 “(4) the annual average principal outstanding
24 for such year on the guaranteed portions of Govern-
25 ment Sponsored Enterprise-guaranteed loans (as so

1 defined) made by the association, or by the other fi-
2 nancing institution and funded by or discounted with
3 the Farm Credit Bank, that are in accrual status,
4 multiplied by the factor, not to exceed 0.0015, deter-
5 mined by the Corporation for the purpose of setting
6 the premium for such guaranteed portions of loans
7 under section 5.55(a)(1)(D).”.

8 (B) Section 5.56(a) of the Farm Credit
9 Act of 1971 (12 U.S.C. 2277a-5(a)) is
10 amended—

11 (i) in paragraph (1), by inserting
12 “and Government Sponsored Enterprise-
13 guaranteed loans (as defined in section
14 5.55(a)(4))” after “government-guaranteed
15 loans”;

16 (ii) by redesignating paragraphs (4)
17 and (5) as paragraphs (5) and (6), respec-
18 tively; and

19 (iii) by inserting after paragraph (3)
20 the following:

21 “(4) the annual average principal outstanding
22 on the guaranteed portions of Government Spon-
23 sored Enterprise-guaranteed loans (as defined in
24 section 5.55(a)(4)) that are in accrual status;”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) take effect on the date on which Farm
3 Credit System Insurance Corporation premiums are due
4 from insured Farm Credit System banks under section
5 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–
6 4) for calendar year 2001.

7 **SEC. 544. BOARD OF DIRECTORS OF THE FEDERAL AGRI-**
8 **CULTURAL MORTGAGE CORPORATION.**

9 Section 8.2(b) of the Farm Credit Act of 1971 (12
10 U.S.C. 2279aa–2(b)) is amended—

11 (1) in paragraph (2)—

12 (A) by striking “15” and inserting “17”;

13 (B) in subparagraph (A), by striking
14 “common stock” and all that follows and insert-
15 ing “Class A voting common stock;”;

16 (C) in subparagraph (B), by striking
17 “common stock” and all that follows and insert-
18 ing “Class B voting common stock;”;

19 (D) by redesignating subparagraph (C) as
20 subparagraph (D); and

21 (E) by inserting after subparagraph (B)
22 the following:

23 “(C) 2 members shall be elected by holders
24 of Class A voting common stock and Class B
25 voting common stock, 1 of whom shall be the

1 chief executive officer of the Corporation and 1
2 of whom shall be another executive officer of
3 the Corporation; and”;

4 (2) in paragraph (3), by striking “(2)(C)” and
5 inserting “(2)(D)”;

6 (3) in paragraph (4)—

7 (A) in subparagraph (A), by striking “(A)
8 or (B)” and inserting “(A), (B), or (C)”;

9 (B) in subparagraph (B), by striking
10 “(2)(C)” and inserting “(2)(D)”;

11 (4) in paragraph (5)(A)—

12 (A) by inserting “executive officers of the
13 Corporation or” after “from among persons
14 who are”; and

15 (B) by striking “such a representative”
16 and inserting “such an executive officer or rep-
17 resentative”;

18 (5) in paragraph (6)(B), by striking “(A) and
19 (B)” and inserting “(A), (B), and (C)”;

20 (6) in paragraph (7), by striking “8 members”
21 and inserting “Nine members”;

22 (7) in paragraph (8)—

23 (A) in the paragraph heading, by inserting
24 “OR EXECUTIVE OFFICERS OF THE CORPORA-
25 TION” after “EMPLOYEES”; and

1 (B) by inserting “or executive officers of
 2 the Corporation” after “United States”; and
 3 (8) by striking paragraph (9) and inserting the
 4 following:

5 “(9) CHAIRPERSON.—

6 “(A) ELECTION.—The permanent board
 7 shall annually elect a chairperson from among
 8 the members of the permanent board.

9 “(B) TERM.—The term of the chairperson
 10 shall coincide with the term served by elected
 11 members of the permanent board under para-
 12 graph (6)(B).”.

13 **Subtitle E—General Provisions**

14 **SEC. 551. INAPPLICABILITY OF FINALITY RULE.**

15 Section 281(a)(1) of the Department of Agriculture
 16 Reorganization Act of 1994 (7 U.S.C. 7001(a)(1)) is
 17 amended—

18 (1) by striking “This subsection” and inserting
 19 the following:

20 “(A) IN GENERAL.—Except as provided in
 21 subparagraph (B), this subsection”; and

22 (2) by adding at the end the following:

23 “(B) AGRICULTURAL CREDIT DECI-
 24 SIONS.—This subsection shall not apply with
 25 respect to an agricultural credit decision made

1 by such a State, county, or area committee, or
2 employee of such a committee, under the Con-
3 solidated Farm and Rural Development Act (7
4 U.S.C. 1921 et seq.).”.

5 **SEC. 552. TECHNICAL AMENDMENTS.**

6 (a) Section 321(a) of the Consolidated Farm and
7 Rural Development Act (7 U.S.C. 1961(a)) is amended
8 by striking “Disaster Relief and Emergency Assistance
9 Act” each place it appears and inserting “Robert T. Staf-
10 ford Disaster Relief and Emergency Assistance Act (42
11 U.S.C. 5121 et seq.)”.

12 (b) Section 336(b) of the Consolidated Farm and
13 Rural Development Act (7 U.S.C. 1986(b)) is amended
14 in the second sentence by striking “provided for in section
15 332 of this title”.

16 (c) Section 359(c)(1) of the Consolidated Farm and
17 Rural Development Act (7 U.S.C. 2006a(c)(1)) is amend-
18 ed by striking “established pursuant to section 332,”.

19 (d) Section 360(a) of the Consolidated Farm and
20 Rural Development Act (7 U.S.C. 2006b(a)) is amended
21 by striking “established pursuant to section 332”.

22 **SEC. 553. EFFECT OF AMENDMENTS.**

23 (a) IN GENERAL.—Except as otherwise specifically
24 provided in this title and notwithstanding any other provi-
25 sion of law, this title and the amendments made by this

1 title shall not affect the authority of the Secretary of Agri-
 2 culture to carry out a farm credit program for any of the
 3 1996 through 2001 fiscal years under a provision of law
 4 in effect immediately before the enactment of this Act.

5 (b) LIABILITY.—A provision of this title or an
 6 amendment made by this title shall not affect the liability
 7 of any person under any provision of law as in effect im-
 8 mediately before the enactment of this Act.

9 **SEC. 554. EFFECTIVE DATE.**

10 (a) IN GENERAL.—Except as provided in subsection
 11 (b) and section 543(b), this title and the amendments
 12 made by this title take effect on October 1, 2001.

13 (b) BOARD OF DIRECTORS OF THE FEDERAL AGRI-
 14 CULTURAL MORTGAGE CORPORATION.—The amendments
 15 made by section 544 take effect on the date of enactment
 16 of this Act.

17 **TITLE VI—RURAL**
 18 **DEVELOPMENT**

19 **SEC. 601. FUNDING FOR RURAL LOCAL TELEVISION BROAD-**
 20 **CAST SIGNAL LOAN GUARANTEES.**

21 Section 1011(a) of the Launching Our Communities'
 22 Access to Local Television Act of 2000 (title X of H.R.
 23 5548, as enacted by section 1(a)(2) of Public Law 106-
 24 553) is amended by adding at the end the following: "In
 25 addition, a total of \$200,000,000 of the funds of the Com-

1 modity Credit Corporation shall be available during fiscal
2 years 2002 through 2006, without fiscal year limitation,
3 for loan guarantees under this title.”.

4 **SEC. 602. EXPANDED ELIGIBILITY FOR VALUE-ADDED AGRI-**
5 **CULTURAL PRODUCT MARKET DEVELOP-**
6 **MENT GRANTS.**

7 Section 231(a) of the Agricultural Risk Protection
8 Act of 2000 (7 U.S.C. 1621 note) is amended—

9 (1) by striking paragraph (1) and inserting the
10 following:

11 “(1) ESTABLISHMENT AND PURPOSES.—In
12 each of fiscal years 2002 through 2011, the Sec-
13 retary shall use \$50,000,000 of the funds of the
14 Commodity Credit Corporation to award competitive
15 grants—

16 “(A) to eligible independent producers (as
17 determined by the Secretary) of value-added ag-
18 ricultural commodities and products of agricul-
19 tural commodities to assist an eligible
20 producer—

21 “(i) to develop a business plan for via-
22 ble marketing opportunities for a value-
23 added agricultural commodity or product
24 of an agricultural commodity; or

1 “(ii) to develop strategies for the ven-
 2 tures that are intended to create marketing
 3 opportunities for the producers; and

4 “(B) to public bodies, institutions of higher
 5 learning, and trade associations to assist such
 6 entities—

7 “(i) to develop a business plan for via-
 8 ble marketing opportunities in emerging
 9 markets for a value-added agricultural
 10 commodity or product of an agricultural
 11 commodity; or

12 “(ii) to develop strategies for the ven-
 13 tures that are intended to create marketing
 14 opportunities in emerging markets for the
 15 producers.”;

16 (2) by striking “producer” each place it appears
 17 thereafter and inserting “grantee”; and

18 (3) in the heading for paragraph (3), by strik-
 19 ing “PRODUCER” and inserting “GRANTEE”.

20 **SEC. 603. AGRICULTURE INNOVATION CENTER DEM-**
 21 **ONSTRATION PROGRAM.**

22 (a) PURPOSES.—The purposes of this section are to
 23 carry out a demonstration program under which agricul-
 24 tural producers are provided—

1 (1) technical assistance, including engineering
2 services, applied research, scale production, and
3 similar services to enable the producers to establish
4 businesses for further processing of agricultural
5 products;

6 (2) marketing, market development, and busi-
7 ness planning; and

8 (3) overall organizational, outreach, and devel-
9 opment assistance to increase the viability, growth,
10 and sustainability of value-added agricultural busi-
11 nesses.

12 (b) NATURE OF PROGRAM.—The Secretary of Agri-
13 culture (in this section referred to as the “Secretary”)
14 shall—

15 (1) make grants to eligible applicants for the
16 purposes of enabling the applicants to obtain the as-
17 sistance described in subsection (a); and

18 (2) provide assistance to eligible applicants
19 through the research and technical services of the
20 Department of Agriculture.

21 (c) ELIGIBILITY REQUIREMENTS.—

22 (1) IN GENERAL.—An applicant shall be eligible
23 for a grant and assistance described in subsection

24 (b) to establish an Agriculture Innovation Center
25 if—

1 (A) the applicant—

2 (i) has provided services similar to
3 those described in subsection (a); or

4 (ii) shows the capability of providing
5 the services;

6 (B) the application of the applicant for the
7 grant and assistance sets forth a plan, in ac-
8 cordance with regulations which shall be pre-
9 scribed by the Secretary, outlining support of
10 the applicant in the agricultural community, the
11 technical and other expertise of the applicant,
12 and the goals of the applicant for increasing
13 and improving the ability of local producers to
14 develop markets and processes for value-added
15 agricultural products;

16 (C) the applicant demonstrates that re-
17 sources (in cash or in kind) of definite value are
18 available, or have been committed to be made
19 available, to the applicant, to increase and im-
20 prove the ability of local producers to develop
21 markets and processes for value-added agricul-
22 tural products; and

23 (D) the applicant meets the requirement of
24 paragraph (2).

1 (2) BOARD OF DIRECTORS.—The requirement
2 of this paragraph is that the applicant shall have a
3 board of directors comprised of representatives of
4 the following groups:

5 (A) The 2 general agricultural organiza-
6 tions with the greatest number of members in
7 the State in which the applicant is located.

8 (B) The Department of Agriculture or
9 similar State organization or department, for
10 the State.

11 (C) Organizations representing the 4 high-
12 est grossing commodities produced in the State,
13 according to annual gross cash sales.

14 (d) GRANTS AND ASSISTANCE.—

15 (1) IN GENERAL.—Subject to subsection (g),
16 the Secretary shall make annual grants to eligible
17 applicants under this section, each of which grants
18 shall not exceed the lesser of—

19 (A) \$1,000,000; or

20 (B) twice the dollar value of the resources
21 (in cash or in kind) that the applicant has dem-
22 onstrated are available, or have been committed
23 to be made available, to the applicant in accord-
24 ance with subsection (c)(1)(C).

1 (2) INITIAL LIMITATION.—In the first year of
2 the demonstration program under this section, the
3 Secretary shall make grants under this section, on a
4 competitive basis, to not more than 5 eligible appli-
5 cants.

6 (3) EXPANSION OF DEMONSTRATION PRO-
7 GRAM.—In the second year of the demonstration
8 program under this section, the Secretary may make
9 grants under this section to not more than 10 eligi-
10 ble applicants, in addition to any entities to which
11 grants are made under paragraph (2) for such year.

12 (4) STATE LIMITATION.—In the first 3 years of
13 the demonstration program under this section, the
14 Secretary shall not make an Agricultural Innovation
15 Center Demonstration Program grant under this
16 section to more than 1 entity in a single State.

17 (e) USE OF FUNDS.—An entity to which a grant is
18 made under this section may use the grant only for the
19 following purposes, but only to the extent that the use is
20 not described in section 231(d) of the Agricultural Risk
21 Protection Act of 2000:

22 (1) Applied research.

23 (2) Consulting services.

24 (3) Hiring of employees, at the discretion of the
25 board of directors of the entity.

1 (4) The making of matching grants, each of
2 which shall be not more than \$5,000, to agricultural
3 producers, so long as the aggregate amount of all
4 such matching grants shall be not more than
5 \$50,000.

6 (5) Legal services.

7 (f) RULE OF INTERPRETATION.—This section shall
8 not be construed to prevent a recipient of a grant under
9 this section from collaborating with any other institution
10 with respect to activities conducted using the grant.

11 (g) AVAILABILITY OF FUNDS.—Of the amount made
12 available under section 231(a)(1) of the Agricultural Risk
13 Protection Act of 2000 (Public Law 106–224; 7 U.S.C.
14 1621 note), the Secretary shall use to carry out this
15 section—

16 (1) not less than \$5,000,000 for fiscal year
17 2002; and

18 (2) not less than \$10,000,000 for each of the
19 fiscal years 2003 and 2004.

20 (h) REPORT ON BEST PRACTICES.—

21 (1) EFFECTS ON THE AGRICULTURAL SEC-
22 TOR.—The Secretary shall utilize \$300,000 per year
23 of the funds made available pursuant to this section
24 to support research at any university into the effects
25 of value-added projects on agricultural producers

1 and the commodity markets. The research should
2 systematically examine possible effects on demand
3 for agricultural commodities, market prices, farm in-
4 come, and Federal outlays on commodity programs
5 using linked, long-term, global projections of the ag-
6 ricultural sector.

7 (2) DEPARTMENT OF AGRICULTURE.—Not later
8 than 3 years after the first 10 grants are made
9 under this section, the Secretary shall prepare and
10 submit to the Committee on Agriculture, Nutrition,
11 and Forestry of the Senate and to the Committee on
12 Agriculture of the House of Representatives a writ-
13 ten report on the effectiveness of the demonstration
14 program conducted under this section at improving
15 the production of value-added agricultural products
16 and on the effects of the program on the economic
17 viability of the producers, which shall include the
18 best practices and innovations found at each of the
19 Agriculture Innovation Centers established under the
20 demonstration program under this section, and de-
21 tail the number and type of agricultural projects as-
22 sisted, and the type of assistance provided, under
23 this section.

1 **SEC. 604. FUNDING OF COMMUNITY WATER ASSISTANCE**
2 **GRANT PROGRAM.**

3 (a) **FUNDING.**—In each of fiscal years 2002 through
4 2011, the Secretary of Agriculture shall use \$30,000,000
5 of the funds of the Commodity Credit Corporation to carry
6 out section 306A of the Consolidated Farm and Rural De-
7 velopment Act (7 U.S.C. 1926a).

8 (b) **EXTENSION OF PROGRAM.**—Section 306A(i) of
9 the Consolidated Farm and Rural Development Act (7
10 U.S.C. 1926a(i)) is amended by striking “2002” and in-
11 serting “2011”.

12 (c) **MISCELLANEOUS AMENDMENTS.**—Section 306A
13 of such Act (7 U.S.C. 1926a) is amended—

14 (1) in the heading by striking “**EMERGENCY**”;

15 (2) in subsection (a)(1)—

16 (A) by striking “after” and inserting
17 “when”; and

18 (B) by inserting “is imminent” after “com-
19 munities”; and

20 (3) in subsection (c), by striking “shall—” and
21 all that follows and inserting “shall be a public or
22 private nonprofit entity.”.

1 **SEC. 605. LOAN GUARANTEES FOR THE FINANCING OF THE**
2 **PURCHASE OF RENEWABLE ENERGY SYS-**
3 **TEMS.**

4 Section 4 of the Rural Electrification Act of 1936 (7
5 U.S.C. 904) is amended—

6 (1) by inserting “(a)” before “The Secretary”;

7 and

8 (2) by adding after and below the end the fol-
9 lowing:

10 “(b) LOAN GUARANTEES FOR THE FINANCING OF
11 THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.—

12 The Secretary may provide a loan guarantee, on such
13 terms and conditions as the Secretary deems appropriate,
14 for the purpose of financing the purchase of a renewable
15 energy system, including a wind energy system and anaer-
16 obic digestors for the purpose of energy generation, by any
17 person or individual who is a farmer, a rancher, or an
18 owner of a small business (as defined by the Secretary)
19 that is located in a rural area (as defined by the Sec-
20 retary). In providing guarantees under this subsection, the
21 Secretary shall give priority to loans used primarily for
22 power generation on a farm, ranch, or small business (as
23 so defined).”.

1 **SEC. 606. LOANS AND LOAN GUARANTEES FOR RENEWABLE**
2 **ENERGY SYSTEMS.**

3 Section 310B(a)(3) of the Consolidated Farm and
4 Rural Development Act (7 U.S.C. 1932(a)(3)) is amended
5 by inserting “and other renewable energy systems includ-
6 ing wind energy systems and anaerobic digestors for the
7 purpose of energy generation” after “solar energy sys-
8 tems”.

9 **SEC. 607. RURAL BUSINESS OPPORTUNITY GRANTS.**

10 Section 306(a)(11)(D) of the Consolidated Farm and
11 Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is
12 amended by striking “2002” and inserting “2011”.

13 **SEC. 608. GRANTS FOR WATER SYSTEMS FOR RURAL AND**
14 **NATIVE VILLAGES IN ALASKA.**

15 Section 306D(d)(1) of the Consolidated Farm and
16 Rural Development Act (7 U.S.C. 1926d(d)(1)) is amend-
17 ed by striking “and 2002” and inserting “through 2011”.

18 **SEC. 609. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

19 Section 310B(e)(9) of the Consolidated Farm and
20 Rural Development Act (7 U.S.C. 1932(e)(9)) is amended
21 by striking “2002” and inserting “2011”.

22 **SEC. 610. NATIONAL RESERVE ACCOUNT OF RURAL DEVEL-**
23 **OPMENT TRUST FUND.**

24 Section 381E(e)(3)(F) of the Consolidated Farm and
25 Rural Development Act (7 U.S.C. 2009d(e)(3)(F)) is

1 amended by striking “fiscal year 2002” and inserting
2 “each of the fiscal years 2002 through 2011”.

3 **SEC. 611. RURAL VENTURE CAPITAL DEMONSTRATION PRO-**
4 **GRAM.**

5 Section 3810(b)(3) of the Consolidated Farm and
6 Rural Development Act (7 U.S.C. 2009n(b)(3)) is amend-
7 ed by striking “2002” and inserting “2011”.

8 **SEC. 612. INCREASE IN LIMIT ON CERTAIN LOANS FOR**
9 **RURAL DEVELOPMENT.**

10 Section 310B(a) of the Consolidated Farm and Rural
11 Development Act (7 U.S.C. 1932(a)) is amended by strik-
12 ing “\$25,000,000” and inserting “\$100,000,000”.

13 **SEC. 613. PILOT PROGRAM FOR DEVELOPMENT AND IMPLE-**
14 **MENTATION OF STRATEGIC REGIONAL DE-**
15 **VELOPMENT PLANS.**

16 (a) DEVELOPMENT.—

17 (1) SELECTION OF STATES.—The Secretary of
18 Agriculture (in this section referred to as the “Sec-
19 retary”) shall, on a competitive basis, select States
20 in which to implement strategic regional develop-
21 ment plans developed under this subsection.

22 (2) GRANTS.—

23 (A) AUTHORITY.—

24 (i) IN GENERAL.—From the funds
25 made available to carry out this subsection,

1 the Secretary shall make a matching grant
2 to 1 or more entities in each State selected
3 under subsection (a), to develop a strategic
4 regional development plan that provides for
5 rural economic development in a region in
6 the State in which the entity is located.

7 (ii) PRIORITY.—In making grants
8 under this subsection, the Secretary shall
9 give priority to entities that represent a re-
10 gional coalition of community-based plan-
11 ning, development, governmental, and busi-
12 ness organizations.

13 (B) TERMS OF MATCH.—In order for an
14 entity to be eligible for a matching grant under
15 this subsection, the entity shall make a commit-
16 ment to the Secretary to provide funds for the
17 development of a strategic regional development
18 plan of the kind referred to in subparagraph
19 (A) in an amount that is not less than the
20 amount of the matching grant.

21 (C) LIMITATION.—The Secretary shall not
22 make a grant under this subsection in an
23 amount that exceeds \$150,000.

24 (3) FUNDING.—

1 (A) IN GENERAL.—The Secretary shall use
2 \$2,000,000 of the funds of the Commodity
3 Credit Corporation, plus $\frac{2}{13}$ of the amounts
4 made available by section 943 of the Farm Se-
5 curity Act of 2001 for grants under this sec-
6 tion, in each of fiscal years 2002 through 2011
7 to carry out this subsection.

8 (B) AVAILABILITY.—Funds made available
9 pursuant to subparagraph (A) shall remain
10 available without fiscal year limitation.

11 (b) STRATEGIC PLANNING IMPLEMENTATION.—

12 (1) The Secretary shall use the authorities pro-
13 vided in the provisions of law specified in section
14 793(c)(1)(A)(ii) of the Federal Agriculture Improve-
15 ment and Reform Act of 1996 to implement the
16 strategic regional development plans developed pur-
17 suant to subsection (a) of this section.

18 (2) FUNDING.—

19 (A) IN GENERAL.—The Secretary shall use
20 \$13,000,000 of the funds of the Commodity
21 Credit Corporation, plus $\frac{11}{13}$ of the amounts
22 made available by section 943 of the Farm Se-
23 curity Act of 2001 for grants under this sec-
24 tion, in each of fiscal years 2002 through 2011
25 to carry out this subsection.

1 (B) AVAILABILITY.—Funds made available
 2 pursuant to subparagraph (A) shall remain
 3 available without fiscal year limitation.

4 (c) USE OF FUNDS.—The amounts made available
 5 under subsections (a) and (b) may be used as the Sec-
 6 retary deems appropriate to carry out any provision of this
 7 section.

8 **SEC. 614. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**
 9 **NANCE THE CONSTRUCTION, REFURBISHING,**
 10 **AND SERVICING OF INDIVIDUALLY-OWNED**
 11 **HOUSEHOLD WATER WELL SYSTEMS IN**
 12 **RURAL AREAS FOR INDIVIDUALS WITH LOW**
 13 **OR MODERATE INCOMES.**

14 (a) IN GENERAL.—Subtitle A of the Consolidated
 15 Farm and Rural Development Act (7 U.S.C. 1922–1949)
 16 is amended by inserting after section 306D the following:

17 **“SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**
 18 **NANCE THE CONSTRUCTION, REFURBISHING,**
 19 **AND SERVICING OF INDIVIDUALLY-OWNED**
 20 **HOUSEHOLD WATER WELL SYSTEMS IN**
 21 **RURAL AREAS FOR INDIVIDUALS WITH LOW**
 22 **OR MODERATE INCOMES.**

23 “(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this
 24 section, the term ‘eligible individual’ means an individual
 25 who is a member of a household, the combined income of

1 whose members for the most recent 12-month period for
2 which the information is available, is not more than 100
3 percent of the median nonmetropolitan household income
4 for the State or territory in which the individual resides,
5 according to the most recent decennial census of the
6 United States.

7 “(b) GRANTS.—The Secretary may make grants to
8 private nonprofit organizations for the purpose of assist-
9 ing eligible individuals in obtaining financing for the con-
10 struction, refurbishing, and servicing of individual house-
11 hold water well systems in rural areas that are owned (or
12 to be owned) by the eligible individuals.

13 “(c) USE OF FUNDS.—A grant made under this sec-
14 tion may be—

15 “(1) used, or invested to provide income to be
16 used, to carry out subsection (b); and

17 “(2) used to pay administrative expenses associ-
18 ated with providing the assistance described in sub-
19 section (b).

20 “(d) PRIORITY IN AWARDING GRANTS.—In awarding
21 grants under this section, the Secretary shall give priority
22 to an applicant that has substantial expertise and experi-
23 ence in promoting the safe and productive use of individ-
24 ually-owned household water well systems and ground
25 water.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section takes effect on October 1, 2001.

3 **SEC. 615. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.**

4 Subtitle E of the Consolidated Farm and Rural De-
5 velopment Act (7 U.S.C. 2009–2009n) is amended by add-
6 ing at the end the following:

7 **“SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNER-
8 SHIP.**

9 “(a) RURAL AREA DEFINED.—In this section, the
10 term ‘rural area’ means such areas as the Secretary may
11 determine.

12 “(b) ESTABLISHMENT.—There is established a Na-
13 tional Rural Development Partnership (in this section re-
14 ferred to as the ‘Partnership’), which shall be composed
15 of—

16 “(1) the National Rural Development Coordinating
17 Committee established in accordance with
18 subsection (c); and

19 “(2) State rural development councils estab-
20 lished in accordance with subsection (d).

21 “(c) NATIONAL RURAL DEVELOPMENT COORDI-
22 NATING COMMITTEE.—

23 “(1) COMPOSITION.—The National Rural De-
24 velopment Coordinating Committee (in this section

1 referred to as the ‘Coordinating Committee’) may be
2 composed of—

3 “(A) representatives of all Federal depart-
4 ments and agencies with policies and programs
5 that affect or benefit rural areas;

6 “(B) representatives of national associa-
7 tions of State, regional, local, and tribal govern-
8 ments and intergovernmental and multi-juris-
9 dictional agencies and organizations;

10 “(C) national public interest groups; and

11 “(D) other national nonprofit organiza-
12 tions that elect to participate in the activities of
13 the Coordinating Committee.

14 “(2) FUNCTIONS.—The Coordinating Com-
15 mittee may—

16 “(A) provide support for the work of the
17 State rural development councils established in
18 accordance with subsection (d); and

19 “(B) develop and facilitate strategies to re-
20 duce or eliminate conflicting or duplicative ad-
21 ministrative and regulatory impediments con-
22 fronting rural areas.

23 “(d) STATE RURAL DEVELOPMENT COUNCILS.—

24 “(1) COMPOSITION.—A State rural development
25 council may—

1 “(A) be composed of representatives of
2 Federal, State, local, and tribal governments,
3 and nonprofit organizations, the private sector,
4 and other entities committed to rural advance-
5 ment; and

6 “(B) have a nonpartisan and nondiscrim-
7 inatory membership that is broad and rep-
8 resentative of the economic, social, and political
9 diversity of the State.

10 “(2) FUNCTIONS.—A State rural development
11 council may—

12 “(A) facilitate collaboration among Fed-
13 eral, State, local, and tribal governments and
14 the private and non-profit sectors in the plan-
15 ning and implementation of programs and poli-
16 cies that affect the rural areas of the State, and
17 to do so in such a way that provides the great-
18 est degree of flexibility and innovation in re-
19 sponding to the unique needs of the State and
20 the rural areas; and

21 “(B) in conjunction with the Coordinating
22 Committee, develop and facilitate strategies to
23 reduce or eliminate conflicting or duplicative
24 administrative and regulatory impediments con-
25 fronting the rural areas of the State.

1 “(e) ADMINISTRATION OF THE PARTNERSHIP.—The
 2 Secretary may provide for any additional support staff to
 3 the Partnership as the Secretary determines to be nec-
 4 essary to carry out the duties of the Partnership.

5 “(f) TERMINATION.—The authority provided by this
 6 section shall terminate on the date that is 5 years after
 7 the date of the enactment of this section.”.

8 **SEC. 616. ELIGIBILITY OF RURAL EMPOWERMENT ZONES,**
 9 **RURAL ENTERPRISE COMMUNITIES, AND**
 10 **CHAMPION COMMUNITIES FOR DIRECT AND**
 11 **GUARANTEED LOANS FOR ESSENTIAL COM-**
 12 **MUNITY FACILITIES.**

13 Section 306(a)(1) of the Consolidated Farm and
 14 Rural Development Act (7 U.S.C. 1926(a)(1)) is amended
 15 by inserting after the 1st sentence the following: “The
 16 Secretary may also make or insure loans to communities
 17 that have been designated as rural empowerment zones or
 18 rural enterprise communities pursuant to part I of sub-
 19 chapter U of chapter 1 of the Internal Revenue Code of
 20 1986, as rural enterprise communities pursuant to section
 21 766 of the Agriculture, Rural Development, Food and
 22 Drug Administration, and Related Agencies Appropria-
 23 tions Act, 1999, or as champion communities (as deter-
 24 mined by the Secretary), to provide for the installation or
 25 improvement of essential community facilities including

1 necessary related equipment, and to furnish financial as-
2 sistance or other aid in planning projects for such pur-
3 poses.”.

4 **SEC. 617. GRANTS TO TRAIN FARM WORKERS IN NEW TECH-**
5 **NOLOGIES AND TO TRAIN FARM WORKERS IN**
6 **SPECIALIZED SKILLS NECESSARY FOR HIGH-**
7 **ER VALUE CROPS.**

8 (a) IN GENERAL.—The Secretary of Agriculture may
9 make a grant to a nonprofit organization with the capacity
10 to train farm workers, or to a consortium of non-profit
11 organizations, agribusinesses, State and local govern-
12 ments, agricultural labor organizations, and community-
13 based organizations with that capacity.

14 (b) USE OF FUNDS.—An entity to which a grant is
15 made under this section shall use the grant to train farm
16 workers to use new technologies and develop specialized
17 skills for agricultural development.

18 (c) LIMITATIONS ON AUTHORIZATION OF APPRO-
19 PRIATIONS.—For grants under this section, there are au-
20 thorized to be appropriated to the Secretary of Agriculture
21 not more than \$10,000,000 for each of fiscal years 2002
22 through 2011.

1 **SEC. 618. LOAN GUARANTEES FOR THE PURCHASE OF**
2 **STOCK IN A FARMER COOPERATIVE SEEKING**
3 **TO MODERNIZE OR EXPAND.**

4 Section 310B(g)(2) of the Consolidated Farm and
5 Rural Development Act (7 U.S.C. 1932(g)(2)) is amended
6 by striking “start-up” and all that follows and inserting
7 “capital stock of a farmer cooperative established for an
8 agricultural purpose.”.

9 **SEC. 619. INTANGIBLE ASSETS AND SUBORDINATED UNSE-**
10 **CURED DEBT REQUIRED TO BE CONSIDERED**
11 **IN DETERMINING ELIGIBILITY OF FARMER-**
12 **OWNED COOPERATIVE FOR BUSINESS AND**
13 **INDUSTRY GUARANTEED LOAN.**

14 Section 310B of the Consolidated Farm and Rural
15 Development Act (7 U.S.C. 1932) is amended by adding
16 at the end the following:

17 “(h) INTANGIBLE ASSETS AND SUBORDINATED UN-
18 SECURED DEBT REQUIRED TO BE CONSIDERED IN DE-
19 TERMINING ELIGIBILITY OF FARMER-OWNED COOPERA-
20 TIVE FOR BUSINESS AND INDUSTRY GUARANTEED
21 LOAN.—In determining whether a cooperative organiza-
22 tion owned by farmers is eligible for a guaranteed loan
23 under subsection (a)(1), the Secretary may consider the
24 value of the intangible assets and subordinated unsecured
25 debt of the cooperative organization.”.

1 **SEC. 620. BAN ON LIMITING ELIGIBILITY OF FARMER COOP-**
 2 **ERATIVE FOR BUSINESS AND INDUSTRY**
 3 **LOAN GUARANTEE BASED ON POPULATION**
 4 **OF AREA IN WHICH COOPERATIVE IS LO-**
 5 **CATED; REFINANCING.**

6 Section 310B of the Consolidated Farm and Rural
 7 Development Act (7 U.S.C. 1932) is further amended by
 8 adding at the end of the following:

9 “(i) SPECIAL RULES APPLICABLE TO FARMER CO-
 10 OPERATIVES UNDER THE BUSINESS AND INDUSTRY LOAN
 11 PROGRAM.—In determining whether a cooperative organi-
 12 zation owned by farmers is eligible for a guaranteed loan
 13 under subsection (a)(1), the Secretary shall not apply any
 14 lending restriction based on population to the area in
 15 which the cooperative organization is located.

16 “(j) REFINANCING.—A cooperative organization
 17 owned by farmers that is eligible to receive a business or
 18 industry guaranteed loan under subsection (a) shall be eli-
 19 gible to refinance an existing loan with the same lender
 20 or a new lender if—

21 “(1) the original loan—

22 “(A) is current and performing; and

23 “(B) is not in default; and

24 “(2) the cooperative organization has adequate
 25 security or collateral (including tangible and intan-
 26 gible assets).”.

1 **SEC. 621. RURAL WATER AND WASTE FACILITY GRANTS.**

2 Section 306(a)(2) of the Consolidated Farm and
3 Rural Development Act (7 U.S.C. 1926(a)(2)) is amended
4 by striking “aggregating not to exceed \$590,000,000 in
5 any fiscal year”.

6 **SEC. 622. RURAL WATER CIRCUIT RIDER PROGRAM.**

7 (a) ESTABLISHMENT.—The Secretary of Agriculture
8 shall establish a national rural water and wastewater cir-
9 cuit rider grant program that shall be modeled after the
10 National Rural Water Association Rural Water Circuit
11 Rider Program that receives funding from the Rural Utili-
12 ties Service.

13 (b) LIMITATIONS ON AUTHORIZATION OF APPRO-
14 PRIATIONS.—To carry out subsection (a), there are au-
15 thorized to be appropriated to the Secretary of Agriculture
16 \$15,000,000 for each fiscal year.

17 **SEC. 623. RURAL WATER GRASSROOTS SOURCE WATER**
18 **PROTECTION PROGRAM.**

19 (a) ESTABLISHMENT.—The Secretary of Agriculture
20 shall establish a national grassroots source water protec-
21 tion program that will utilize the on-site technical assist-
22 ance capabilities of State rural water associations that are
23 operating wellhead or ground water protection programs
24 in each State.

25 (b) LIMITATIONS ON AUTHORIZATION OF APPRO-
26 PRIATIONS.—To carry out subsection (a), there are au-

1 thORIZED to be appropriated to the Secretary of Agriculture
2 \$5,000,000 for each fiscal year.

3 **SEC. 624. DELTA REGIONAL AUTHORITY.**

4 Section 382N of the Consolidated Farm and Rural
5 Development Act (7 U.S.C. 2009aa–13) is amended by
6 striking “2002” and inserting “2011”.

7 **SEC. 625. PREDEVELOPMENT AND SMALL CAPITALIZATION**
8 **LOAN FUND.**

9 The Secretary of Agriculture may make grants to pri-
10 vate, nonprofit, multi-State rural community assistance
11 programs to capitalize revolving funds for the purpose of
12 financing eligible projects of predevelopment, repair, and
13 improvement costs of existing water and wastewater sys-
14 tems. Financing provided using funds appropriated to
15 carry out this program may not exceed \$300,000.

16 **SEC. 626. RURAL ECONOMIC DEVELOPMENT LOAN AND**
17 **GRANT PROGRAM.**

18 The Secretary of Agriculture may use an additional
19 source of funding for economic development programs ad-
20 ministered by the Department of Agriculture through
21 guaranteeing fees on guarantees of bonds and notes issued
22 by cooperative lenders for electricity and telecommuni-
23 cations purposes.

1 **TITLE VII—RESEARCH AND**
2 **RELATED MATTERS**
3 **Subtitle A—Extensions**

4 **SEC. 700. MARKET EXPANSION RESEARCH.**

5 Section 1436(b)(3)(C) of the Food Security Act of
6 1985 (7 U.S.C. 1632(b)(3)(C)) is amended by striking
7 “1990” and inserting “2011”.

8 **SEC. 701. NATIONAL RURAL INFORMATION CENTER CLEAR-**
9 **INGHOUSE.**

10 Section 2381(e) of the Food, Agriculture, Conserva-
11 tion, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is
12 amended by striking “2002” and inserting “2011”.

13 **SEC. 702. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRI-**
14 **CULTURAL SCIENCES EDUCATION.**

15 Section 1417(l) of the National Agricultural Re-
16 search, Extension, and Teaching Policy Act of 1977 (7
17 U.S.C. 3152(l)) is amended by striking “2002” and in-
18 serting “2011”.

19 **SEC. 703. POLICY RESEARCH CENTERS.**

20 Section 1419A(d) of the National Agricultural Re-
21 search, Extension, and Teaching Policy Act of 1977 (7
22 U.S.C. 3155(d)) is amended by striking “2002” and in-
23 serting “2011”.

1 **SEC. 704. HUMAN NUTRITION INTERVENTION AND HEALTH**
2 **PROMOTION RESEARCH PROGRAM.**

3 Section 1424(d) of the National Agricultural Re-
4 search, Extension, and Teaching Policy Act of 1977 (7
5 U.S.C. 3174(d)) is amended by striking “2002” and in-
6 serting “2011”.

7 **SEC. 705. PILOT RESEARCH PROGRAM TO COMBINE MED-**
8 **ICAL AND AGRICULTURAL RESEARCH.**

9 Section 1424A(d) of the National Agricultural Re-
10 search, Extension, and Teaching Policy Act of 1977 (7
11 U.S.C. 3174a(d)) is amended by striking “2002” and in-
12 serting “2011”.

13 **SEC. 706. NUTRITION EDUCATION PROGRAM.**

14 Section 1425(c)(3) of the National Agricultural Re-
15 search, Extension, and Teaching Policy Act of 1977 (7
16 U.S.C. 3175(c)(3)) is amended by striking “2002” and
17 inserting “2011”.

18 **SEC. 707. CONTINUING ANIMAL HEALTH AND DISEASE RE-**
19 **SEARCH PROGRAMS.**

20 Section 1433(a) of the National Agricultural Re-
21 search, Extension, and Teaching Policy Act of 1977 (7
22 U.S.C. 3195(a)) is amended by striking “2002” and in-
23 serting “2011”.

1 **SEC. 708. APPROPRIATIONS FOR RESEARCH ON NATIONAL**
2 **OR REGIONAL PROBLEMS.**

3 Section 1434(a) of the National Agricultural Re-
4 search, Extension, and Teaching Policy Act of 1977 (7
5 U.S.C. 3196(a)) is amended by striking “2002” and in-
6 serting “2011”.

7 **SEC. 709. GRANTS TO UPGRADE AGRICULTURAL AND FOOD**
8 **SCIENCES FACILITIES AT 1890 LAND-GRANT**
9 **COLLEGES, INCLUDING TUSKEGEE UNIVER-**
10 **SITY.**

11 Section 1447(b) of the National Agricultural Re-
12 search, Extension, and Teaching Policy Act of 1977 (7
13 U.S.C. 3222b(b)) is amended by striking “2002” and in-
14 serting “2011”.

15 **SEC. 710. NATIONAL RESEARCH AND TRAINING CENTEN-**
16 **NIAL CENTERS AT 1890 LAND-GRANT INSTITU-**
17 **TIONS.**

18 Sections 1448(a)(1) and (f) of the National Agricul-
19 tural Research, Extension, and Teaching Policy Act of
20 1977 (7 U.S.C. 3222c(a)(1) and (f)) are amended by
21 striking “2002” each place it appears and inserting
22 “2011”.

23 **SEC. 711. HISPANIC-SERVING INSTITUTIONS.**

24 Section 1455(c) of the National Agricultural Re-
25 search, Extension, and Teaching Policy Act of 1977 (7

1 U.S.C. 3241(c)) is amended by striking “2002” and in-
2 serting “2011”.

3 **SEC. 712. COMPETITIVE GRANTS FOR INTERNATIONAL AG-**
4 **RICULTURAL SCIENCE AND EDUCATION PRO-**
5 **GRAMS.**

6 Section 1459A(c) of the National Agricultural Re-
7 search, Extension, and Teaching Policy Act of 1977 (7
8 U.S.C. 3292b(c)) is amended by striking “2002” and in-
9 serting “2011”.

10 **SEC. 713. UNIVERSITY RESEARCH.**

11 Subsections (a) and (b) of section 1463 of the Na-
12 tional Agricultural Research, Extension, and Teaching
13 Policy Act of 1977 (7 U.S.C. 3311(a) and (b)) are amend-
14 ed by striking “2002” each place it appears and inserting
15 “2011”.

16 **SEC. 714. EXTENSION SERVICE.**

17 Section 1464 of the National Agricultural Research,
18 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
19 3312) is amended by striking “2002” and inserting
20 “2011”.

21 **SEC. 715. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

22 Section 1473D(a) of the National Agricultural Re-
23 search, Extension, and Teaching Policy Act of 1977 (7
24 U.S.C. 3319d(a)) is amended by striking “2002” and in-
25 serting “2011”.

1 **SEC. 716. AGRICULTURE RESEARCH FACILITIES.**

2 The first sentence of section 1477 of the National
3 Agricultural Research, Extension, and Teaching Policy
4 Act of 1977 (7 U.S.C. 3324) is amended by striking
5 “2002” and inserting “2011”.

6 **SEC. 717. RANGELAND RESEARCH.**

7 Section 1483(a) of the National Agricultural Re-
8 search, Extension, and Teaching Policy Act of 1977 (7
9 U.S.C. 3336(a)) is amended by striking “2002” and in-
10 serting “2011”.

11 **SEC. 718. NATIONAL GENETICS RESOURCES PROGRAM.**

12 Section 1635(b) of the Food, Agriculture, Conserva-
13 tion, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amend-
14 ed by striking “2002” and inserting “2011”.

15 **SEC. 719. HIGH-PRIORITY RESEARCH AND EXTENSION INI-**
16 **TIATIVES.**

17 Section 1672(h) of the Food, Agriculture, Conserva-
18 tion, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amend-
19 ed by striking “2002” and inserting “2011”.

20 **SEC. 720. NUTRIENT MANAGEMENT RESEARCH AND EXTEN-**
21 **SION INITIATIVE.**

22 Section 1672A(g) of the Food, Agriculture, Conserva-
23 tion, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is
24 amended by striking “2002” and inserting “2011”.

1 **SEC. 721. AGRICULTURAL TELECOMMUNICATIONS PRO-**
2 **GRAM.**

3 Section 1673(h) of the Food, Agriculture, Conserva-
4 tion, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amend-
5 ed by striking “2002” and inserting “2011”.

6 **SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND**
7 **COMMERCIALIZATION REVOLVING FUND.**

8 (a) **AUTHORIZATION OF APPROPRIATIONS.**—Section
9 1664(g)(1) of the Food, Agriculture, Conservation, and
10 Trade Act of 1990 (7 U.S.C. 5908(g)(1)) is amended by
11 striking “2002” and inserting “2011”.

12 (b) **CAPITALIZATION.**—Section 1664(g)(2) of such
13 Act (7 U.S.C. 5908(g)(2)) is amended by striking “2002”
14 and inserting “2011”.

15 **SEC. 723. ASSISTIVE TECHNOLOGY PROGRAM FOR FARM-**
16 **ERS WITH DISABILITIES.**

17 Section 1680(c)(1) of the Food, Agriculture, Con-
18 servation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1))
19 is amended by striking “2002” and inserting “2011”.

20 **SEC. 724. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL**
21 **PRODUCT QUALITY RESEARCH.**

22 Section 402(g) of the Agricultural Research, Exten-
23 sion, and Education Reform Act of 1998 (7 U.S.C.
24 7622(g)) is amended by striking “2002” and inserting
25 “2011”.

1 **SEC. 725. BIOBASED PRODUCTS.**

2 (a) PILOT PROJECT.—Section 404(e)(2) of the Agri-
3 cultural Research, Extension, and Education Reform Act
4 of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking
5 “2001” and inserting “2011”.

6 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
7 404(h) of such Act (7 U.S.C. 7624(h)) is amended by
8 striking “2002” and inserting “2011”.

9 **SEC. 726. INTEGRATED RESEARCH, EDUCATION, AND EX-**
10 **TENSION COMPETITIVE GRANTS PROGRAM.**

11 Section 406(e) of the Agricultural Research, Exten-
12 sion, and Education Reform Act of 1998 (7 U.S.C.
13 7626(e)) is amended by striking “2002” and inserting
14 “2011”.

15 **SEC. 727. INSTITUTIONAL CAPACITY BUILDING GRANTS.**

16 (a) GENERALLY.—Section 535(b)(1) of the Equity in
17 Educational Land-Grant Status Act of 1994 (7 U.S.C.
18 301 note) is amended by striking “2000” and inserting
19 “2011”.

20 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
21 535(c) of such Act is amended by striking “2000” and
22 inserting “2011”.

23 **SEC. 728. 1994 INSTITUTION RESEARCH GRANTS.**

24 Section 536(c) of the Equity in Educational Land-
25 Grant Status Act of 1994 (7 U.S.C. 301 note) is amended
26 by striking “2002” and inserting “2011”.

1 **SEC. 729. ENDOWMENT FOR 1994 INSTITUTIONS.**

2 The first sentence of section 533(b) of the Equity in
3 Educational Land-Grant Status Act of 1994 (7 U.S.C.
4 301 note) is amended by striking “\$4,600,000” and all
5 that follows through the period and inserting “such sums
6 as are necessary to carry out this section for each of fiscal
7 years 1996 through 2011.”.

8 **SEC. 730. PRECISION AGRICULTURE.**

9 Section 403(i) of the Agricultural Research, Exten-
10 sion, and Education Reform Act of 1998 (7 U.S.C.
11 7623(i)) is amended by striking “2002” and inserting
12 “2011”.

13 **SEC. 731. THOMAS JEFFERSON INITIATIVE FOR CROP DI-**
14 **VERSIFICATION.**

15 Section 405(h) of the Agricultural Research, Exten-
16 sion, and Education Reform Act of 1998 (7 U.S.C.
17 7625(h)) is amended by striking “2002” and inserting
18 “2011”.

19 **SEC. 732. SUPPORT FOR RESEARCH REGARDING DISEASES**
20 **OF WHEAT, TRITICALE, AND BARLEY CAUSED**
21 **BY FUSARIUM GRAMINEARUM OR BY**
22 **TILLETIA INDICA.**

23 Section 408(e) of the Agricultural Research, Exten-
24 sion, and Education Reform Act of 1998 (7 U.S.C.
25 7628(e)) is amended by striking “2002” and inserting
26 “2011”.

1 **SEC. 733. OFFICE OF PEST MANAGEMENT POLICY.**

2 Section 614(f) of the Agricultural Research, Extension,
3 sion, and Education Reform Act of 1998 (7 U.S.C.
4 7653(f)) is amended by striking “2002” and inserting
5 “2011”.

6 **SEC. 734. NATIONAL AGRICULTURAL RESEARCH, EXTENSION,
7 EDUCATION, AND ECONOMICS ADVISORY BOARD.**

8
9 Section 1408(h) of the National Agricultural Research,
10 search, Extension, and Teaching Policy Act of 1977 (7
11 U.S.C. 3123(h)) is amended by striking “2002” and in-
12 serting “2011”.

13 **SEC. 735. GRANTS FOR RESEARCH ON PRODUCTION AND
14 MARKETING OF ALCOHOLS AND INDUSTRIAL
15 HYDROCARBONS FROM AGRICULTURAL COM-
16 MODITIES AND FOREST PRODUCTS.**

17 Section 1419(d) of the National Agricultural Research,
18 search, Extension, and Teaching Policy Act of 1977 (7
19 U.S.C. 3154(d)) is amended by striking “2002” and in-
20 serting “2011”.

21 **SEC. 736. BIOMASS RESEARCH AND DEVELOPMENT.**

22 Title III of the Agricultural Risk Protection Act of
23 2000 (7 U.S.C. 7624 note) is amended—

24 (1) in section 307(f), by striking “2005” and
25 inserting “2011”; and

1 (2) in section 310, by striking “2005” and in-
2 serting “2011”.

3 **SEC. 737. AGRICULTURAL EXPERIMENT STATIONS RE-**
4 **SEARCH FACILITIES.**

5 Section 6(a) of the Research Facilities Act (7 U.S.C.
6 390d(a)) is amended by striking “2002” and inserting
7 “2011”.

8 **SEC. 738. COMPETITIVE, SPECIAL, AND FACILITIES RE-**
9 **SEARCH GRANTS NATIONAL RESEARCH INI-**
10 **TIATIVE.**

11 Section 2(b)(10) of the Competitive, Special, and Fa-
12 cilities Research Grant Act (7 U.S.C. 450i(b)(10)) is
13 amended by striking “2002” and inserting “2011”.

14 **SEC. 739. FEDERAL AGRICULTURAL RESEARCH FACILITIES**
15 **AUTHORIZATION OF APPROPRIATIONS.**

16 Section 1431 of the National Agricultural Research,
17 Extension, and Teaching Policy Act Amendments of 1985
18 (Public Law 99–198; 99 Stat. 1556) is amended by strik-
19 ing “2002” and inserting “2011”.

20 **SEC. 740. COTTON CLASSIFICATION SERVICES.**

21 The first sentence of section 3a of the Act of March
22 3, 1927 (commonly known as the “Cotton Statistics and
23 Estimates Act”; 7 U.S.C. 473a) is amended by striking
24 “2002” and inserting “2011”.

1 **SEC. 740A. CRITICAL AGRICULTURAL MATERIALS RE-**
2 **SEARCH.**

3 Section 16(a) of the Critical Agricultural Materials
4 Act (7 U.S.C. 178n(a)) is amended by striking “2002”
5 and inserting “2011”.

6 **SEC. 740B. PRIVATE NONINDUSTRIAL HARDWOOD RE-**
7 **SEARCH PROGRAM.**

8 (a) IN GENERAL.—The Secretary shall establish a
9 program to provide competitive grants to producers to be
10 used for basic hardwood research projects directed at—

- 11 (1) improving timber management techniques;
- 12 (2) increasing timber production;
- 13 (3) expanding genetic research; and
- 14 (4) addressing invasive and endangered species.

15 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
16 authorized to be appropriated to carry out this section
17 \$10,000,000 for each of fiscal years 2002 through 2011.

18 **Subtitle B—Modifications**

19 **SEC. 741. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**
20 **ACT OF 1994.**

21 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
22 534(a)(1)(A) of the Equity in Educational Land-Grant
23 Status Act of 1994 (7 U.S.C. 301 note) is amended by
24 striking “\$50,000” and inserting “\$100,000”.

25 (b) WITHDRAWALS AND EXPENDITURES.—Section
26 533(c)(4)(A) of such Act is amended by striking “section

1 390(3)” and all that follows through “1998)” and insert-
2 ing “section 2(a)(7) of the Tribally Controlled College or
3 University Assistance Act of 1978)”.

4 (c) ACCREDITATION.—Section 533(a)(3) of such Act
5 is amended by striking “under sections 534 and 535” and
6 inserting “under sections 534, 535, and 536”.

7 (d) 1994 INSTITUTIONS.—Section 532 of such Act is
8 amended by striking paragraphs (1) through (30) and in-
9 serting the following:

10 “(1) Bay Mills Community College.

11 “(2) Blackfeet Community College.

12 “(3) Cankdeska Cikana Community College.

13 “(4) College of Menominee Nation.

14 “(5) Crownpoint Institute of Technology.

15 “(6) D–Q University.

16 “(7) Diné College.

17 “(8) Dull Knife Memorial College.

18 “(9) Fond du Lac Tribal and Community Col-
19 lege.

20 “(10) Fort Belknap College.

21 “(11) Fort Berthold Community College.

22 “(12) Fort Peck Community College.

23 “(13) Haskell Indian Nations University.

24 “(14) Institute of American Indian and Alaska
25 Native Culture and Arts Development.

1 “(15) Lac Courte Oreilles Ojibwa Community
2 College.

3 “(16) Leech Lake Tribal College.

4 “(17) Little Big Horn College.

5 “(18) Little Priest Tribal College.

6 “(19) Nebraska Indian Community College.

7 “(20) Northwest Indian College.

8 “(21) Oglala Lakota College.

9 “(22) Salish Kootenai College.

10 “(23) Sinte Gleska University.

11 “(24) Sisseton Wahpeton Community College.

12 “(25) Si Tanka/Huron University.

13 “(26) Sitting Bull College.

14 “(27) Southwestern Indian Polytechnic Insti-
15 tute.

16 “(28) Stone Child College.

17 “(29) Turtle Mountain Community College.

18 “(30) United Tribes Technical College.”.

19 **SEC. 742. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
20 **SION, AND TEACHING POLICY ACT OF 1977.**

21 Section 1404(4) of the National Agricultural Re-
22 search, Extension, and Teaching Policy Act of 1977 (7
23 U.S.C. 3103(4)) is amended—

24 (1) by striking the period at the end of sub-
25 paragraph (E) and inserting “, or”; and

1 (2) by adding at the end the following: “(F) is
2 one of the 1994 Institutions (as defined in section
3 532 of the Equity in Educational Land-Grant Sta-
4 tus Act of 1994).”.

5 **SEC. 743. AGRICULTURAL RESEARCH, EXTENSION, AND**
6 **EDUCATION REFORM ACT OF 1998.**

7 (a) **PRIORITY MISSION AREAS.**—Section 401(c)(2) of
8 the Agricultural Research, Extension, and Education Re-
9 form Act of 1998 (7 U.S.C. 7621(c)(2)) is amended—

10 (1) by striking “and” at the end of subpara-
11 graph (E);

12 (2) by striking the period at the end of sub-
13 paragraph (F) and inserting “; and”; and

14 (3) by adding at the end the following new sub-
15 paragraph:

16 “(G) alternative fuels and renewable en-
17 ergy sources.”.

18 (b) **PRECISION AGRICULTURE.**—Section 403 of the
19 Agricultural Research, Extension, and Education Reform
20 Act of 1998 (7 U.S.C. 7623) is amended—

21 (1) in subsection (a)(5)(F), by inserting “(in-
22 cluding improved use of energy inputs)” after “farm
23 production efficiencies”; and

24 (2) in subsection (d)—

1 (A) by redesignating paragraphs (4) and
2 (5) as paragraphs (5) and (6), respectively; and

3 (B) by inserting after paragraph (3) the
4 following new paragraph:

5 “(4) Improve on farm energy use efficiencies.”.

6 (c) THOMAS JEFFERSON INITIATIVE FOR CROP DI-
7 VERSIFICATION.—Section 405(a) of the Agricultural Re-
8 search, Extension, and Education Reform Act of 1998 (7
9 U.S.C. 7625(a)) is amended by striking “and marketing”
10 and inserting “, marketing, and efficient use”.

11 (d) COORDINATED PROGRAM OF RESEARCH, EXTEN-
12 SION, AND EDUCATION TO IMPROVE VIABILITY OF
13 SMALL- AND MEDIUM-SIZE DAIRY, LIVESTOCK, AND
14 POULTRY OPERATIONS.—Section 407(b)(3) of the Agri-
15 cultural Research, Extension, and Education Reform Act
16 of 1998 (7 U.S.C. 7627(b)(3)) is amended by inserting
17 “(including improved use of energy inputs)” after “poultry
18 systems that increase efficiencies”.

19 (e) SUPPORT FOR RESEARCH REGARDING DISEASES
20 OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSAR-
21 IUM GRAMINEARUM OR BY TILLETIA INDICA.—

22 (1) RESEARCH GRANT AUTHORIZED.—Section
23 408(a) of the Agricultural Research, Extension, and
24 Education Reform Act of 1998 (7 U.S.C. 7628(a))
25 is amended to read as follows:

1 “(a) RESEARCH GRANT AUTHORIZED.—The Sec-
2 retary of Agriculture may make grants to consortia of
3 land-grant colleges and universities to enhance the ability
4 of the consortia to carry out multi-State research projects
5 aimed at understanding and combating diseases of wheat,
6 triticale, and barley caused by *Fusarium graminearum*
7 and related fungi (referred to in this section as ‘wheat
8 scab’) or by *Tilletia indica* and related fungi (referred to
9 in this section as ‘Karnal bunt’).”.

10 (2) RESEARCH COMPONENTS.—Section 408(b)
11 of such Act (7 U.S.C. 7628(b)) is amended—

12 (A) in paragraph (1), by inserting “or of
13 Karnal bunt,” after “epidemiology of wheat
14 scab”;

15 (B) in paragraph (1), by inserting “,
16 triticale,” after “occurring in wheat”;

17 (C) in paragraph (2), by inserting “or
18 Karnal bunt” after “wheat scab”;

19 (D) in paragraph (3)(A), by striking “and
20 barley for the presence of” and inserting “,
21 triticale, and barley for the presence of Karnal
22 bunt or of”;

23 (E) in paragraph (3)(B), by striking “and
24 barley infected with wheat scab” and inserting

1 “, triticales, and barley infected with wheat scab
2 or with Karnal bunt”;

3 (F) in paragraph (3)(C), by inserting
4 “wheat scab” after “to render”;

5 (G) in paragraph (4), by striking “and
6 barley to wheat scab” and inserting “, triticales,
7 and barley to wheat scab and to Karnal bunt”;
8 and

9 (H) in paragraph (5)—

10 (i) by inserting “and Karnal bunt”
11 after “wheat scab”; and

12 (ii) by inserting “, triticales,” after
13 “resistant wheat”.

14 (3) COMMUNICATIONS NETWORKS.—Section
15 408(c) of such Act (7 U.S.C. 7628(c)) is amended
16 by inserting “or Karnal bunt” after “wheat scab”.

17 (4) TECHNICAL AMENDMENTS.—(A) The sec-
18 tion heading for section 408 of such Act is amended
19 by striking “**AND BARLEY CAUSED BY FUSARIUM**
20 **GRAMINEARUM**” and inserting “, **TRITICALE,**
21 **AND BARLEY CAUSED BY FUSARIUM**
22 **GRAMINEARUM OR BY TILLETIA INDICA**”.

23 (B) The table of sections for such Act is
24 amended by striking “and barley caused by fusarium
25 graminearum” in the item relating to section 408

1 and inserting “, triticale, and barley caused by *Fu-*
2 *sarium graminearum* or by *Tilletia indica*”.

3 (f) PROGRAM TO CONTROL JOHNE’S DISEASE.—

4 Title IV of the Agricultural Research, Extension, and
5 Education Reform Act of 1998 (7 U.S.C. 7621 et seq.)

6 is amended by adding at the end the following new section:

7 **“SEC. 409. BOVINE JOHNE’S DISEASE CONTROL PROGRAM.**

8 “(a) ESTABLISHMENT.—The Secretary of Agri-
9 culture, in coordination with State veterinarians and other
10 appropriate State animal health professionals, may estab-
11 lish a program to conduct research, testing, and evaluation
12 of programs for the control and management of Johne’s
13 disease in livestock.

14 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
15 is authorized to be appropriated to the Secretary such
16 sums as may be necessary to carry out this section for
17 each of fiscal years 2003 through 2011.”.

18 **SEC. 744. FOOD, AGRICULTURE, CONSERVATION, AND**

19 **TRADE ACT OF 1990.**

20 (a) AGRICULTURAL GENOME INITIATIVE.—Section
21 1671(b) of the Food, Agriculture, Conservation, and
22 Trade Act of 1990 (7 U.S.C. 5924(b)) is amended—

23 (1) in paragraph (3), by inserting “pathogens
24 and” before “diseases causing economic hardship”;

1 (2) in paragraph (6), by striking “and” at the
2 end;

3 (3) by redesignating paragraph (7) as para-
4 graph (8); and

5 (4) by inserting after paragraph (6) the fol-
6 lowing new paragraph:

7 “(7) reducing the economic impact of plant
8 pathogens on commercially important crop plants;
9 and”.

10 (b) HIGH-PRIORITY RESEARCH AND EXTENSION INI-
11 TIATIVES.—Section 1672(e) of the Food, Agriculture,
12 Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is
13 amended by adding at the end the following new para-
14 graphs:

15 “(25) RESEARCH TO PROTECT THE UNITED
16 STATES FOOD SUPPLY AND AGRICULTURE FROM
17 BIOTERRORISM.—Research grants may be made
18 under this section for the purpose of developing
19 technologies, which support the capability to deal
20 with the threat of agricultural bioterrorism.

21 “(26) WIND EROSION RESEARCH AND EXTEN-
22 SION.—Research and extension grants may be made
23 under this section for the purpose of validating wind
24 erosion models.

1 “(27) CROP LOSS RESEARCH AND EXTEN-
2 SION.—Research and extension grants may be made
3 under this section for the purpose of validating crop
4 loss models.

5 “(28) LAND USE MANAGEMENT RESEARCH AND
6 EXTENSION.—Research and extension grants may be
7 made under this section for the purposes of evalu-
8 ating the environmental benefits of land use man-
9 agement tools such as those provided in the Farm-
10 land Protection Program.

11 “(29) WATER AND AIR QUALITY RESEARCH
12 AND EXTENSION.—Research and extension grants
13 may be made under this section for the purpose of
14 better understanding agricultural impacts to air and
15 water quality and means to address them.

16 “(30) REVENUE AND INSURANCE TOOLS RE-
17 SEARCH AND EXTENSION.—Research and extension
18 grants may be made under this section for the pur-
19 poses of better understanding the impact of revenue
20 and insurance tools on farm income.

21 “(31) AGROTOURISM RESEARCH AND EXTEN-
22 SION.—Research and extension grants may be made
23 under this section for the purpose of better under-
24 standing the economic, environmental, and food sys-
25 tems impacts on agrotourism.

1 “(32) HARVESTING PRODUCTIVITY FOR FRUITS
2 AND VEGETABLES.—Research and extension grants
3 may be made under this section for the purpose of
4 improving harvesting productivity for fruits and
5 vegetables (including citrus), including the develop-
6 ment of mechanical harvesting technologies and ef-
7 fective, economical, and safe abscission compounds.

8 “(33) NITROGEN-FIXATION BY PLANTS.—Re-
9 search and extension grants may be made under this
10 section for the purpose of enhancing the nitrogen-
11 fixing ability and efficiency of legumes, developing
12 new varieties of legumes that fix nitrogen more effi-
13 ciently, and developing new varieties of other com-
14 mercially important crops that potentially are able to
15 fix nitrogen.

16 “(34) AGRICULTURAL MARKETING.—Extension
17 grants may be made under this section for the pur-
18 pose of providing education materials, information,
19 and outreach programs regarding commodity and
20 livestock marketing strategies for agricultural pro-
21 ducers and for cooperatives and other marketers of
22 any agricultural commodity, including livestock.

23 “(35) ENVIRONMENT AND PRIVATE LANDS RE-
24 SEARCH AND EXTENSION.—Research and extension
25 grants may be made under this section for the pur-

1 pose of researching the use of computer models to
2 aid in assessment of best management practices on
3 a watershed basis, working with government, indus-
4 try, and private landowners to help craft industry-
5 led solutions to identified environmental issues, re-
6 searching and monitoring water, air, or soil environ-
7 mental quality to aid in the development of new ap-
8 proaches to local environmental concerns, and work-
9 ing with local, State, and federal officials to help
10 craft effective environmental solutions that respect
11 private property rights and agricultural production
12 realities.

13 “(36) LIVESTOCK DISEASE RESEARCH AND EX-
14 TENSION.—Research and extension grants may be
15 made under this section for the purpose of identi-
16 fying possible livestock disease threats, educating the
17 public regarding livestock disease threats, training
18 persons to deal with such threats, and conducting
19 related research.

20 “(37) PLANT GENE EXPRESSION.—Research
21 and development grants may be made under this
22 section for the purpose of plant gene expression re-
23 search to accelerate the application of basic plant
24 genomic science to the development and testing of
25 new varieties of enhanced food crops, crops that can

1 be used as renewable energy sources, and other al-
 2 ternative uses of agricultural crops.”.

3 **SEC. 745. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
 4 **SION, AND TEACHING POLICY ACT OF 1977.**

5 (a) NATIONAL AGRICULTURAL RESEARCH, EXTEN-
 6 SION, EDUCATION, AND ECONOMIC ADVISORY BOARD.—
 7 Section 1408 of the National Agricultural Research, Ex-
 8 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3123)
 9 is amended—

10 (1) in subsection (b)(3)—

11 (A) by redesignating subparagraphs (R)
 12 through (DD) as subparagraphs (S) through
 13 (EE), respectively; and

14 (B) by inserting after subparagraph (Q)
 15 the following new subparagraph:

16 “(R) 1 member representing a nonland
 17 grant college or university with a historic com-
 18 mitment to research in the food and agricul-
 19 tural sciences.”;

20 (2) in subsection (c)(1), by striking “and land-
 21 grant colleges and universities” and inserting “,
 22 land-grant colleges and universities, and the Com-
 23 mittee on Agriculture of the House of Representa-
 24 tives, the Committee on Agriculture, Nutrition, and
 25 Forestry of the Senate, the Subcommittee on Agri-

1 culture, Rural Development, Food and Drug Admin-
2 istration and Related Agencies of the Committee on
3 Appropriations of the House of Representatives, and
4 the Subcommittee on Agriculture, Rural Develop-
5 ment and Related Agencies of the Committee on Ap-
6 propriations of the Senate”;

7 (3) in subsection (d)(1), inserting “consult with
8 any appropriate agencies of the Department of Agri-
9 culture and” after “the Advisory Board shall”; and

10 (4) in subsection (b)(1), by striking “30 mem-
11 bers” and inserting “31 members”.

12 (b) GRANTS FOR RESEARCH ON PRODUCTION AND
13 MARKETING OF ALCOHOLS AND INDUSTRIAL HYDRO-
14 CARBONS FROM AGRICULTURAL COMMODITIES AND FOR-
15 EST PRODUCTS.—Section 1419 of the National Agricul-
16 tural Research, Extension, and Teaching Policy Act of
17 1977 (7 U.S.C. 3154) is amended—

18 (1) in subsection (a)(2), by inserting “and ani-
19 mal fats and oils” after “industrial oilseed crops”;
20 and

21 (2) in subsection (a)(4), by inserting “or
22 triglycerides” after “other industrial hydrocarbons”.

23 (c) FAS OVERSEAS INTERN PROGRAM.—Section
24 1458(a) of the National Agricultural Research, Extension,

1 and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is
2 amended—

3 (1) by striking “and” at the end of paragraph
4 (8);

5 (2) by striking the period at the end of para-
6 graph (9) and inserting “; and”; and

7 (3) by adding at the end the following new
8 paragraph:

9 “(10) establish a program, to be coordinated by
10 the Cooperative State Research, Education, and Ex-
11 tension Service and the Foreign Agricultural Service,
12 to place interns from United States colleges and uni-
13 versities at Foreign Agricultural Service field offices
14 overseas.”.

15 **SEC. 746. BIOMASS RESEARCH AND DEVELOPMENT.**

16 Title III of the Agricultural Risk Protection Act of
17 2000 (7 U.S.C. 7624 note) is amended—

18 (1) in section 302(3), by inserting “or bio-
19 diesel” after “such as ethanol”;

20 (2) in section 303(3), by inserting “animal by-
21 products,” after “fibers,”; and

22 (3) in section 306(b)(1)—

23 (A) by redesignating subparagraphs (E)
24 through (J) as subparagraphs (F) through (K),
25 respectively; and

1 (B) by inserting after subparagraph (D)
2 the following new subparagraph:

3 “(E) an individual affiliated with a live-
4 stock trade association;”.

5 **SEC. 747. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.**

6 Section 1668 of the Food, Agriculture, Conservation,
7 and Trade Act of 1990 (7 U.S.C. 5921) is amended to
8 read as follows:

9 **“SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RE-
10 SEARCH.**

11 “(a) PURPOSE.—It is the purpose of this section—

12 “(1) to authorize and support environmental as-
13 sessment research to help identify and analyze envi-
14 ronmental effects of biotechnology; and

15 “(2) to authorize research to help regulators de-
16 velop long-term policies concerning the introduction
17 of such technology.

18 “(b) GRANT PROGRAM.—The Secretary of Agri-
19 culture shall establish a grant program within the Cooper-
20 ative State Research, Education, and Extension Service
21 and the Agricultural Research Service to provide the nec-
22 essary funding for environmental assessment research
23 concerning the introduction of genetically engineered
24 plants and animals into the environment.

1 “(c) TYPES OF RESEARCH.—Types of research for
2 which grants may be made under this section shall include
3 the following:

4 “(1) Research designed to identify and develop
5 appropriate management practices to minimize phys-
6 ical and biological risks associated with genetically
7 engineered animals and plants once they are intro-
8 duced into the environment.

9 “(2) Research designed to develop methods to
10 monitor the dispersal of genetically engineered ani-
11 mals and plants.

12 “(3) Research designed to further existing
13 knowledge with respect to the characteristics, rates
14 and methods of gene transfer that may occur be-
15 tween genetically engineered plants and animals and
16 related wild and agricultural organisms.

17 “(4) Environmental assessment research de-
18 signed to provide analysis, which compares the rel-
19 ative impacts of plants and animals modified
20 through genetic engineering to other types of pro-
21 duction systems.

22 “(5) Other areas of research designed to fur-
23 ther the purposes of this section.

24 “(d) ELIGIBILITY REQUIREMENTS.—Grants under
25 this section shall be—

1 “(1) made on the basis of the quality of the
2 proposed research project; and

3 “(2) available to any public or private research
4 or educational institution or organization.

5 “(e) CONSULTATION.—In considering specific areas
6 of research for funding under this section, the Secretary
7 of Agriculture shall consult with the Administrator of the
8 Animal and Plant Health Inspection Service and the Na-
9 tional Agricultural Research, Extension, Education, and
10 Economics Advisory Board.

11 “(f) PROGRAM COORDINATION.—The Secretary of
12 Agriculture shall coordinate research funded under this
13 section with the Office of Research and Development of
14 the Environmental Protection Agency in order to avoid du-
15 plication of research activities.

16 “(g) AUTHORIZATION OF APPROPRIATIONS.—

17 “(1) IN GENERAL.—There are authorized to be
18 appropriated such sums as necessary to carry out
19 this section.

20 “(2) WITHHOLDINGS FROM BIOTECHNOLOGY
21 OUTLAYS.—The Secretary of Agriculture shall with-
22 hold from outlays of the Department of Agriculture
23 for research on biotechnology, as defined and deter-
24 mined by the Secretary, at least 3 percent of such
25 amount for the purpose of making grants under this

1 section for research on biotechnology risk assess-
2 ment. Except that, funding from this authorization
3 should be collected and applied to the maximum ex-
4 tent practicable to risk assessment research on all
5 categories identified as biotechnology by the Sec-
6 retary.”.

7 **SEC. 748. COMPETITIVE, SPECIAL, AND FACILITIES RE-**
8 **SEARCH GRANTS.**

9 Section 2(a) of the Competitive, Special, and Facili-
10 ties Research Grant Act (7 U.S.C. 450i(a)) is amended
11 by adding at the end the following new paragraph:

12 “(3) DETERMINATION OF HIGH PRIORITY RE-
13 SEARCH.—Research priorities shall be determined by
14 the Secretary on an annual basis, taking into ac-
15 count input as gathered by the Secretary through
16 the National Agricultural Research, Extension, Edu-
17 cation, and Economics Advisory Board.”.

18 **SEC. 749. MATCHING FUNDS REQUIREMENT FOR RE-**
19 **SEARCH AND EXTENSION ACTIVITIES OF 1890**
20 **INSTITUTIONS.**

21 Section 1449 of the National Agricultural Research,
22 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
23 3222d) is amended—

24 (1) by amending subsection (c) to read as fol-
25 lows:

1 “(c) MATCHING FORMULA.—For each of fiscal years
 2 2003 through 2011, the State shall provide matching
 3 funds from non-Federal sources. Such matching funds
 4 shall be for an amount equal to not less than 60 percent
 5 of the formula funds to be distributed to the eligible insti-
 6 tution, and shall increase by 10 percent each fiscal year
 7 thereafter until fiscal year 2007.”; and

8 (2) by amending subsection (d) to read as fol-
 9 lows:

10 “(d) WAIVER AUTHORITY.—Notwithstanding sub-
 11 section (f), the Secretary may waive the matching funds
 12 requirement under subsection (c) above the 50 percent
 13 level for fiscal years 2003 through 2011 for an eligible
 14 institution of a State if the Secretary determines that the
 15 State will be unlikely to satisfy the matching require-
 16 ment.”.

17 **SEC. 749A. MATCHING FUNDS REQUIREMENT FOR RE-**
 18 **SEARCH AND EXTENSION ACTIVITIES FOR**
 19 **THE UNITED STATES TERRITORIES.**

20 (a) RESEARCH MATCHING REQUIREMENT.—Section
 21 3(d)(4) of the Hatch Act of 1887 (7 U.S.C. 361e(d)(4))
 22 is amended by striking “the same matching funds” and
 23 all that follows through the end of the sentence and insert-
 24 ing “matching funds requirements from non-Federal
 25 sources for fiscal years 2003 through 2011 in an amount

1 equal to not less than 50 percent of the formula funds
2 to be distributed to the Territory. The Secretary may
3 waive the matching funds requirements for a Territory for
4 any of the fiscal years 2003 through 2011 if the Secretary
5 determines that the Territory will be unlikely to satisfy
6 the matching funds requirement for that fiscal year.”.

7 (b) EXTENSION MATCHING REQUIREMENT.—Section
8 3(e)(4) of the Smith-Lever Act (7 U.S.C. 343(e)(4)) is
9 amended by striking “the same matching funds” and all
10 that follows through the end of the sentence and inserting
11 “matching funds requirements from non-Federal sources
12 for fiscal years 2003 through 2011 in an amount equal
13 to not less than 50 percent of the formula funds to be
14 distributed to the Territory. The Secretary may waive the
15 matching funds requirements for a Territory for any of
16 the fiscal years 2003 through 2011 if the Secretary deter-
17 mines that the Territory will be unlikely to satisfy the
18 matching funds requirement for that fiscal year.”.

19 **SEC. 750. INITIATIVE FOR FUTURE AGRICULTURE AND**
20 **FOOD SYSTEMS.**

21 (a) FUNDING.—Section 401(b)(1) of the Agricultural
22 Research, Extension, and Education Reform Act of 1998
23 (7 U.S.C. 7621(b)(1)) is amended to read as follows:

24 “(1) IN GENERAL.—

1 “(A) TOTAL AMOUNT TO BE TRANS-
2 FERRED.—On October 1, 2003, and each Octo-
3 ber 1 thereafter through September 30, 2011,
4 the Secretary of Agriculture shall deposit funds
5 of the Commodity Credit Corporation into the
6 Account. The total amount of Commodity Cred-
7 it Corporation funds deposited into the Account
8 under this subparagraph shall equal
9 \$1,160,000,000.

10 “(B) EQUAL AMOUNTS.—To the maximum
11 extent practicable, the amounts deposited into
12 the Account pursuant to subparagraph (A) shall
13 be deposited in equal amounts for each fiscal
14 year.

15 “(C) AVAILABILITY OF FUNDS.—Amounts
16 deposited into the Account pursuant to sub-
17 paragraph (A) shall remain available until ex-
18 pended.”.

19 (b) AVAILABILITY OF FUNDS.—Section 401(f)(6) of
20 the Agricultural Research, Extension, and Education Re-
21 form Act of 1998 (7 U.S.C. 7621(f)(6)) is amended to
22 read as follows:

23 “(6) AVAILABILITY OF FUNDS.—Funds made
24 available under this section to the Secretary prior to

1 National Agricultural Research, Extension, and
2 Teaching Policy Act of 1977 (7 U.S.C. 3103(8)).”.

3 **SEC. 753. FEDERAL EXTENSION SERVICE.**

4 Section 3(b)(3) of the Smith-Lever Act (7 U.S.C.
5 343(b)(3)) is amended by striking “\$5,000,000” and in-
6 serting “such sums as are necessary”.

7 **SEC. 754. POLICY RESEARCH CENTERS.**

8 Section 1419A(c)(3) of the National Agricultural Re-
9 search, Extension, and Teaching Policy Act of 1977 (7
10 U.S.C. 3155(c)(3)) is amended by striking “collect and
11 analyze data” and inserting “collect, analyze, and dissemi-
12 nate data”.

13 **Subtitle C—Related Matters**

14 **SEC. 761. RESIDENT INSTRUCTION AT LAND-GRANT COL-
15 LEGES IN UNITED STATES TERRITORIES.**

16 (a) PURPOSE.—It is the purpose of this section to
17 promote and strengthen higher education in the food and
18 agricultural sciences at agricultural and mechanical col-
19 leges located in the Commonwealth of Puerto Rico, the
20 Virgin Islands of the United States, Guam, American
21 Samoa, the Commonwealth of the Northern Mariana Is-
22 lands, the Federated States of Micronesia, the Republic
23 of the Marshall Islands, or the Republic of Palau (herein-
24 after referred to in this section as “eligible institutions”)
25 by formulating and administering programs to enhance

1 teaching programs in agriculture, natural resources, for-
2 estry, veterinary medicine, home economics, and dis-
3 ciplines closely allied to the food and agriculture produc-
4 tion and delivery system.

5 (b) GRANTS.—The Secretary of Agriculture shall
6 make competitive grants to those eligible institutions hav-
7 ing a demonstrable capacity to carry out the teaching of
8 food and agricultural sciences.

9 (c) USE OF GRANT FUNDS.—Grants made under
10 subsection (b) shall be used to—

11 (1) strengthen institutional educational capac-
12 ities, including libraries, curriculum, faculty, sci-
13 entific instrumentation, instruction delivery systems,
14 and student recruitment and retention, in order to
15 respond to identified State, regional, national, or
16 international education needs in the food and agri-
17 cultural sciences;

18 (2) attract and support undergraduate and
19 graduate students in order to educate them in iden-
20 tified areas of national need to the food and agri-
21 culture sciences;

22 (3) facilitate cooperative initiatives between two
23 or more eligible institutions or between eligible insti-
24 tutions and units of State Government, organiza-
25 tional in the private sector, to maximize the develop-

1 ment and use of resources such as faculty, facilities,
2 and equipment to improve food and agricultural
3 sciences teaching programs; and

4 (4) conduct undergraduate scholarship pro-
5 grams to assist in meeting national needs for train-
6 ing food and agricultural scientists.

7 (d) GRANT REQUIREMENTS.—

8 (1) The Secretary of Agriculture shall ensure
9 that each eligible institution, prior to receiving grant
10 funds under subsection (b), shall have a significant
11 demonstrable commitment to higher education pro-
12 grams in the food and agricultural sciences and to
13 each specific subject area for which grant funds
14 under this subsection are to be used.

15 (2) The Secretary of Agriculture may require
16 that any grant awarded under this section contain
17 provisions that require funds to be targeted to meet
18 the needs identified in section 1402 of the National
19 Agriculture Research, Extension, and Teaching Pol-
20 icy Act of 1977.

21 (e) AUTHORIZATION OF APPROPRIATIONS.—There
22 are authorized to be appropriated such sums as are nec-
23 essary for each of the fiscal years 2002 through 2011 to
24 carry out this section.

1 **SEC. 762. DECLARATION OF EXTRAORDINARY EMERGENCY**
2 **AND RESULTING AUTHORITIES.**

3 (a) REVIEW OF PAYMENT OF COMPENSATION.—Sec-
4 tion 415(e) of the Plant Protection Act (7 U.S.C. 7715(e))
5 is amended by inserting before the final period the fol-
6 lowing: “or review by any officer of the Government other
7 than the Secretary or the designee of the Secretary”.

8 (b) REVIEW OF CERTAIN DECISIONS.—

9 (1) PLANT PROTECTION ACT.—Section 442 of
10 the Plant Protection Act (7 U.S.C. 7772) is amend-
11 ed by adding at the end following new subsection:

12 “(f) SECRETARIAL DISCRETION.—The action of any
13 officer, employee, or agent of the Secretary in carrying
14 out this section, including determining the amount of and
15 making any payment authorized to be made under this
16 section, shall not be subject to review by any officer of
17 the Government other than the Secretary or the designee
18 of the Secretary.”.

19 (2) OTHER PLANT AND ANIMAL PEST AND DIS-
20 EASE LAWS.—Section 11 of the Act of May 29, 1884
21 (21 U.S.C. 114a; commonly known as the “Animal
22 Industry Act”) and the first section of the Act of
23 September 25, 1981 (7 U.S.C. 147b), are each
24 amended by adding at the end the following new
25 sentence: “The action of any officer, employee, or
26 agent of the Secretary in carrying out this section,

1 including determining the amount of and making
2 any payment authorized to be made under this sec-
3 tion, shall not be subject to review by any officer of
4 the Government other than the Secretary or the des-
5 ignee of the Secretary.”.

6 (c) METHYL BROMIDE.—The Plant Protection Act (7
7 U.S.C. 7701 et seq.) is amended by inserting after section
8 418 the following new section:

9 **“SEC. 419. METHYL BROMIDE.**

10 “(a) IN GENERAL.—The Secretary, upon request of
11 State, local, or tribal authorities, shall determine whether
12 methyl bromide treatments or applications required by
13 State, local, or tribal authorities to prevent the introduc-
14 tion, establishment, or spread of plant pests (including
15 diseases) or noxious weeds should be authorized as an offi-
16 cial control or official requirement.

17 “(b) ADMINISTRATION.—

18 “(1) TIMELINE FOR DETERMINATION.—The
19 Secretary shall make the determination required by
20 subsection (a) not later than 90 days after receiving
21 the request for such a determination.

22 “(2) REGULATIONS.—The promulgation of reg-
23 ulations for and the administration of this section
24 shall be made without regard to—

1 (b) PARTNERSHIPS.—(1) In order to be eligible to re-
2 ceive a grant under this section, the grantee must be a
3 participating institution of higher education, a nonprofit
4 organization, or consortium of for profit institutions with
5 in-country agricultural research institutions.

6 (2) A participating institution of higher education
7 shall be an historically black or land-grant college or uni-
8 versity, an Hispanic serving institution, or a tribal college
9 or university that has agriculture or the biosciences in its
10 curricula.

11 (c) COMPETITIVE AWARD.—Grants shall be awarded
12 under this section on a merit-reviewed competitive basis.

13 (d) USE OF FUNDS.—The activities for which the
14 grant funds may be expended include the following:

15 (1) Enhancing the nutritional content of agri-
16 cultural products that can be grown in the devel-
17 oping world to address malnutrition through bio-
18 technology.

19 (2) Increasing the yield and safety of agricul-
20 tural products that can be grown in the developing
21 world through biotechnology.

22 (3) Increasing through biotechnology the yield
23 of agricultural products that can be grown in the de-
24 veloping world that are drought and stress-resistant.

1 (4) Extending the growing range of crops that
2 can be grown in the developing world through bio-
3 technology.

4 (5) Enhancing the shelf-life of fruits and vege-
5 tables grown in the developing world through bio-
6 technology.

7 (6) Developing environmentally sustainable ag-
8 ricultural products through biotechnology.

9 (7) Developing vaccines to immunize against
10 life-threatening illnesses and other medications that
11 can be administered by consuming genetically engi-
12 neered agricultural products.

13 (e) FUNDING SOURCE.—Of the funds deposited in
14 the Treasury account known as the Initiative for Future
15 Agriculture and Food Systems on October 1, 2003, and
16 each October 1 thereafter through October 1, 2007, the
17 Secretary of Agriculture shall use \$5,000,000 during each
18 of fiscal years 2004 through 2008 to carry out this sec-
19 tion.

20 **Subtitle D—Repeal of Certain**
21 **Activities and Authorities**

22 **SEC. 771. FOOD SAFETY RESEARCH INFORMATION OFFICE**
23 **AND NATIONAL CONFERENCE.**

24 (a) REPEAL.—Subsections (b) and (c) of section 615
25 of the Agricultural Research, Extension, and Education

1 Reform Act of 1998 (7 U.S.C. 7654(b) and (c)) are re-
2 pealed.

3 (b) CONFORMING AMENDMENTS.—

4 (1) GENERALLY.—Section 615 of such Act is
5 amended—

6 (A) in the section heading, by striking
7 “**AND NATIONAL CONFERENCE**”;

8 (B) by striking “(a) FOOD SAFETY RE-
9 SEARCH INFORMATION OFFICE.—”;

10 (C) by redesignating paragraphs (1), (2),
11 and (3) as subsections (a), (b), and (c), respec-
12 tively, and moving the margins 2 ems to the
13 left;

14 (D) in subsection (b) (as so redesignated),
15 by redesignating subparagraphs (A) and (B) as
16 paragraphs (1) and (2), respectively, and mov-
17 ing the margins 2 ems to the left; and

18 (E) in subsection (c) (as so redesignated),
19 by striking “this subsection” and inserting
20 “this section”.

21 (2) TABLE OF SECTIONS.—The table of sections
22 for such Act is amended by striking “and National
23 Conference” in the item relating to section 615.

1 **SEC. 772. REIMBURSEMENT OF EXPENSES UNDER SHEEP**
2 **PROMOTION, RESEARCH, AND INFORMATION**
3 **ACT OF 1994.**

4 Section 617 of the Agricultural Research, Extension,
5 and Education Reform Act of 1998 (Public Law 105–185;
6 112 Stat. 607) is repealed.

7 **SEC. 773. NATIONAL GENETIC RESOURCES PROGRAM.**

8 Section 1634 of the Food, Agriculture, Conservation,
9 and Trade Act of 1990 (7 U.S.C. 5843) is repealed.

10 **SEC. 774. NATIONAL ADVISORY BOARD ON AGRICULTURAL**
11 **WEATHER.**

12 (a) REPEAL.—Section 1639 of the Food, Agriculture,
13 Conservation, and Trade Act of 1990 (7 U.S.C. 5853) is
14 repealed.

15 (b) CONFORMING AMENDMENT.—Section 1640(b) of
16 the Food, Agriculture, Conservation, and Trade Act of
17 1990 (7 U.S.C. 5854(b)) is amended by striking “take
18 into” and all that follows through “Weather and”.

19 **SEC. 775. AGRICULTURAL INFORMATION EXCHANGE WITH**
20 **IRELAND.**

21 Section 1420 of the National Agricultural Research,
22 Extension and Teaching Policy Act Amendments of 1985
23 (Public Law 99–198; 99 Stat. 1551) is repealed.

1 **SEC. 776. PESTICIDE RESISTANCE STUDY.**

2 Section 1437 of the National Agricultural Research,
3 Extension, and Teaching Policy Act Amendments of 1985
4 (Public Law 99–198; 99 Stat. 1558) is repealed.

5 **SEC. 777. EXPANSION OF EDUCATION STUDY.**

6 Section 1438 of the National Agricultural Research,
7 Extension, and Teaching Policy Act Amendments of 1985
8 (Public Law 99–198; 99 Stat. 1559) is repealed.

9 **SEC. 778. SUPPORT FOR ADVISORY BOARD.**

10 (a) REPEAL.—Section 1412 of the National Agricul-
11 tural Research, Extension, and Teaching Policy Act of
12 1977 (7 U.S.C. 3127) is repealed.

13 (b) CONFORMING AMENDMENT.—Section 1413(c) of
14 such Act (7 U.S.C. 3128(c)) is amended by striking “sec-
15 tion 1412 of this title and”.

16 **SEC. 779. TASK FORCE ON 10-YEAR STRATEGIC PLAN FOR**
17 **AGRICULTURAL RESEARCH FACILITIES.**

18 (a) REPEAL.—Section 4 of the Research Facilities
19 Act (7 U.S.C. 390b) is repealed.

20 (b) CONFORMING AMENDMENT.—Section 2 of such
21 Act (7 U.S.C. 390) is amended by striking paragraph (5).

1 **Subtitle E—Agriculture Facility**
2 **Protection**

3 **SEC. 790. ADDITIONAL PROTECTIONS FOR ANIMAL OR AG-**
4 **RICULTURAL ENTERPRISES, RESEARCH FA-**
5 **CILITIES, AND OTHER ENTITIES.**

6 (a) DEFINITIONS.—The Research Facilities Act (7
7 U.S.C. 390 et seq.) is amended—

8 (1) by redesignating section 6 as section 7; and

9 (2) by inserting after section 5 the following

10 new section:

11 **“SEC. 6. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRI-**
12 **CULTURAL ENTERPRISES, RESEARCH FACILI-**
13 **TIES, AND OTHER ENTITIES AGAINST DISRUP-**
14 **TION.**

15 “(a) DEFINITIONS.—For the purposes of this section,
16 the following definitions apply:

17 “(1) ANIMAL OR AGRICULTURAL ENTER-
18 PRISE.—The term ‘animal or agricultural enterprise’
19 means any of the following:

20 “(A) A commercial, governmental, or aca-
21 demic enterprise that uses animals, plants, or
22 other biological materials for food or fiber pro-
23 duction, breeding, processing, research, or test-
24 ing.

1 “(B) A zoo, aquarium, circus, rodeo, or
2 other entity that exhibits or uses animals,
3 plants, or other biological materials for edu-
4 cational or entertainment purposes.

5 “(C) A fair or similar event intended to
6 advance agricultural arts and sciences.

7 “(D) A facility managed or occupied by an
8 association, federation, foundation, council, or
9 other group or entity of food or fiber producers,
10 processors, or agricultural or biomedical re-
11 searchers intended to advance agricultural or
12 biomedical arts and sciences.

13 “(2) ECONOMIC DAMAGE.—The term ‘economic
14 damage’ means the replacement of the following:

15 “(A) The cost of lost or damaged property
16 (including all real and personal property) of an
17 animal or agricultural enterprise.

18 “(B) The cost of repeating an interrupted
19 or invalidated experiment.

20 “(C) The loss of revenue (including costs
21 related to business recovery) directly related to
22 the disruption of an animal or agricultural en-
23 terprise.

24 “(D) The cost of the tuition and expenses
25 of any student to complete an academic pro-

1 gram that was disrupted, or to complete a re-
2 placement program, when the tuition and ex-
3 penses are incurred as a result of the damage
4 or loss of the property of an animal or agricul-
5 tural enterprise.

6 “(3) PROPERTY OF AN ANIMAL OR AGRICUL-
7 TURAL ENTERPRISE.—The term ‘property of an ani-
8 mal or agricultural enterprise’ means real and per-
9 sonal property of or used by any of the following:

10 “(A) An animal or agricultural enterprise.

11 “(B) An employee of an animal or agricul-
12 tural enterprise.

13 “(C) A student attending an academic ani-
14 mal or agricultural enterprise.

15 “(4) DISRUPTION.—The term ‘disruption’ does
16 not include any lawful disruption that results from
17 lawful public, governmental, or animal or agricul-
18 tural enterprise employee reaction to the disclosure
19 of information about an animal or agricultural en-
20 terprise.

21 “(b) VIOLATION.—A person may not recklessly,
22 knowingly, or intentionally cause, or contribute to, the dis-
23 ruption of the functioning of an animal or agricultural en-
24 terprise by damaging or causing the loss of any property

1 of the animal or agricultural enterprise that results in eco-
2 nomic damage, as determined by the Secretary.

3 “(c) ASSESSMENT OF CIVIL PENALTY.—

4 “(1) IN GENERAL.—The Secretary may impose
5 on any person that the Secretary determines violates
6 subsection (b) a civil penalty in an amount deter-
7 mined under paragraphs (2) and (3). The civil pen-
8 alty may be assessed only on the record after an op-
9 portunity for a hearing.

10 “(2) RECOVERY OF DEPARTMENT COSTS.—The
11 civil penalty assessed by the Secretary against a per-
12 son for a violation of subsection (b) shall be not less
13 than the total cost incurred by the Secretary for in-
14 vestigation of the violation, conducting any hearing
15 regarding the violation, and assessing the civil pen-
16 alty.

17 “(3) RECOVERY OF ECONOMIC DAMAGE.—In
18 addition to the amount determined under paragraph
19 (2), the amount of the civil penalty shall include an
20 amount not less than the total cost (or, in the case
21 of knowing or intentional disruption, not less than
22 150 percent of the total cost) of the economic dam-
23 age incurred by the animal or agricultural enter-
24 prise, any employee of the animal or agricultural en-
25 terprise, or any student attending an academic ani-

1 mal or agricultural enterprise as a result of the
2 damage or loss of the property of an animal or agri-
3 cultural enterprise.

4 “(d) IDENTIFICATION.—The Secretary shall identify
5 for each civil penalty assessed under subsection (c), the
6 portion of the amount of the civil penalty that represents
7 the recovery of Department costs and the portion that rep-
8 resents the recovery of economic losses.

9 “(e) OTHER FACTORS IN DETERMINING PENALTY.—
10 In determining the amount of a civil penalty under sub-
11 section (c), the Secretary shall consider the following:

12 “(1) The nature, circumstance, extent, and
13 gravity of the violation or violations.

14 “(2) The ability of the injured animal or agri-
15 cultural enterprise to continue to operate, costs in-
16 curred by the animal or agricultural enterprise to re-
17 cover lost business, and the effect of the violation on
18 earnings of employees of the animal or agricultural
19 enterprise.

20 “(3) The interruptions experienced by students
21 attending an academic animal or agricultural enter-
22 prise.

23 “(4) Whether the violator has previously vio-
24 lated subsection (a).

25 “(5) The violator’s degree of culpability.

1 “(f) FUND TO ASSIST VICTIMS OF DISRUPTION.—

2 “(1) FUND ESTABLISHED.—There is estab-
3 lished in the Treasury a fund which shall consist of
4 that portion of each civil penalty collected under
5 subsection (c) that represents the recovery of eco-
6 nomic damages.

7 “(2) USE OF AMOUNTS IN FUND.—The Sec-
8 retary of Agriculture shall use amounts in the fund
9 to compensate animal or agricultural enterprises,
10 employees of an animal or agricultural enterprise,
11 and student attending an academic animal or agri-
12 cultural enterprise for economic losses incurred as a
13 result of the disruption of the functioning of an ani-
14 mal or agricultural enterprise in violation of sub-
15 section (b).”.

16 **TITLE VIII—FORESTRY**
17 **INITIATIVES**

18 **SEC. 801. REPEAL OF FORESTRY INCENTIVES PROGRAM**

19 **AND STEWARDSHIP INCENTIVE PROGRAM.**

20 The Cooperative Forestry Assistance Act of 1978 is
21 amended by striking section 4 (16 U.S.C. 2103) and sec-
22 tion 6 (16 U.S.C. 2103b).

23 **SEC. 802. ESTABLISHMENT OF FOREST LAND ENHANCE-**

24 **MENT PROGRAM.**

25 (a) FINDINGS.—Congress finds the following:

1 (1) There is a growing dependence on private
2 nonindustrial forest lands to supply the necessary
3 market commodities and nonmarket values, such as
4 habitat for fish and wildlife, aesthetics, outdoor
5 recreation opportunities, and other forest resources,
6 required by a growing population.

7 (2) There is a strong demand for expanded as-
8 sistance programs for owners of nonindustrial pri-
9 vate forest land since the majority of the wood sup-
10 ply of the United States comes from nonindustrial
11 private forest land.

12 (3) The soil, carbon stores, water and air qual-
13 ity of the United States can be maintained and im-
14 proved through good stewardship of nonindustrial
15 private forest lands.

16 (4) The products and services resulting from
17 stewardship of nonindustrial private forest lands
18 provide income and employment that contribute to
19 the economic health and diversity of rural commu-
20 nities.

21 (5) Wildfires threaten human lives, property,
22 forests, and other resources, and Federal and State
23 cooperation in forest fire prevention and control has
24 proven effective and valuable, in that properly man-
25 aged forest stands are less susceptible to cata-

1 strophic fire, as dramatized by the catastrophic fire
2 seasons of 1998 and 2000.

3 (6) Owners of private nonindustrial forest lands
4 are being faced with increased pressure to convert
5 their forestland to development and other uses.

6 (7) Complex, long-rotation forest investments,
7 including sustainable hardwood management, are
8 often the most difficult commitment for small, non-
9 industrial private forest landowners and, thus,
10 should receive equal consideration under cost-share
11 programs.

12 (8) The investment of one Federal dollar in
13 State and private forestry programs is estimated to
14 leverage \$9 on average from State, local, and private
15 sources.

16 (b) PURPOSE.—It is the purpose of this section to
17 strengthen the commitment of the Department of Agri-
18 culture to sustainable forestry and to establish a coordi-
19 nated and cooperative Federal, State, and local sustain-
20 able forest program for the establishment, management,
21 maintenance, enhancement, and restoration of forests on
22 nonindustrial private forest lands in the United States.

23 (c) FOREST LAND ENHANCEMENT PROGRAM.—The
24 Cooperative Forestry Assistance Act of 1978 is amended

1 by inserting after section 3 (16 U.S.C. 2102) the following
2 new section 4:

3 **“SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.**

4 “(a) ESTABLISHMENT.—

5 “(1) ESTABLISHMENT; PURPOSE.—The Sec-
6 retary shall establish a Forest Land Enhancement
7 Program (in this section referred to as the ‘Pro-
8 gram’) for the purpose of providing financial, tech-
9 nical, educational, and related assistance to State
10 foresters to encourage the long-term sustainability of
11 nonindustrial private forest lands in the United
12 States by assisting the owners of such lands in more
13 actively managing their forest and related resources
14 by utilizing existing State, Federal, and private sec-
15 tor resource management expertise, financial assist-
16 ance, and educational programs.

17 “(2) ADMINISTRATION.—The Secretary shall
18 carry out the Program within, and administer the
19 Program through, the Natural Resources Conserva-
20 tion Service.

21 “(3) COORDINATION.—The Secretary shall im-
22 plement the Program in coordination with State for-
23 esters.

1 “(b) PROGRAM OBJECTIVES.—In implementing the
2 Program, the Secretary shall target resources to achieve
3 the following objectives:

4 “(1) Investment in practices to establish, re-
5 store, protect, manage, maintain, and enhance the
6 health and productivity of the nonindustrial private
7 forest lands in the United States for timber, habitat
8 for flora and fauna, water quality, and wetlands.

9 “(2) Ensuring that afforestation, reforestation,
10 improvement of poorly stocked stands, timber stand
11 improvement, practices necessary to improve seed-
12 ling growth and survival, and growth enhancement
13 practices occur where needed to enhance and sustain
14 the long-term productivity of timber and nontimber
15 forest resources to help meet future public demand
16 for all forest resources and provide environmental
17 benefits.

18 “(3) Reduce the risks and help restore, recover,
19 and mitigate the damage to forests caused by fire,
20 insects, invasive species, disease, and damaging
21 weather.

22 “(4) Increase and enhance carbon sequestration
23 opportunities.

24 “(5) Enhance implementation of agroforestry
25 practices.

1 “(6) Maintain and enhance the forest landbase
2 and leverage State and local financial and technical
3 assistance to owners that promote the same con-
4 servation and environmental values.

5 “(c) ELIGIBILITY.—

6 “(1) IN GENERAL.—An owner of nonindustrial
7 private forest land is eligible for cost-sharing assist-
8 ance under the Program if the owner—

9 “(A) agrees to develop and implement an
10 individual stewardship, forest, or stand manage-
11 ment plan addressing site specific activities and
12 practices in cooperation with, and approved by,
13 the State forester, state official, or private sec-
14 tor program in consultation with the State for-
15 ester;

16 “(B) agrees to implement approved activi-
17 ties in accordance with the plan for a period of
18 not less than 10 years, unless the State forester
19 approves a modification to such plan; and

20 “(C) meets the acreage restrictions as de-
21 termined by the State forester in conjunction
22 with the State Forest Stewardship Coordinating
23 Committee established under section 19.

24 “(2) STATE PRIORITIES.—The Secretary, in
25 consultation with the State forester and the State

1 Forest Stewardship Coordinating Committee may
2 develop State priorities for cost sharing under the
3 Program that will promote forest management objec-
4 tives in that State.

5 “(3) DEVELOPMENT OF PLAN.—An owner shall
6 be eligible for cost-share assistance for the develop-
7 ment of the individual stewardship, forest, or stand
8 management plan required by paragraph (1).

9 “(d) APPROVED ACTIVITIES.—

10 “(1) DEVELOPMENT.—The Secretary, in con-
11 sultation with the State forester and the State For-
12 est Stewardship Coordinating Committee, shall de-
13 velop a list of approved forest activities and prac-
14 tices that will be eligible for cost-share assistance
15 under the Program within each State.

16 “(2) TYPE OF ACTIVITIES.—In developing a list
17 of approved activities and practices under paragraph
18 (1), the Secretary shall attempt to achieve the estab-
19 lishment, restoration, management, maintenance,
20 and enhancement of forests and trees for the fol-
21 lowing:

22 “(A) The sustainable growth and manage-
23 ment of forests for timber production.

24 “(B) The restoration, use, and enhance-
25 ment of forest wetlands and riparian areas.

1 “(C) The protection of water quality and
2 watersheds through the application of State-de-
3 veloped forestry best management practices.

4 “(D) Energy conservation and carbon se-
5 questration purposes.

6 “(E) Habitat for flora and fauna.

7 “(F) The control, detection, and moni-
8 toring of invasive species on forestlands as well
9 as preventing the spread and providing for the
10 restoration of lands affected by invasive species.

11 “(G) Hazardous fuels reduction and other
12 management activities that reduce the risks and
13 help restore, recover, and mitigate the damage
14 to forests caused by fire.

15 “(H) The development of forest or stand
16 management plans.

17 “(I) Other activities approved by the Sec-
18 retary, in coordination with the State forester
19 and the State Forest Stewardship Coordinating
20 Committee.

21 “(e) COOPERATION.—In implementing the Program,
22 the Secretary shall cooperate with other Federal, State,
23 and local natural resource management agencies, institu-
24 tions of higher education, and the private sector.

25 “(f) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

1 “(1) IN GENERAL.—The Secretary shall share
2 the cost of implementing the approved activities that
3 the Secretary determines are appropriate, in the
4 case of an owner that has entered into an agreement
5 to place nonindustrial private forest lands of the
6 owner in the Program.

7 “(2) RATE.—The Secretary shall determine the
8 appropriate reimbursement rate for cost-share pay-
9 ments under paragraph (1) and the schedule for
10 making such payments.

11 “(3) MAXIMUM.—The Secretary shall not make
12 cost-share payments under this subsection to an
13 owner in an amount in excess of 75 percent of the
14 total cost, or a lower percentage as determined by
15 the State forester, to such owner for implementing
16 the practices under an approved plan. The maximum
17 payments to any one owner shall be determined by
18 the Secretary.

19 “(4) CONSULTATION.—The Secretary shall
20 make determinations under this subsection in con-
21 sultation with the State forester.

22 “(g) RECAPTURE.—

23 “(1) IN GENERAL.—The Secretary shall estab-
24 lish and implement a mechanism to recapture pay-
25 ments made to an owner in the event that the owner

1 fails to implement any approved activity specified in
2 the individual stewardship, forest, or stand manage-
3 ment plan for which such owner received cost-share
4 payments.

5 “(2) ADDITIONAL REMEDY.—The remedy pro-
6 vided in paragraph (1) is in addition to any other
7 remedy available to the Secretary.

8 “(h) DISTRIBUTION.—The Secretary shall distribute
9 funds available for cost sharing under the Program among
10 the States only after giving appropriate consideration to—

11 “(1) the total acreage of nonindustrial private
12 forest land in each State;

13 “(2) the potential productivity of such land;

14 “(3) the number of owners eligible for cost
15 sharing in each State;

16 “(4) the opportunities to enhance non-timber
17 resources on such forest lands;

18 “(5) the anticipated demand for timber and
19 nontimber resources in each State;

20 “(6) the need to improve forest health to mini-
21 mize the damaging effects of catastrophic fire, in-
22 sects, disease, or weather; and

23 “(7) the need and demand for agroforestry
24 practices in each State.

25 “(i) DEFINITIONS.—In this section:

1 “(1) NONINDUSTRIAL PRIVATE FOREST
2 LANDS.—The term ‘nonindustrial private forest
3 lands’ means rural lands, as determined by the Sec-
4 retary, that—

5 “(A) have existing tree cover or are suit-
6 able for growing trees; and

7 “(B) are owned or controlled by any non-
8 industrial private individual, group, association,
9 corporation, Indian tribe, or other private legal
10 entity (other than a nonprofit private legal enti-
11 ty) so long as the individual, group, association,
12 corporation, tribe, or entity has definitive deci-
13 sion-making authority over the lands, including
14 through long-term leases and other land tenure
15 systems, for a period of time long enough to en-
16 sure compliance with the Program.

17 “(2) OWNER.—The term ‘owner’ includes a pri-
18 vate individual, group, association, corporation, In-
19 dian tribe, or other private legal entity (other than
20 a nonprofit private legal entity) that has definitive
21 decision-making authority over nonindustrial private
22 forest lands through a long-term lease or other land
23 tenure systems.

24 “(3) SECRETARY.—The term ‘Secretary’ means
25 the Secretary of Agriculture.

1 “(4) STATE FORESTER.—The term ‘State for-
2 ester’ means the director or other head of a State
3 Forestry Agency or equivalent State official.

4 “(j) AVAILABILITY OF FUNDS.—The Secretary shall
5 use \$200,000,000 of funds of the Commodity Credit Cor-
6 poration to carry out the Program during the period be-
7 ginning on October 1, 2001, and ending on September 30,
8 2011.”.

9 (d) CONFORMING AMENDMENT.—Section 246(b)(2)
10 of the Department of Agriculture Reorganization Act of
11 1994 (7 U.S.C. 6962(b)(2)) is amended by striking “for-
12 estry incentive program” and inserting “Forest Land En-
13 hancement Program”.

14 **SEC. 803. RENEWABLE RESOURCES EXTENSION ACTIVITIES.**

15 (a) EXTENSION AND AUTHORIZATION INCREASE.—
16 Section 6 of the Renewable Resources Extension Act of
17 1978 (16 U.S.C. 1675) is amended—

18 (1) by striking “\$15,000,000” and inserting
19 “\$30,000,000”; and

20 (2) by striking “2002” and inserting “2011”.

21 (b) SUSTAINABLE FORESTRY OUTREACH INITIA-
22 TIVE.—The Renewable Resources Extension Act of 1978
23 is amended by inserting after section 5A (16 U.S.C.
24 1674a) the following new section:

1 **“SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.**

2 “The Secretary shall establish a program to be known
3 as the ‘Sustainable Forestry Outreach Initiative’ for the
4 purpose of educating landowners regarding the following:

5 “(1) The value and benefits of practicing sus-
6 tainable forestry.

7 “(2) The importance of professional forestry
8 advice in achieving their sustainable forestry objec-
9 tives.

10 “(3) The variety of public and private sector re-
11 sources available to assist them in planning for and
12 practicing sustainable forestry.”.

13 **SEC. 804. ENHANCED COMMUNITY FIRE PROTECTION.**

14 (a) FINDINGS.—Congress finds the following:

15 (1) The severity and intensity of wildland fires
16 has increased dramatically over the past few decades
17 as a result of past fire and land management poli-
18 cies.

19 (2) The record 2000 fire season is a prime ex-
20 ample of what can be expected if action is not taken.

21 (3) These wildfires threaten not only the na-
22 tion’s forested resources, but the thousands of com-
23 munities intermingled with the wildlands in the
24 wildland-urban interface.

25 (4) The National Fire Plan developed in re-
26 sponse to the 2000 fire season is the proper, coordi-

1 nated, and most effective means to address this wild-
2 fire issue.

3 (5) Whereas adequate authorities exist to tackle
4 the wildfire issues at the landscape level on Federal
5 lands, there is limited authority to take action on
6 most private lands where the largest threat to life
7 and property lies.

8 (6) There is a significant Federal interest in en-
9 hancing community protection from wildfire.

10 (b) ENHANCED PROTECTION.—The Cooperative For-
11 estry Assistance Act of 1978 is amended by inserting after
12 section 10 (16 U.S.C. 2106) the following new section:

13 **“SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.**

14 “(a) COOPERATIVE MANAGEMENT RELATED TO
15 WILDFIRE THREATS.—The Secretary may cooperate with
16 State foresters and equivalent State officials in the man-
17 agement of lands in the United States for the following
18 purposes:

19 “(1) Aid in wildfire prevention and control.

20 “(2) Protect communities from wildfire threats.

21 “(3) Enhance the growth and maintenance of
22 trees and forests that promote overall forest health.

23 “(4) Ensure the continued production of all for-
24 est resources, including timber, outdoor recreation
25 opportunities, wildlife habitat, and clean water,

1 through conservation of forest cover on watersheds,
2 shelterbelts, and windbreaks.

3 “(b) COMMUNITY AND PRIVATE LAND FIRE ASSIST-
4 ANCE PROGRAM.—

5 “(1) ESTABLISHMENT; PURPOSE.—The Sec-
6 retary shall establish a Community and Private
7 Land Fire Assistance program (in this section re-
8 ferred to as the ‘Program’)—

9 “(A) to focus the Federal role in pro-
10 moting optimal firefighting efficiency at the
11 Federal, State, and local levels;

12 “(B) to augment Federal projects that es-
13 tablish landscape level protection from wildfires;

14 “(C) to expand outreach and education
15 programs to homeowners and communities
16 about fire prevention; and

17 “(D) to establish defensible space around
18 private landowners homes and property against
19 wildfires.

20 “(2) ADMINISTRATION AND IMPLEMENTA-
21 TION.—The Program shall be administered by the
22 Forest Service and implemented through the State
23 forester or equivalent State official.

1 “(3) COMPONENTS.—In coordination with exist-
2 ing authorities under this Act, the Secretary may
3 undertake on both Federal and non-Federal lands—

4 “(A) fuel hazard mitigation and preven-
5 tion;

6 “(B) invasive species management;

7 “(C) multi-resource wildfire planning;

8 “(D) community protection planning;

9 “(E) community and landowner education
10 enterprises, including the program known as
11 FIREWISE;

12 “(F) market development and expansion;

13 “(G) improved wood utilization;

14 “(H) special restoration projects.

15 “(4) CONSIDERATIONS.—The Secretary shall
16 use local contract personnel wherever possible to
17 carry out projects under the Program.

18 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
19 are hereby authorized to be appropriated to the Secretary
20 \$35,000,000 for each of fiscal years 2002 through 2011,
21 and such sums as may be necessary thereafter, to carry
22 out this section.”.

23 **SEC. 805. INTERNATIONAL FORESTRY PROGRAM.**

24 Section 2405(d) of the Global Climate Change Pre-
25 vention Act of 1990 (title XXIV of Public Law 101–624;

1 7 U.S.C. 6704(d)) is amended by striking “2002” and in-
2 serting “2011”.

3 **SEC. 806. WILDFIRE PREVENTION AND HAZARDOUS FUEL**
4 **PURCHASE PROGRAM.**

5 (a) FINDINGS.—Congress finds that—

6 (1) the damage caused by wildfire disasters has
7 been equivalent in magnitude to the damage result-
8 ing from the Northridge earthquake, Hurricane An-
9 drew, and the recent flooding of the Mississippi
10 River and the Red River;

11 (2) more than 20,000 communities in the
12 United States are at risk from wildfire and approxi-
13 mately 11,000 of those communities are located near
14 Federal land;

15 (3) the accumulation of heavy forest fuel loads
16 continues to increase as a result of disease, insect
17 infestations, and drought, further increasing the risk
18 of fire each year;

19 (4) modification of forest fuel load conditions
20 through the removal of hazardous fuels would—

21 (A) minimize catastrophic damage from
22 wildfires;

23 (B) reduce the need for emergency funding
24 to respond to wildfires; and

1 (C) protect lives, communities, watersheds,
2 and wildlife habitat;

3 (5) the hazardous fuels removed from forest
4 land represent an abundant renewable resource, as
5 well as a significant supply of biomass for biomass-
6 to-energy facilities;

7 (6) the United States should invest in tech-
8 nologies that promote economic and entrepreneurial
9 opportunities in processing forest products removed
10 through hazardous fuel reduction activities; and

11 (7) the United States should—

12 (A) develop and expand markets for tradi-
13 tionally underused wood and other biomass as
14 a value-added outlet for excessive forest fuels;
15 and

16 (B) commit resources to support planning,
17 assessments, and project reviews to ensure that
18 hazardous fuels management is accomplished
19 expeditiously and in an environmentally sound
20 manner.

21 (b) DEFINITIONS.—In this section:

22 (1) BIOMASS-TO-ENERGY FACILITY.—The term
23 “biomass-to-energy facility” means a facility that
24 uses biomass as a raw material to produce electric
25 energy, useful heat, or a transportation fuel.

1 (2) ELIGIBLE COMMUNITY.—The term “eligible
2 community” means—

3 (A) any town, township, municipality, or
4 other similar unit of local government (as deter-
5 mined by the Secretary), or any area rep-
6 resented by a nonprofit corporation or institu-
7 tion organized under Federal or State law to
8 promote broad-based economic development,
9 that—

10 (i) has a population of not more than
11 10,000 individuals;

12 (ii) is located within a county in which
13 at least 15 percent of the total primary
14 and secondary labor and proprietor income
15 is derived from forestry, wood products,
16 and forest-related industries, such as recre-
17 ation, forage production, and tourism; and

18 (iii) is located near forest land, the
19 condition of which land the Secretary de-
20 termines poses a substantial present or po-
21 tential hazard to the safety of—

22 (I) a forest ecosystem;

23 (II) wildlife; or

24 (III) in the case of a wildfire,
25 human, community, or firefighter

1 safety, in a year in which drought
2 conditions are present; and

3 (B) any county that is not contained with-
4 in a metropolitan statistical area that meets the
5 conditions described in clauses (ii) and (iii) of
6 subparagraph (A).

7 (3) FOREST BIOMASS.—The term “forest bio-
8 mass” means fuel and biomass accumulation from
9 precommercial thinnings, slash, and brush on forest
10 land of the United States.

11 (4) HAZARDOUS FUEL.—

12 (A) IN GENERAL.—The term “hazardous
13 fuel” means any excessive accumulation of or-
14 ganic material on public and private forest land
15 (especially land in an urban-wildland interface
16 area or in an area that is located near an eligi-
17 ble community and designated as condition
18 class 2 under the report of the Forest Service
19 entitled ‘Protecting People and Sustainable Re-
20 sources in Fire-Adapted Ecosystems’, dated Oc-
21 tober 13, 2000, or that is designated as condi-
22 tion class 3 under that report) that the Sec-
23 retary determines poses a substantial present or
24 potential hazard to the safety of—

25 (i) a forest ecosystem;

1 (ii) wildlife; or

2 (iii) in the case of wildfire, human,
3 community, or firefighter safety, in a year
4 in which drought conditions are present.

5 (B) EXCLUSION.—The term “hazardous
6 fuel” does not include forest biomass.

7 (5) INDIAN TRIBE.—The term “Indian tribe”
8 has the meaning given the term in section 4 of the
9 Indian Self-Determination and Education Assistance
10 Act (25 U.S.C. 450b).

11 (6) SECRETARY.—The term “Secretary”
12 means—

13 (A) the Secretary of Agriculture (or a des-
14 ignee), with respect to National Forest System
15 land and private land in the United States; and

16 (B) the Secretary of the Interior (or a des-
17 ignee) with respect to Federal land under the
18 jurisdiction of the Secretary of the Interior or
19 an Indian tribe.

20 (c) HAZARDOUS FUEL GRANT PROGRAM.—

21 (1) GRANTS.—

22 (A) IN GENERAL.—Subject to the avail-
23 ability of appropriations, the Secretary may
24 make grants to persons that operate biomass-
25 to-energy facilities to offset the costs incurred

1 by those persons in purchasing hazardous fuels
2 derived from public and private forest land ad-
3 jacent to eligible communities.

4 (B) SELECTION CRITERIA.—The Secretary
5 shall select recipients for grants under subpara-
6 graph (A) based on—

7 (i) planned purchases by the recipi-
8 ents of hazardous fuels, as demonstrated
9 by the recipient through the submission to
10 the Secretary of such assurances as the
11 Secretary may require; and

12 (ii) the level of anticipated benefits of
13 those purchases in reducing the risk of
14 wildfires.

15 (2) GRANT AMOUNTS.—

16 (A) IN GENERAL.—A grant under this sub-
17 section shall—

18 (i) be based on—

19 (I) the distance required to
20 transport hazardous fuels to a bio-
21 mass-to-energy facility; and

22 (II) the cost of removal of haz-
23 ardous fuels; and

1 (ii) be in an amount that is at least
2 equal to the product obtained by
3 multiplying—

4 (I) the number of tons of haz-
5 ardous fuels delivered to a grant re-
6 cipient; by

7 (II) an amount that is at least \$5
8 but not more than \$10 per ton of haz-
9 ardous fuels, as determined by the
10 Secretary taking into consideration
11 the factors described in clause (i).

12 (B) LIMITATION ON INDIVIDUAL
13 GRANTS.—

14 (i) IN GENERAL.—Except as provided
15 in clause (ii), a grant under subparagraph
16 (A) shall not exceed \$1,500,000 for any
17 biomass-to-energy facility for any year.

18 (ii) SMALL BIOMASS-TO-ENERGY FA-
19 CILITIES.—A biomass-to-energy facility
20 that has an annual production of 5
21 megawatts or less shall not be subject to
22 the limitation under clause (i).

23 (3) MONITORING OF GRANT RECIPIENT ACTIVI-
24 TIES.—

1 (A) IN GENERAL.—As a condition of re-
2 ceipt of a grant under this subsection, a grant
3 recipient shall keep such records as the Sec-
4 retary may require, including records that—

5 (i) completely and accurately disclose
6 the use of grant funds; and

7 (ii) describe all transactions involved
8 in the purchase of hazardous fuels derived
9 from forest land.

10 (B) ACCESS.—On notice by the Secretary,
11 the operator of a biomass-to-energy facility that
12 purchases hazardous fuels, or uses hazardous
13 fuels purchased, with funds from a grant under
14 this subsection shall provide the Secretary
15 with—

16 (i) reasonable access to the biomass-
17 to-facility; and

18 (ii) an opportunity to examine the in-
19 ventory and records of the biomass-to-en-
20 ergy facility.

21 (4) MONITORING OF EFFECT OF TREAT-
22 MENTS.—The Secretary shall monitor Federal land
23 from which hazardous fuels are removed and sold to
24 a biomass-to-energy facility under this subsection to

1 determine and document the reduction in fire haz-
2 ards on that land.

3 (5) AUTHORIZATION OF APPROPRIATIONS.—

4 There is authorized to be appropriated to carry out
5 this subsection \$50,000,000 for each fiscal year.

6 (d) LONG-TERM FOREST STEWARDSHIP CONTRACTS
7 FOR HAZARDOUS FUELS REMOVAL.—

8 (1) ANNUAL ASSESSMENT OF TREATMENT
9 ACREAGE.—

10 (A) IN GENERAL.—Subject to the avail-
11 ability of appropriations, not later than March
12 1 of each of fiscal years 2002 through 2006,
13 the Secretary shall submit to Congress an as-
14 sessment of the number of acres of Federal for-
15 est land recommended to be treated during the
16 subsequent fiscal year using stewardship end
17 result contracts authorized by paragraph (3).

18 (B) COMPONENTS.—The assessment
19 shall—

20 (i) be based on the treatment sched-
21 ules contained in the report entitled ‘Pro-
22 tecting People and Sustaining Resources in
23 Fire-Adapted Ecosystems’, dated October
24 13, 2000 and incorporated into the Na-
25 tional Fire Plan;

1 (ii) identify the acreage by condition
2 class, type of treatment, and treatment
3 year to achieve the restoration goals out-
4 lined in the report within 10-, 15-, and 20-
5 year time periods;

6 (iii) give priority to condition class 3
7 areas (as described in subsection
8 (a)(4)(A)), include modifications in the
9 restoration goals based on the effects of—

10 (I) fire;

11 (II) hazardous fuel treatments
12 under the National Fire Plan; or

13 (III) updates in data;

14 (iv) provide information relating to
15 the type of material and estimated quan-
16 tities and range of sizes of material that
17 shall be included in the treatments;

18 (v) describe the land allocation cat-
19 egories in which the contract authorities
20 shall be used; and

21 (vi) give priority to areas described in
22 subsection (a)(4)(A).

23 (2) FUNDING RECOMMENDATION.—The Sec-
24 retary shall include in the annual assessment under
25 paragraph (1) a request for funds sufficient to im-

1 plement the recommendations contained in the as-
2 sessment using stewardship end result contracts de-
3 scribed in paragraph (3) in any case in which the
4 Secretary determines that the objectives of the Na-
5 tional Fire Plan would best be accomplished through
6 forest stewardship end result contracting.

7 (3) STEWARDSHIP END RESULT CON-
8 TRACTING.—

9 (A) IN GENERAL.—Subject to the avail-
10 ability of appropriations, the Secretary may
11 enter into stewardship end result contracts to
12 implement the National Fire Plan on National
13 Forest System land based on the stewardship
14 treatment schedules provided in the annual as-
15 sessments conducted under paragraph (1).

16 (B) PERIOD OF CONTRACTS.—The con-
17 tracting goals and authorities described in sub-
18 sections (b) through (g) of section 347 of the
19 Department of the Interior and Related Agen-
20 cies Appropriations Act, 1999 (commonly
21 known as the ‘Stewardship End Result Con-
22 tracting Demonstration Project’) (16 U.S.C.
23 2104 note; Public Law 105–277), shall apply to
24 contracts entered into under this paragraph, ex-

1 **TITLE IX—MISCELLANEOUS**
2 **PROVISIONS**
3 **Subtitle A—Tree Assistance**
4 **Program**

5 **SEC. 901. ELIGIBILITY.**

6 (a) **LOSS.**—Subject to the limitation in subsection
7 (b), the Secretary of Agriculture shall provide assistance,
8 as specified in section 902, to eligible orchardists that
9 planted trees for commercial purposes but lost such trees
10 as a result of a natural disaster, as determined by the
11 Secretary.

12 (b) **LIMITATION.**—An eligible orchardist shall qualify
13 for assistance under subsection (a) only if such orchard-
14 ist's tree mortality, as a result of the natural disaster, ex-
15 ceeds 15 percent (adjusted for normal mortality).

16 **SEC. 902. ASSISTANCE.**

17 The assistance provided by the Secretary of Agri-
18 culture to eligible orchardists for losses described in sec-
19 tion 901 shall consist of either—

20 (1) reimbursement of 75 percent of the cost of
21 replanting trees lost due to a natural disaster, as de-
22 termined by the Secretary, in excess of 15 percent
23 mortality (adjusted for normal mortality); or

24 (2) at the discretion of the Secretary, sufficient
25 seedlings to reestablish the stand.

1 **SEC. 903. LIMITATION ON ASSISTANCE.**

2 (a) **LIMITATION.**—The total amount of payments
3 that a person shall be entitled to receive under this subtitle
4 may not exceed \$50,000, or an equivalent value in tree
5 seedlings.

6 (b) **REGULATIONS.**—The Secretary of Agriculture
7 shall issue regulations—

8 (1) defining the term “person” for the purposes
9 of this subtitle, which shall conform, to the extent
10 practicable, to the regulations defining the term
11 “person” issued under section 1001 of the Food Se-
12 curity Act of 1985 (7 U.S.C. 1308) and the Disaster
13 Assistance Act of 1988 (7 U.S.C. 1421 note); and

14 (2) prescribing such rules as the Secretary de-
15 termines necessary to ensure a fair and reasonable
16 application of the limitation established under this
17 section.

18 **SEC. 904. DEFINITIONS.**

19 In this subtitle:

20 (1) **ELIGIBLE ORCHARDIST.**—The term “eligible
21 orchardist” means a person who produces annual
22 crops from trees for commercial purposes and owns
23 500 acres or less of such trees.

24 (2) **NATURAL DISASTER.**—The term “natural
25 disaster” includes plant disease, insect infestation,

1 drought, fire, freeze, flood, earthquake, and other
2 occurrences, as determined by the Secretary.

3 (3) TREE.—The term “tree” includes trees,
4 bushes, and vines.

5 **Subtitle B—Other Matters**

6 **SEC. 921. BIOENERGY PROGRAM.**

7 Notwithstanding any limitations in the Commodity
8 Credit Corporation Charter Act (15 U.S.C. 714 et seq.)
9 or part 1424 of title 7, Code of Federal Regulations, the
10 Commodity Credit Corporation shall designate animal
11 fats, agricultural byproducts, and oils as eligible agricul-
12 tural commodities for use in the Bioenergy Program to
13 promote industrial consumption of agricultural commod-
14 ities for the production of ethanol and biodiesel fuels.

15 **SEC. 922. AVAILABILITY OF SECTION 32 FUNDS.**

16 The 2d undesignated paragraph of section 32 of the
17 Act of August 24, 1935 (Public Law 320; 49 Stat. 774;
18 7 U.S.C. 612c), is amended by striking “\$300,000,000”
19 and inserting “\$500,000,000”.

20 **SEC. 923. SENIORS FARMERS’ MARKET NUTRITION PRO-** 21 **GRAM.**

22 (a) ESTABLISHMENT.—For each of the fiscal years
23 2002 through 2011, the Secretary of Agriculture shall use
24 \$15,000,000 of the funds available to the Commodity

1 Credit Corporation to carry out and expand a seniors
2 farmers' market nutrition program.

3 (b) PROGRAM PURPOSES.— The purposes of the sen-
4 iors farmers' market nutrition program are—

5 (1) to provide resources in the form of fresh,
6 nutritious, unprepared, locally grown fruits, vegeta-
7 bles, and herbs from farmers' markets, roadside
8 stands and community supported agriculture pro-
9 grams to low-income seniors;

10 (2) to increase the domestic consumption of ag-
11 ricultural commodities by expanding or aiding in the
12 expansion of domestic farmers' markets, roadside
13 stands, and community supported agriculture pro-
14 grams; and

15 (3) to develop or aid in the development of new
16 and additional farmers' markets, roadside stands,
17 and community supported agriculture programs.

18 (c) REGULATIONS.—The Secretary may issue such
19 regulations as the Secretary considers necessary to carry
20 out the seniors farmers' market nutrition program.

21 **SEC. 924. DEPARTMENT OF AGRICULTURE AUTHORITIES**

22 **REGARDING CANEBERRIES.**

23 (a) AUTHORITY FOR MARKETING ORDER AND RE-
24 SEARCH AND PROMOTION ORDER.—Section 8c of the Ag-
25 ricultural Adjustment Act (7 U.S.C. 608c), reenacted with

1 amendments by the Agricultural Marketing Agreement
2 Act of 1937, is amended—

3 (1) in subsection (2)—

4 (A) in paragraph (A), by inserting
5 “caneberries (including raspberries, black-
6 berries, and logenberries),” after “other than
7 pears, olives, grapefruit,”; and

8 (B) in the second sentence, by inserting
9 “caneberries (including raspberries, black-
10 berries, and logenberries),” after “effective as
11 to cherries, apples,”; and

12 (2) in subsection (6)(I), by inserting
13 “caneberries (including raspberries, blackberries,
14 and logenberries)” after “tomatoes,”.

15 (b) **AUTHORITY WITH RESPECT TO IMPORTS.**—Sec-
16 tion 8e(a) of such Act (7 U.S.C. 608e–1(a)) is amended
17 by inserting “caneberries (including raspberries, black-
18 berries, and logenberries),” after “pistachios,”.

19 **SEC. 925. NATIONAL APPEALS DIVISION.**

20 Section 278 of the Department of Agriculture Reor-
21 ganization Act of 1994 (7 U.S.C. 6998) is amended by
22 adding at the end the following new subsection:

23 “(f) **FINALITY OF CERTAIN APPEAL DECISIONS.**—If
24 an appellant prevails at the regional level in an adminis-
25 trative appeal of a decision by the Division, the agency

1 may not pursue an administrative appeal of that decision
2 to the national level.”.

3 **SEC. 926. OUTREACH AND ASSISTANCE FOR SOCIALLY DIS-**
4 **ADVANTAGED FARMERS AND RANCHERS.**

5 Subsection (a) of section 2501 of the Food, Agri-
6 culture, Conservation, and Trade Act of 1990 (7 U.S.C.
7 2279) is amended to read as follows:

8 “(a) OUTREACH AND ASSISTANCE.—

9 “(1) IN GENERAL.—The Secretary of Agri-
10 culture (in this section referred to as the ‘Secretary’)
11 shall provide outreach and technical assistance pro-
12 grams specifically to encourage and assist socially
13 disadvantaged farmers and ranchers to own and op-
14 erate farms and ranches and to participate equitably
15 in the full range of agricultural programs. This as-
16 sistance, which should enhance coordination and
17 make more effective the outreach, technical assist-
18 ance, and education efforts authorized in specific ag-
19 riculture programs, shall include information and as-
20 sistance on commodity, conservation, credit, rural,
21 and business development programs, application and
22 bidding procedures, farm and risk management,
23 marketing, and other essential information to par-
24 ticipate in agricultural and other programs of the
25 Department.

1 “(2) GRANTS AND CONTRACTS.—The Secretary
2 may make grants and enter into contracts and other
3 agreements in the furtherance of this section with
4 the following entities:

5 “(A) Any community-based organization,
6 network, or coalition of community-based orga-
7 nizations that—

8 “(i) has demonstrated experience in
9 providing agricultural education or other
10 agriculturally related services to socially
11 disadvantaged farmers and ranchers;

12 “(ii) provides documentary evidence of
13 its past experience of working with socially
14 disadvantaged farmers and ranchers dur-
15 ing the 2 years preceding its application
16 for assistance under this section; and

17 “(iii) does not engage in activities pro-
18 hibited under section 501(c)(3) of the In-
19 ternal Revenue Code of 1986.

20 “(B) 1890 Land-Grant Colleges, including
21 Tuskegee Institute, Indian tribal community
22 colleges and Alaska native cooperative colleges,
23 Hispanic serving post-secondary educational in-
24 stitutions, and other post-secondary educational
25 institutions with demonstrated experience in

1 providing agriculture education or other agri-
2 culturally related services to socially disadvan-
3 tagged family farmers and ranchers in their re-
4 gion.

5 “(C) Federally recognized tribes and na-
6 tional tribal organizations with demonstrated
7 experience in providing agriculture education or
8 other agriculturally related services to socially
9 disadvantaged family farmers and ranchers in
10 their region.

11 “(3) FUNDING.—There are authorized to be ap-
12 propriated \$25,000,000 for each fiscal year to make
13 grants and enter into contracts and other agree-
14 ments with the entities described in paragraph (2)
15 and to otherwise carry out the purposes of this sub-
16 section.”.

17 **SEC. 927. EQUAL TREATMENT OF POTATOES AND SWEET**
18 **POTATOES.**

19 Section 508(a)(2) of the Federal Crop Insurance Act
20 (7 U.S.C. 1508(a)(2)) is amended by striking “and pota-
21 toes” and inserting “, potatoes, and sweet potatoes”.

1 **SEC. 928. REFERENCE TO SEA GRASS AND SEA OATS AS**
2 **CROPS COVERED BY NONINSURED CROP DIS-**
3 **ASTER ASSISTANCE PROGRAM.**

4 Section 196(a)(2)(B) of the Federal Agriculture Im-
5 provement and Reform Act of 1996 (7 U.S.C.
6 7333(a)(2)(B)) is amended by inserting “sea grass and
7 sea oats,” after “fish),”.

8 **SEC. 929. OPERATION OF GRADUATE SCHOOL OF DEPART-**
9 **MENT OF AGRICULTURE.**

10 (a) COMPETITION.—Section 921 of the Federal Agri-
11 culture Improvement and Reform Act of 1996 (7 U.S.C.
12 2279b) is amended—

13 (1) in subsection (c)—

14 (A) by striking “Under” and inserting the
15 following:

16 “(1) EDUCATIONAL, TRAINING, AND PROFES-
17 SIONAL DEVELOPMENT ACTIVITIES.—Under”; and

18 (B) by adding at the end the following new
19 paragraph:

20 “(2) COMPETITION.—The Graduate School may
21 not enter into a contract or agreement with a Fed-
22 eral agency to provide services or conduct activities
23 described in paragraph (1) unless, before the award-
24 ing of the contract or agreement, the contract or
25 agreement was subject to competition that was open

1 to individuals and entities of the private sector.”;
2 and

3 (2) in subsection (i), by striking “The” and in-
4 serting “Subject to subsection (c)(2), the”.

5 (b) AUDITS OF RECORDS.—Such section is further
6 amended by adding at the end the following new sub-
7 section:

8 “(k) AUDITS OF RECORDS.—The financial records of
9 the Graduate School relating to contracts and agreements
10 for services or activities described in subsection (c)(1)
11 shall be made available to the Comptroller General for
12 purposes of conducting an audit.”.

13 (c) CONFORMING REPEAL.—Section 1669 of the
14 Food, Agriculture, Conservation, and Trade Act of 1990
15 (7 U.S.C. 5922) is repealed.

16 **SEC. 930. ASSISTANCE FOR LIVESTOCK PRODUCERS.**

17 (a) AVAILABILITY OF ASSISTANCE.—In such
18 amounts as are provided in advance in appropriation Acts,
19 the Secretary may provide assistance to dairy and other
20 livestock producers to cover economic losses incurred by
21 such producers in connection with the production of live-
22 stock.

23 (b) TYPES OF ASSISTANCE.—The assistance provided
24 to livestock producers may be in the form of—

1 (1) indemnity payments to livestock producers
2 who incur livestock mortality losses;

3 (2) livestock feed assistance to livestock pro-
4 ducers affected by shortages of feed;

5 (3) compensation for sudden increases in pro-
6 duction costs; and

7 (4) such other assistance, and for such other
8 economic losses, as the Secretary considers appro-
9 priate.

10 (c) LIMITATIONS.—Notwithstanding section 181(a),
11 the Secretary may not use the funds of the Commodity
12 Credit Corporation to provide assistance under this sec-
13 tion.

14 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
15 authorized to be appropriated to the Secretary such sums
16 as may be necessary to carry out this section.

17 **SEC. 931. COMPLIANCE WITH BUY AMERICAN ACT AND**
18 **SENSE OF CONGRESS REGARDING PURCHASE**
19 **OF AMERICAN-MADE EQUIPMENT, PROD-**
20 **UCTS, AND SERVICES USING FUNDS PRO-**
21 **VIDED UNDER THIS ACT.**

22 (a) COMPLIANCE WITH BUY AMERICAN ACT.—No
23 funds made available under this Act, whether directly
24 using funds of the Commodity Credit Corporation or pur-
25 suant to an authorization of appropriations contained in

1 this Act, may be provided to a producer or other person
2 or entity unless the producer, person, or entity agrees to
3 comply with the Buy American Act (41 U.S.C. 10a–10c)
4 in the expenditure of the funds.

5 (b) SENSE OF CONGRESS.—In the case of any equip-
6 ment, products, or services that may be authorized to be
7 purchased using funds provided under this Act, it is the
8 sense of Congress that producers and other recipients of
9 such funds should, in expending the funds, purchase only
10 American-made equipment, products, and services.

11 (c) NOTICE TO RECIPIENTS OF FUNDS.—In pro-
12 viding payments or other assistance under this Act, the
13 Secretary of Agriculture shall provide to each recipient of
14 the funds a notice describing the requirements of sub-
15 section (a) and the statement made in subsection (b) by
16 Congress.

17 **SEC. 932. REPORT REGARDING GENETICALLY ENGINEERED**
18 **FOODS.**

19 (a) IN GENERAL.—Not later than 1 year after funds
20 are made available to carry out this section, the Secretary
21 of Agriculture, acting through the National Academy of
22 Sciences, shall complete and transmit to Congress a report
23 that includes recommendations for the following:

24 (1) DATA AND TESTS.—The type of data and
25 tests that are needed to sufficiently assess and

1 evaluate human health risks from the consumption
2 of genetically engineered foods.

3 (2) MONITORING SYSTEM.—The type of Federal
4 monitoring system that should be created to assess
5 any future human health consequences from long-
6 term consumption of genetically engineered foods.

7 (3) REGULATIONS.—A Federal regulatory
8 structure to approve genetically engineered foods
9 that are safe for human consumption.

10 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
11 authorized to be appropriated to the Secretary of Agri-
12 culture \$500,000 to carry out this section.

13 **SEC. 933. MARKET NAME FOR PANGASIUS FISH SPECIES.**

14 The term “catfish” may not be considered to be a
15 common or usual name (or part thereof) for the fish
16 *Pangasius bocourti*, or for any other fish not classified
17 within the family Ictalariidae, for purposes of section 403
18 of the Federal Food, Drug, and Cosmetic Act, including
19 with respect to the importation of such fish pursuant to
20 section 801 of such Act.

21 **SEC. 934. PROGRAM OF PUBLIC EDUCATION REGARDING**
22 **USE OF BIOTECHNOLOGY IN PRODUCING**
23 **FOOD FOR HUMAN CONSUMPTION.**

24 (a) PUBLIC INFORMATION CAMPAIGN.—Not later
25 than 1 year after the date of the enactment of this Act,

1 the Secretary of Agriculture shall develop and implement
2 a program to communicate with the public regarding the
3 use of biotechnology in producing food for human con-
4 sumption. The information provided under the program
5 shall include the following:

6 (1) Science-based evidence on the safety of
7 foods produced with biotechnology.

8 (2) Scientific data on the human outcomes of
9 the use of biotechnology to produce food for human
10 consumption.

11 (b) AUTHORIZATION OF APPROPRIATIONS.—For each
12 of fiscal years 2002 through 2011 there are authorized
13 to be appropriated such sums as may be necessary to carry
14 out this section.

15 **SEC. 935. GAO STUDY.**

16 (a) IN GENERAL.—The Comptroller General shall
17 conduct a study and make findings and recommendations
18 with respect to determining how producer income would
19 be affected by updating yield bases, including—

20 (1) whether crop yields have increased over the
21 past 20 years for both program crops and oilseeds;

22 (2) whether program payments would be dis-
23 bursed differently in this Act if yield bases were up-
24 dated;

1 commodities in the United States and shall include in such
2 hearings review of the following matters:

3 (1) The enforcement of particular Federal laws
4 relating to competition.

5 (2) The concentration and vertical integration
6 of the business operations of such purchasers.

7 (3) Discrimination and transparency in prices
8 paid by such purchasers to producers of livestock,
9 poultry, and unprocessed agricultural commodities in
10 the United States.

11 (4) The economic protection and bargaining
12 rights of producers who raise livestock and poultry
13 under contracts.

14 (5) Marketing innovations and alternatives
15 available to producers of livestock, poultry, and un-
16 processed agricultural commodities in the United
17 States.

18 (c) REPORT.—Not later than 1 year after the last
19 member of the Task Force is appointed, the Task Force
20 shall submit, to the Committee on Agriculture of the
21 House of Representatives and the Committee on Agri-
22 culture, Nutrition, and Forestry of the Senate, a report
23 containing the findings and recommendations of the Task
24 Force for appropriate administrative and legislative ac-
25 tion.

1 **SEC. 937. AUTHORIZATION FOR ADDITIONAL STAFF AND**
2 **FUNDING FOR THE GRAIN INSPECTION,**
3 **PACKERS AND STOCKYARDS ADMINISTRA-**
4 **TION.**

5 There are authorized to be appropriated such sums
6 as are necessary to enhance the capability of the Grain
7 Inspection, Packers and Stockyards Administration to
8 monitor, investigate, and pursue the competitive implica-
9 tions of structural changes in the meat packing industry.
10 Sums are specifically earmarked to hire litigating attor-
11 neys to allow the Grain Inspection, Packers and Stock-
12 yards Administration to more comprehensively and effec-
13 tively pursue its enforcement activities.

14 **SEC. 938. ENFORCEMENT OF THE HUMANE METHODS OF**
15 **SLAUGHTER ACT OF 1958.**

16 (a) FINDINGS.—Congress finds as follows:

17 (1) Public demand for passage of Public Law
18 85–765 (7 U.S.C. 1901 et seq.; commonly known as
19 the “Humane Methods of Slaughter Act of 1958”) was
20 so great that when President Eisenhower was
21 asked at a press conference if he would sign the bill,
22 he replied, “If I went by mail, I’d think no one was
23 interested in anything but humane slaughter”.

24 (2) The Humane Methods of Slaughter Act of
25 1958 requires that animals be rendered insensible to
26 pain when they are slaughtered.

1 (3) Scientific evidence indicates that treating
2 animals humanely results in tangible economic bene-
3 fits.

4 (4) The United States Animal Health Associa-
5 tion passed a resolution at a meeting in October
6 1998 to encourage strong enforcement of the Hu-
7 mane Methods of Slaughter Act of 1958 and reiter-
8 ated support for the resolution at a meeting in 2000.

9 (5) The Secretary of Agriculture is responsible
10 for fully enforcing the Act, including monitoring
11 compliance by the slaughtering industry.

12 (b) SENSE OF CONGRESS.—It is the sense of Con-
13 gress that the Secretary of Agriculture should fully en-
14 force Public Law 85–765 (7 U.S.C. 1901 et seq.; com-
15 monly known as the “Humane Methods of Slaughter Act
16 of 1958”) by ensuring that humane methods in the
17 slaughter of livestock—

18 (1) prevent needless suffering;

19 (2) result in safer and better working condi-
20 tions for persons engaged in the slaughtering indus-
21 try;

22 (3) bring about improvement of products and
23 economies in slaughtering operations; and

24 (4) produce other benefits for producers, proc-
25 essors, and consumers that tend to expedite an or-

1 derly flow of livestock and livestock products in
2 interstate and foreign commerce.

3 (c) POLICY OF THE UNITED STATES.—It is the pol-
4 icy of the United States that the slaughtering of livestock
5 and the handling of livestock in connection with slaughter
6 shall be carried out only by humane methods, as provided
7 by Public Law 85–765 (7 U.S.C. 1901 et seq.; commonly
8 known as the “Humane Methods of Slaughter Act of
9 1958”).

10 **SEC. 939. PENALTIES AND FOREIGN COMMERCE PROVI-**
11 **SIONS OF THE ANIMAL WELFARE ACT.**

12 (a) PENALTIES AND FOREIGN COMMERCE PROVI-
13 SIONS OF THE ANIMAL WELFARE ACT.—Section 26 of the
14 Animal Welfare Act (7 U.S.C. 2156) is amended—

15 (1) in subsection (e)—

16 (A) by inserting “PENALTIES.—” after
17 “(e)”;

18 (B) by striking “\$5,000” and inserting
19 “\$15,000”; and

20 (C) by striking “1 year” and inserting “2
21 years”; and

22 (2) in subsection (g)(2)(B), by inserting at the
23 end before the semicolon the following: “or from any
24 State into any foreign country”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section take effect 30 days after the date of the enact-
3 ment of this Act.

4 **SEC. 940. IMPROVE ADMINISTRATION OF ANIMAL AND**
5 **PLANT HEALTH INSPECTION SERVICE.**

6 (a) DEFINITIONS.—In this section:

7 (1) SECRETARY.—The term “Secretary” means
8 the Secretary of Agriculture, acting through the Ad-
9 ministrator of the Service.

10 (2) SERVICE.—The term “Service” means the
11 Animal and Plant Health Inspection Service of the
12 Department of Agriculture.

13 (b) EXEMPTION.—Notwithstanding any other provi-
14 sion of law, any migratory bird management carried out
15 by the Secretary shall be exempt from the National Envi-
16 ronmental Policy Act of 1969 (42 U.S.C. 4321 et seq.)
17 (including regulations).

18 (c) PERMITS; MANAGEMENT.—An agent, officer, or
19 employee of the Service that carries out any activity relat-
20 ing to migratory bird management may, under the Migra-
21 tory Bird Treaty Act (16 U.S.C. 703 et seq.)—

22 (1) issue a depredation permit to a stakeholder
23 or cooperator of the Service; and

24 (2) manage and take migratory birds.

1 **SEC. 941. RENEWABLE ENERGY RESOURCES.**

2 (a) ENVIRONMENTAL QUALITY INCENTIVES PRO-
3 GRAM.—Section 1240 of the Food Security Act of 1985
4 (16 U.S.C. 3839aa), as amended by section 231 of this
5 Act, is amended—

6 (1) by striking “and” at the end of paragraph
7 (3);

8 (2) by striking the period at the end of para-
9 graph (4); and

10 (3) by adding at the end the following:

11 “(5) assistance to farmers and ranchers for the
12 assessment and development of their on-farm renew-
13 able resources, including biomass for the production
14 of power and fuels, wind, and solar.”.

15 (b) COOPERATIVE STATE RESEARCH, EDUCATION,
16 AND EXTENSION SERVICE.—The Secretary of Agri-
17 culture, through the Cooperative State Research, Edu-
18 cation, and Extension Service and, to the extent prac-
19 ticable, in collaboration with the Natural Resources Con-
20 servation Service, regional biomass programs under the
21 Department of Energy, and other appropriate entities,
22 may provide education and technical assistance to farmers
23 and ranchers for the development and marketing of renew-
24 able energy resources, including biomass for the produc-
25 tion of power and fuels, wind, solar, and geothermal.

1 **SEC. 942. USE OF AMOUNTS PROVIDED FOR FIXED, DECOU-**
2 **PLED PAYMENTS TO PROVIDE NECESSARY**
3 **FUNDS FOR RURAL DEVELOPMENT PRO-**
4 **GRAMS.**

5 Notwithstanding section 104 of this Act, in each of
6 fiscal years 2002 through 2011, the Secretary of Agri-
7 culture shall—

8 (1) reduce the total amount payable under sec-
9 tion 104 of this Act, on a pro rata basis, so that the
10 total amount of such reductions equals
11 \$100,000,000; and

12 (2) expend—

13 (A) \$45,000,000 for grants under 306A of
14 the Consolidated Farm and Rural Development
15 Act (relating to the community water assistance
16 grant program);

17 (B) \$45,000,000 for grants under 613 of
18 this Act (relating to the pilot program for devel-
19 opment and implementation of strategic re-
20 gional development plans); and

21 (C) \$10,000,000 for grants under section
22 231(a)(1) of the Agricultural Risk Protection
23 Act of 2000 (relating to value-added agricul-
24 tural product market development grants).

1 **SEC. 943. UNLAWFUL STOCKYARD PRACTICES INVOLVING**
 2 **NONAMBULATORY LIVESTOCK.**

3 Title III of the Packers and Stockyards Act, 1921,
 4 (7 U.S.C. 201 et seq.) is amended by adding at the end
 5 the following:

6 **“SEC. 318. UNLAWFUL STOCKYARD PRACTICES INVOLVING**
 7 **NONAMBULATORY LIVESTOCK.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) HUMANELY EUTHANIZE.—The term ‘hu-
 10 manely euthanize’ means to kill an animal by me-
 11 chanical, chemical, or other means that immediately
 12 render the animal unconscious, with this state re-
 13 maining until the animal’s death.

14 “(2) NONAMBULATORY LIVESTOCK.—The term
 15 ‘nonambulatory livestock’ means any livestock that
 16 is unable to stand and walk unassisted.

17 “(b) UNLAWFUL PRACTICES.—

18 “(1) IN GENERAL.—Except as provided in para-
 19 graph (2), it shall be unlawful for any stockyard
 20 owner, market agency, or dealer to buy, sell, give,
 21 receive, transfer, market, hold, or drag any non-
 22 ambulatory livestock unless the nonambulatory live-
 23 stock has been humanely euthanized.

24 “(2) EXCEPTIONS.—

25 “(A) NON-GIPSA FARMS.—Paragraph (1)
 26 shall not apply to any farm the animal care

1 practices of which are not subject to the author-
2 ity of the Grain Inspection, Packers, and Stock-
3 yards Administration.

4 “(B) VETERINARY CARE.—Paragraph (1)
5 shall not apply in a case in which non-
6 ambulatory livestock receive veterinary care in-
7 tended to render the livestock ambulatory.

8 “(c) APPLICATION OF PROHIBITION.—Subsection (b)
9 shall apply beginning one year after the date of the enact-
10 ment of the Farm Security Act of 2001. By the end of
11 such period, the Secretary shall promulgate regulations to
12 carry out this section.”.

13 **SEC. 944. ANNUAL REPORT ON IMPORTS OF BEEF AND**
14 **PORK.**

15 The Secretary shall submit to the Congress an annual
16 report on the amount of beef and pork that is imported
17 into the United States each calendar year.

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