

107TH CONGRESS  
1ST SESSION

# S. 1727

To reward the stewards of America’s farms, ranches, public and private lands, wildlife, water quality and supply, to reduce the risk of specialty crop production, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

NOVEMBER 16, 2001

Mr. REID (for himself, Mr. LEAHY, Mr. CHAFEE, Mr. JEFFORDS, Mr. KENNEDY, Mr. REED, Mr. LIEBERMAN, Mr. SARBANES, Mr. SCHUMER, Mr. TORRICELLI, Mr. CORZINE, and Mr. DODD) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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## A BILL

To reward the stewards of America’s farms, ranches, public and private lands, wildlife, water quality and supply, to reduce the risk of specialty crop production, and for other purposes.

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

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

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Conservation Assistance and Regional Equity Act”.

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

Sec. 1. Short title; table of contents.

#### TITLE I—SPECIALTY CROP RISK REDUCTION

Sec. 101. Specialty crop cost-of-production insurance.

#### TITLE II—FARM AND RANCH PRESERVATION

Sec. 201. Farmland protection program.

Sec. 202. Socially disadvantaged farmers.

#### TITLE III—ENVIRONMENTAL STEWARDSHIP ON WORKING LANDS

Sec. 211. Environmental quality incentives program.

Sec. 212. Definitions.

Sec. 213. Establishment and administration.

Sec. 214. Evaluation of offers and payments.

Sec. 215. Limitation on payments.

Sec. 216. Reauthorization of funding.

Sec. 217. Funding.

Sec. 218. Allocation for livestock and other conservation priorities.

Sec. 219. State reserve.

#### TITLE IV—PRESERVATION OF WILDLIFE HABITAT

Sec. 221. Wildlife habitat incentives program.

Sec. 222. Wetlands reserve program.

Sec. 223. Conservation reserve program.

Sec. 224. Conservation of grazing lands.

Sec. 225. Grassland reserve and enhancement program.

Sec. 226. Water Conservation Program.

#### TITLE V—ORGANIC FARMING

Sec. 231. Organic agriculture research trust fund.

Sec. 232. Establishment of national organic research endowment institute.

#### TITLE VI—TECHNICAL ASSISTANCE

Sec. 241. Reimbursement for program administration.

Sec. 242. Conservation technical assistance by third parties.

Sec. 243. Conservation practice standards.

#### TITLE VII—FARMLAND STEWARDSHIP ENHANCEMENT PROGRAM

Sec. 251. Farmland stewardship enhancement program.

Sec. 252. Farmland stewardship enhancement plan.

Sec. 253. Funding requirements.

#### TITLE VIII—MISCELLANEOUS CONSERVATION PROVISIONS

Sec. 261. Conservation program performance review and evaluation.

#### TITLE IX—REGIONAL EQUITY

Sec. 271. Allocation of conservation funds by State.

#### TITLE X—CONSERVATION SECURITY PROGRAM

Sec. 281. Conservation security program.

## TITLE XI—RURAL COMMUNITY ECONOMIC ENHANCEMENT

Sec. 291. Expansion of State marketing programs.

**1 TITLE I—SPECIALTY CROP RISK**  
**2 REDUCTION**

**3 SEC. 101. SPECIALTY CROP COST-OF-PRODUCTION INSUR-**  
**4 ANCE.**

**5** Out of the funds in Treasury not otherwise appro-  
**6** priated, the Secretary of the Treasury shall pay to the  
**7** Secretary of Agriculture \$750,000,000 per year for the  
**8** purpose of additional premium subsidies for the purchase  
**9** of a cost of production policy for specialty crops. The ex-  
**10** isting contract for research and development regarding  
**11** cost of production policy under the Agricultural Risk Pro-  
**12** tection Act 2000, section 522 (c)(9) will be modified to  
**13** include all specialty crops, to the extent practicable, by  
**14** January 1, 2003.

**15 TITLE II—FARM AND RANCH**  
**16 PRESERVATION**

**17 SEC. 201. FARMLAND PROTECTION PROGRAM.**

**18** Section 388 of the Federal Agriculture Improvement  
**19** and Reform Act of 1996 (16 U.S.C. 3830 note) is amend-  
**20** ed to read as follows:

**21 “SEC. 388. FARMLAND PROTECTION PROGRAM.**

**22** “(a) ESTABLISHMENT AND PURPOSE.—The Sec-  
**23** retary of Agriculture (in this section referred to as the  
**24** ‘Secretary’) shall carry out a farmland protection program

1 for the purpose of protecting farm and ranch lands by lim-  
 2 iting nonagricultural uses of such lands. Under the pro-  
 3 gram, the Secretary shall provide matching grants to eligi-  
 4 ble entities to facilitate their purchase of conservation  
 5 easements over such lands from willing sellers.

6 “(b) DEFINITIONS.—In this section, the following  
 7 terms shall have the following meanings:

8 “(1) ‘Farm and ranch lands’ shall include lands  
 9 devoted to agricultural use with:

10 “(A) prime, unique or other productive  
 11 soils; or

12 “(B) historic or archaeological resources  
 13 officially designated as such by a State or local  
 14 government agency or professional society de-  
 15 voted to protecting such resources.

16 “(2) ‘Eligible entity’ shall include any of the  
 17 following:

18 “(A) An agency of a State or local govern-  
 19 ment.

20 “(B) A federally recognized Indian tribe.

21 “(C) Any organization that is organized  
 22 for, and at all times since its formation has  
 23 been operating principally for, one or more con-  
 24 servation purposes specified in clause (i), (ii) or

1 (iii) of section 170(h)(4)(A) of the Internal  
2 Revenue Code of 1986 and—

3 “(i) is described in section 501(c)(3)  
4 of the Code;

5 “(ii) is exempt from taxation under  
6 section 501(a) of the Code; and

7 “(iii) is described in paragraph (2) of  
8 section 509(a) of the Code, or paragraph  
9 (3) of such section, but is controlled by an  
10 organization described in paragraph (2) of  
11 such section.

12 “(c) CONSERVATION PLAN.—Land enrolled in the  
13 program shall be subject to a conservation plan developed  
14 in accordance with the National Handbook of Conserva-  
15 tion Practices and the field office technical guides of the  
16 Natural Resources Conservation Service.

17 “(d) MAXIMUM FEDERAL SHARE.—The Federal  
18 share of the cost of purchasing a conservation easement  
19 under subsection (a)(1) shall not exceed 50 percent of the  
20 total cost of purchasing the easement.

21 “(e) NON-FEDERAL SHARE.—The non-Federal share  
22 for any project may include donations of documented  
23 value, including donations of conservation easements in  
24 the project area, if such donations materially advance the  
25 goals of the project.

1       “(f) TITLE ENFORCEMENT.—An eligible entity may  
 2 hold title to a conservation easement purchased using  
 3 grant funds provided under subsection (a)(1) and enforce  
 4 the conservation requirements of the easement.

5       “(g) STATE CERTIFICATION.—As a condition of the  
 6 receipt by an eligible entity of a grant under subsection  
 7 (a)(1), the attorney general of the State in which the con-  
 8 servation easement is to be purchased using the grant  
 9 funds shall certify that the conservation easement to be  
 10 purchased is in a form that is sufficient, under the laws  
 11 of the State, to achieve the purposes of the farmland pro-  
 12 tection program and the terms and conditions of the  
 13 grant.

14       “(h) FUNDING.—

15               “(1) USE OF COMMODITY CREDIT CORPORATION  
 16 FUNDS.—The Secretary shall use not more than:  
 17 \$150,000,000 in fiscal year 2002; \$250,000,000 in  
 18 fiscal year 2003; \$400,000,000 in fiscal year 2004;  
 19 \$450,000,000 in fiscal year 2005; and \$500,000,000  
 20 in fiscal year 2006 of the funds of the Commodity  
 21 Credit Corporation to carry out this section.

22               “(2) LIMITATION ON TECHNICAL ASSIST-  
 23 ANCE.—To provide technical assistance to carry out  
 24 this section, the Secretary may use not more than

1       10 percent of the amount made available for any fis-  
2       cal year under paragraph (1).

3       “(i) GRANTS AND ASSISTANCE TO ENHANCE FARM  
4       VIABILITY.—For each year for which funds are available  
5       for the program under this section, the Secretary may use  
6       not more than \$10,000,000 to provide matching market  
7       development grants and technical assistance to farm and  
8       ranch operators who participate in the program. As a con-  
9       dition of receiving such a grant, the grantee shall provide  
10      an amount equal to the grant from non-Federal sources.”.

11   **SEC. 202. SOCIALLY DISADVANTAGED FARMERS.**

12      Section 2501(a)(3) of the Food, Agriculture, Con-  
13      servation, and Trade Act of 1990 (7 U.S.C. 2279(a)(3))  
14      is amended—

15           (1) by striking “\$10,000,000” and inserting  
16           “\$15,000,000 from the Commodity Credit Corpora-  
17           tion” ; and

18           (2) by adding at the end the following: “Any  
19           agency of the Department of Agriculture may par-  
20           ticipate jointly in any grant or contract entered in  
21           furtherance of the objectives of this section if it  
22           agreed that the objectives of the grant or contract  
23           will further the authorized programs of the contrib-  
24           uting agency.”.

1 **TITLE III—ENVIRONMENTAL**  
 2 **STEWARDSHIP ON WORKING**  
 3 **LANDS**

4 **SEC. 211. ENVIRONMENTAL QUALITY INCENTIVES PRO-**  
 5 **GRAM.**

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

8 (1) by striking “to” and all that follows  
 9 through “provides” and inserting “to provide”;

10 (2) inserting “air” after “that face the most se-  
 11 rious threats to”;

12 (3) by redesignating the subparagraphs (A)  
 13 through (D) that follow the matter amended by 266  
 14 paragraph (2) of this section as paragraphs (1)  
 15 through (4), respectively; and

16 (4) by striking “farmers and ranchers” each  
 17 place it appears and inserting “producers”.

18 **SEC. 212. DEFINITIONS.**

19 Section 1240A of the Food Security Act of 1985 (16  
 20 U.S.C. 3839aaB1) is amended—

21 (1) in paragraph (1)—

22 (A) by inserting “nonindustrial private for-  
 23 est land,” before “and other land”; and



1 (B) by striking all after “poses a serious  
2 threat to” and inserting “air, soil, water, or re-  
3 lated resources.”; and

4 (2) in paragraph (4), by inserting “, including  
5 non-industrial private forestry” before the period.

6 **SEC. 213. ESTABLISHMENT AND ADMINISTRATION.**

7 (a) REAUTHORIZATION.—Section 1240B(a)(1) of the  
8 Food Security Act of 1985 (16 U.S.C. 3839aaB2(a)(1))  
9 is amended by striking “2002” and inserting “2006”.

10 (b) INCENTIVE PAYMENTS.—Section 1240B of such  
11 Act (16 U.S.C. 3839aaB2) is amended by adding at the  
12 end the following:

13 “(1) IN GENERAL.—The Secretary shall expand  
14 the Environmental Quality Incentives Program  
15 (EQIP) to allow pilot programs to improve water  
16 quality in individual watersheds nationwide. Except  
17 as otherwise provided in this subsection, these pilot  
18 programs shall be administered in accordance with  
19 the terms of the Environmental Quality Incentives  
20 Program. These will include:

21 “(A) DRINKING WATER SUPPLIERS PILOT  
22 PROGRAM.—

23 “(i) IN GENERAL.—The Secretary  
24 shall establish a pilot program in 15 water-  
25 sheds, as defined by the U.S. Geological

1 Survey, to improve water quality in co-  
2 operation with local water utilities.

3 “(ii) PILOT PROGRAM.—The Secretary  
4 shall select the watersheds and make avail-  
5 able funds to be allocated to producers in  
6 partnership with drinking water utilities in  
7 the watersheds, provided that drinking  
8 water utilities measure water quality and  
9 target incentives payments to improve  
10 water quality.

11 “(B) NUTRIENT REDUCTION PILOT PRO-  
12 GRAM.—The Secretary shall use up to  
13 \$100,000,000 annually of the funds provided  
14 under this subsection in 5 impaired watersheds  
15 each year to provide incentives for agricultural  
16 producers to reduce nitrogen and phosphorous  
17 applications by at least 15 percent below the  
18 average rates used by comparable farms in the  
19 State. Incentive payments shall reflect the ex-  
20 tent to which producers reduce nitrogen and  
21 phosphorous applications.

22 “(2) CONSISTENCY WITH WATERSHED PLAN.—  
23 In allocating funds to EQIP water quality pilot pro-  
24 grams, the Secretary shall consider the extent to  
25 which an application for the funds is consistent with

1 a locally developed watershed plan, in addition to the  
2 other factors established by section 1240C.

3 “(3) CONTRACTS.—The Secretary shall enter  
4 into contracts in accordance with this section with  
5 producers whose activities affect water quality, in-  
6 cluding the quality of public drinking water supplies,  
7 to implement and maintain nutrient management,  
8 pest management, soil erosion practices, and other  
9 conservation activities that protect water quality and  
10 protect human health. The contracts shall—

11 “(A) describe the nutrient management,  
12 pest management or soil loss practices to be im-  
13 plemented, maintained, or improved;

14 “(B) contain a schedule of implementation;

15 “(C) address water quality priorities of the  
16 watershed in which the operation is located to  
17 the greatest extent possible; and

18 “(D) contain such other terms as the Sec-  
19 retary determines to be appropriate.

20 “(4) VOLUNTARY WATER QUALITY BENEFITS  
21 EVALUATION.—On approval of the producer, the  
22 Secretary may include the cost of water quality ben-  
23 efits evaluation as part of a contract.

24 “(5) RECOGNITION OF STATE EFFORTS.—The  
25 Secretary shall recognize the financial contribution

1 of States, among other factors, during the allocation  
 2 of funding under this subsection.”.

3 (c) NON-FEDERAL ASSISTANCE.—Section 1240B(g)  
 4 of such Act (16 U.S.C. 3839aaB2(g)) is amended by in-  
 5 serting “drinking water utility” after “forestry agency”.

6 **SEC. 214. EVALUATION OF OFFERS AND PAYMENTS.**

7 Section 1240C of the Food Security Act of 1985 (16  
 8 U.S.C. 3839aaB3) is amended to read as follows:

9 **“SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.**

10 “The Secretary shall establish a ranking process and  
 11 benefits index to prioritize technical assistance, cost-share  
 12 payments, and incentives payments to producers to maxi-  
 13 mize soil and water quality and wildlife habitat and other  
 14 environmental benefits per dollar expended. The ranking  
 15 process shall be weighted to ensure that technical assist-  
 16 ance, cost-share payments, and incentives are provided to  
 17 small or socially-disadvantaged farmers (as defined in sec-  
 18 tion 8(a)(5) of the Small Business Act) and to give pri-  
 19 ority to producers who have previously implemented stew-  
 20 ardship practices at their own expense. The Secretary  
 21 shall consult with local, State, and Federal public and pri-  
 22 vate entities to develop the ranking process and benefits  
 23 index.”.

1 **SEC. 215. LIMITATION ON PAYMENTS.**

2 Section 1240G of the Food Security Act of 1985 (16  
3 U.S.C. 3839aaB7) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (1), by striking  
6 “\$10,000” and inserting “\$30,000”; and

7 (B) in paragraph (2), by striking  
8 “\$50,000” and inserting “\$150,000”;

9 (2) in subsection (b)—

10 (A) by striking “and” at the end of para-  
11 graph (1);

12 (B) by striking the period at the end of  
13 paragraph (2) and inserting “; and”; and

14 (C) by adding at the end the following:

15 “(3) to share the cost of digesters.”; and

16 (3) by striking subsection (c).

17 **SEC. 216. REAUTHORIZATION OF FUNDING.**

18 Section 1241(a) of the Food Security Act of 1985  
19 (16 U.S.C. 3841(a)) is amended by striking “2002” and  
20 inserting “2006”.

21 **SEC. 217. FUNDING.**

22 Section 1241(b)(1) of the Food Security Act of 1985  
23 (16 U.S.C. 3841(b)(1)) is amended—

24 (1) by striking “\$130,000,000” and all that fol-  
25 lows through “2002” and inserting “\$250,000,000  
26 for fiscal year 2002, \$400,000,000 for fiscal year

1       2003, \$700,000,000 for fiscal year 2004,  
 2       \$850,000,000 for fiscal year 2005, and  
 3       \$970,000,000 for fiscal year 2006”;

4           (2) by inserting “(other than under section  
 5       1240B(h))” before the period; and

6           (3) by adding at the end the following: “In ad-  
 7       dition, the Commodity Credit Corporation shall  
 8       make available to the Secretary, under section  
 9       1240B(h): \$150,000,000 for fiscal year 2002;  
 10       \$250,000,000 for fiscal year 2003; \$450,000,000 for  
 11       fiscal year 2004; \$550,000,000 for fiscal year 2005,  
 12       and \$630,000,000 for 2006 for this section in order  
 13       to provide incentive payments to producers who im-  
 14       plement watershed quality incentive contracts.”.

15 **SEC. 218. ALLOCATION FOR LIVESTOCK AND OTHER CON-**  
 16 **SERVATION PRIORITIES.**

17       (a) IN GENERAL.—Section 1241(b)(2) of the Food  
 18       Security Act of 1985 (16 U.S.C. 3841(b)(2)) is  
 19       amended—

20           (1) by striking “2002” and inserting “2006”;  
 21       and

22           (2) by inserting “(other than under section  
 23       1240B(h))” before “shall”.

1       (b)     AGRICULTURAL     SUSTAINABILITY.—Section  
 2     1241(b) of such Act (16 U.S.C. 3841(b)) is amended by  
 3     adding at the end the following:

4             “(3) TARGETING OF PRACTICES TO PROMOTE  
 5     AGRICULTURAL SUSTAINABILITY.—

6             “(A) \_\_\_\_\_.—To the maximum extent  
 7     practicable, the Secretary shall attempt to dedi-  
 8     cate at least 10 percent of the funding in this  
 9     subsection to each of the following practices to  
 10    promote agricultural sustainability:

11            “(i) Managed grazing.

12            “(ii) Innovative manure management.

13            “(iii) Pesticide and herbicide reduc-  
 14    tion, including practices that reduce direct  
 15    human exposure.

16            “(B) DEFINITIONS.—In subparagraph (A):

17            “(i) MANAGED GRAZING.—The term  
 18    ‘managed grazing’ means practices which  
 19    frequently rotate animals on grazing lands  
 20    to enhance plant health, limit soil erosion,  
 21    protect ground and surface water quality,  
 22    or benefit wildlife.

23            “(ii) INNOVATIVE MANURE MANAGE-  
 24    MENT.—The term ‘innovative manure

management’ means manure management  
technologies which—

“(I) eliminate the discharge of  
animal waste to surface and ground-  
waters through direct discharge, seep-  
age, and runoff;

“(II) substantially eliminate at-  
mospheric emissions of ammonia;

“(III) substantially eliminate the  
emission of odor;

“(IV) substantially eliminate the  
release of disease-transmitting vectors  
and pathogens;

“(V) substantially eliminate nu-  
trient heavy metal contamination; or

“(VI) encourage reprocessing and  
cost-effective transportation of animal  
waste.

“(4) RESERVATION FOR WATER CONSERVA-  
TION.—Not less than 25 percent of the funds made  
available by this section shall be used to share the  
cost of structural and nonstructural measures de-  
signed to conserve water, including but not limited  
to low-energy precision application, low-flow irriga-  
tion systems, and tailwater reuse systems in the



1 Klamath Basin, Truckee-Carson Basin, Walker  
2 River Basin and other appropriate regions.”

3 **SEC. 219. STATE RESERVE.**

4 (a) IN GENERAL.—For each of the fiscal years 2002  
5 through 2006, of the funds made available under para-  
6 graph (1), the Secretary shall reserve \$250,000,000, of  
7 which \$5,000,000 shall be for producers in each State.

8 (b) AVAILABILITY.—Funds reserved under paragraph  
9 (a) shall remain available for producers only until Sep-  
10 tember 15 of the fiscal year in which the funds are made  
11 available.

12 **TITLE IV—PRESERVATION OF**  
13 **WILDLIFE HABITAT**

14 **SEC. 221. WILDLIFE HABITAT INCENTIVES PROGRAM.**

15 (a) EXTENSION AND FUNDING INCREASE.—Section  
16 387(c) of the Federal Agriculture Improvement and Re-  
17 form Act of 1996 (16 U.S.C. 3836a) is amended to read  
18 as follows:

19 “(c) FUNDING FROM COMMODITY CREDIT CORPORA-  
20 TION.—The Commodity Credit Corporation shall make  
21 available \$100,000,000 for fiscal year 2002, \$200,000,000  
22 for fiscal year 2003, \$400,000,000 for fiscal year 2004,  
23 and \$450,000,000 for each of fiscal years 2005 and 2006  
24 to the Secretary to carry out this section.”.

1       (b) ADDITIONAL INCENTIVES FOR WILDLIFE CON-  
2       SERVATION.—Section 387(b) of such Act (16 U.S.C. 10  
3       3836(b)) is amended by inserting “, or for other costs re-  
4       lating to wildlife conservation,” before “approved by the  
5       Secretary”.

6       (c) PROGRAM MODIFICATIONS.—Section 387 of such  
7       Act (16 U.S.C. 3836a) is amended by adding at the end  
8       the following:

9       “(d) INCENTIVE PAYMENTS.—The Secretary may  
10      provide incentive payments to landowners, and other speci-  
11      fied parties in this section, in exchange for the implemen-  
12      tation of land management practices designed to create  
13      or preserve wildlife habitat, including the preservation of  
14      water for wildlife and the eradication or mitigation of  
15      invasive and noxious species in wildlife habitat. The pay-  
16      ments may be in an amount and at a rate determined by  
17      the Secretary to be necessary to encourage a landowner  
18      to engage in the practice.

19      “(e) SPECIFIED PARTIES ELIGIBLE.—With the  
20      agreement of State wildlife officials, the Secretary may  
21      provide incentive payments to private landowners and non-  
22      profit organizations that maintain, protect, and manage  
23      public lands for wildlife habitat.

24      “(f) FUNDING PRIORITY.—The Secretary shall give  
25      priority to landowners whose lands contain important

1 habitat for imperiled species or habitat identified by State  
 2 conservation plans, where available.

3 “(g) CONSULTATION.—To the extent practicable, the  
 4 Secretary shall consult with Federal, State, local, and pri-  
 5 vate experts, as considered appropriate by the Secretary,  
 6 to ensure that projects under this section maximize con-  
 7 servation benefits and are regionally equitable.

8 “(h) ACQUISITION OF EASEMENTS.—Beginning with  
 9 fiscal year 2003, not more than 10 percent of the funds  
 10 available shall be used to acquire permanent easements,  
 11 provided that land enrolled in an easement is not land  
 12 taken out of agricultural production.”.

13 **SEC. 222. WETLANDS RESERVE PROGRAM.**

14 (a) ENROLLMENT AUTHORITY.—Section 1237(b)(1)  
 15 14 of the Food Security Act of 1985 (16 U.S.C.  
 16 3837(b)(1)) is amended to read as follows:

17 “(1) ENROLLMENT.—The Secretary shall enroll  
 18 in the wetlands reserve program a total of not less  
 19 than 250,000 acres in fiscal years 2002 and 2003,  
 20 and not less than 250,000 acres in each of fiscal  
 21 years 2004 through 2006.”.

22 (b) REGIONAL EQUITY.—Section 1237 of such Act  
 23 (16 U.S.C. 3837) is amended by adding at the end the  
 24 following:

1 “(h) Not later than 60 days after the date of the en-  
 2 actment of this sentence, the Secretary shall devise a plan  
 3 to promote wetlands conservation in all regions where op-  
 4 portunities exist for wetlands restoration.”.

5 **SEC. 223. CONSERVATION RESERVE PROGRAM.**

6 (a) ENROLLMENT AUTHORITY.—Section 1231 of the  
 7 Food Security Act of 1985 (16 U.S.C. 3831) is  
 8 amended—

9 (1) in subsection (a)—

10 (A) by striking “2002” and inserting  
 11 “2006”; and

12 (B) by striking “and water” and inserting  
 13 “, water, and wildlife”;

14 (2) in subsection (d)—

15 (A) by striking “36,400,000” and inserting  
 16 “42,000,000”; and

17 (B) by striking “2002” and inserting  
 18 “2006”; and

19 (3) in subsection (h)(1), by striking “and  
 20 2002” and inserting “through 2006”.

21 (b) ELIGIBILITY.—Section 1231(b) of such Act (16  
 22 U.S.C. 3831(b)) is amended—

23 (1) by striking paragraph (3) and inserting the  
 24 following:

1 “(3) pasture, hay, and rangeland if the land  
2 will be restored as a wetland, or is within 300 feet  
3 of a riparian area and will be restored in native  
4 vegetation; and”; and

5 (2) in paragraph (4)—

6 (A) by striking subparagraph (A) and in-  
7 serting the following:

8 “(A) if the Secretary determines that—

9 “(i) the lands contribute to the deg-  
10 radation of soil, water, or air quality, or  
11 may affect the habitat of sensitive, threat-  
12 ened or endangered species; and

13 “(ii) the lands would pose an on-site  
14 or off-site environmental threat to soil,  
15 water, or air quality if permitted to remain  
16 in agricultural production; and

17 “(iii) soil, water, and air quality objec-  
18 tives with respect to the land cannot be  
19 achieved under the environmental quality  
20 incentives program established under chap-  
21 ter 4;”;

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

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

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

2 “(E) if the Secretary determines that en-  
 3 rollment of the lands would contribute to con-  
 4 servation of ground or surface water. For pur-  
 5 poses of the program under this subchapter,  
 6 buffer strips on lands used for the production  
 7 of fruits, vegetables, sod, orchards, or specialty  
 8 crops shall be considered cropland.”.

9 (c) ENVIRONMENTALLY SENSITIVE LANDS AND  
 10 BUFFER STRIPS.—Section 1231(d) of such Act (16  
 11 U.S.C. 3831(d)) is amended by adding at the end the fol-  
 12 lowing: “Until December 31, 2007, of the acreage author-  
 13 ized for enrollment, not less than 5,500,000 acres shall  
 14 be used to enroll environmentally sensitive lands through  
 15 the continuous enrollment program and the conservation  
 16 reserve enhancement program.”.

17 (d) LIMITED PERMANENT EASEMENT AUTHORITY.—  
 18 Section 1231(e) of such Act (16 U.S.C. 3831(e)) is  
 19 amended by adding at the end the following:

20 “(3) PERMANENT EASEMENTS.—

21 “(A) IN GENERAL.—Notwithstanding para-  
 22 graph (1), the Secretary may enroll up to  
 23 3,000,000 acres in the conservation reserve  
 24 using permanent easements to protect critically  
 25 important environmentally sensitive lands and

1           habitats such as native prairies, native  
 2           shrublands, small wetlands, springs, seeps, fens,  
 3           and other rare and declining habitats. The  
 4           terms of the easement shall be consistent with  
 5           section 1232(a).

6           “(B) LIMITATIONS ON TRANSFER-  
 7           ABILITY.—The Secretary may transfer a per-  
 8           manent easement established under subpara-  
 9           graph (A) to a State or local government or a  
 10          qualified nonprofit conservation organization.  
 11          The holder of such a permanent easement may  
 12          not transfer the easement to an entity other  
 13          than a State or local government or a qualified  
 14          nonprofit conservation organization.”.

15          (e) CONTINUOUS ENROLLMENT OF BUFFER  
 16 STRIPS.—Section 1231 of such Act (16 U.S.C. 3831) is  
 17 amended by adding at the end the following:

18          “(i) CONTINUOUS ENROLLMENT OF BUFFER  
 19 STRIPS.—The Secretary shall allow continuous enrollment  
 20 of buffers whose width and vegetation is designed to pro-  
 21 vide significant wildlife or water quality benefits, as deter-  
 22 mined by the Secretary.

23          “(j) IRRIGATED LANDS.—Irrigated lands shall be en-  
 24 rolled at irrigated land rates unless the Secretary deter-  
 25 mines that other compensation is appropriate.

1       “(k) EXCEPTION TO PAYMENT LIMITATION.—Pay-  
 2       ments made in connection with the enrollment of lands  
 3       pursuant to the continuous enrollment or the conservation  
 4       reserve enhancement program shall not be subject to any  
 5       payment limitations under section 1239c(f)(1).

6       “(l) LIMITED EXCEPTIONS TO PROHIBITIONS ON  
 7       ECONOMIC USES.—Notwithstanding the prohibitions on  
 8       economic use on lands enrolled in the Conservation Re-  
 9       serve Program under section 1232(a), the Secretary may  
 10      permit on such lands the collection of native seeds and  
 11      the use of wind turbines, so long as such activities preserve  
 12      the conservation values of the land and take into account  
 13      wildlife and wildlife habitat.”.

14   **SEC. 224. CONSERVATION OF GRAZING LANDS.**

15      Section 386 of the Federal Agriculture Improvement  
 16      and Reform Act of 1996 (16 U.S.C. 2005b) is amended  
 17      by striking subsection (f) and inserting the following:

18      “(f) INCENTIVE PAYMENTS.—The Secretary may  
 19      enter into 5-year, 10-year and 20-year contracts with  
 20      landowners to provide financial assistance for landowner  
 21      efforts to improve the ecological health of grazing lands,  
 22      including practices that reduce erosion, employ prescribed  
 23      burns, restore riparian area, control or eliminate exotic  
 24      species, reestablish native grasses, or otherwise enhance  
 25      wildlife habitat.



1 “(g) FUNDING FROM COMMODITY CREDIT CORPORA-  
 2 TION.—The Commodity Credit Corporation shall make  
 3 available \$50,000,000 for each of the fiscal years 2002  
 4 through 2006 to the Secretary to carry out this section.”.

5 **SEC. 225. GRASSLAND RESERVE AND ENHANCEMENT PRO-**  
 6 **GRAM.**

7 Chapter 1 of subtitle D of title XII of the Food Secu-  
 8 rity Act of 1985 (16 U.S.C. 3830B3837f) is amended by  
 9 adding at the end the following:

10 **“Subchapter D—Grassland Reserve and**  
 11 **Enhancement Program**

12 **“SEC. 1238. GRASSLAND RESERVE AND ENHANCEMENT**  
 13 **PROGRAM.**

14 “(a) ESTABLISHMENT.—The Secretary shall estab-  
 15 lish a program to use contracts and easements to protect  
 16 3,000,000 acres of environmentally critical grasslands,  
 17 shrubs, and blufflands.

18 “(b) ENROLLMENT CONDITIONS.—

19 “(1) MAXIMUM ENROLLMENT.—The total num-  
 20 ber of acres enrolled in the program shall not exceed  
 21 3,000,000 acres. The Secretary shall enroll lands  
 22 using permanent easements to meet demand, but in  
 23 no case shall more than 50 percent of the available  
 24 acreage be enrolled in permanent easements, and the  
 25 balance shall be enrolled in contracts through which

1 the Secretary shall provide assistance and incentive  
2 payments.

3 “(2) TERMS OF CONTRACTS OR EASEMENTS.—

4 The Secretary shall enroll in the program for a will-  
5 ing owner not less than 100 contiguous acres of land  
6 west of the 100th meridian or not less than 50 con-  
7 tiguous acres of land east of the 90th meridian  
8 through 30-year contracts or permanent easements.

9 “(c) ELIGIBLE LAND.—Land shall be eligible to be  
10 enrolled in the program if the Secretary determines that—

11 “(1) the land is natural grass or shrubland;

12 “(2) the land—

13 “(A) is located in an area that has been  
14 historically dominated by natural grass or  
15 shrubland; and

16 “(B) has potential to serve as habitat for  
17 animal or plant populations of significant eco-  
18 logical value if the land is restored to natural  
19 grass or shrubland; or

20 “(3) the land is adjacent to land described in  
21 paragraph (1) or (2), and the Secretary determines  
22 it is necessary to maintain or restore native grass-  
23 land or shrubland under this section.

24 “(d) LIMITATIONS ON AUTHORIZATION OF APPRO-  
25 PRIATIONS.—To carry out this section, there shall be

1 available for each of fiscal years 2002 through 2011 such  
 2 sums as may be necessary from the funds of the Com-  
 3 modity Credit Corporation.

4 **“SEC. 1238A. CONTRACTS AND AGREEMENTS.**

5       “(a) REQUIREMENTS OF LANDOWNER.—To be eligi-  
 6 ble to enroll land in the program, the owner of the land  
 7 shall—

8               “(1) agree to comply with the terms of the con-  
 9 tract and related restoration agreements; and

10              “(2) agree to the suspension of any existing  
 11 cropland base and allotment history for the land  
 12 under any program administered by the Secretary.

13       “(b) TERMS OF CONTRACT OR EASEMENT.—A con-  
 14 tract or easement under subsection (a) shall—

15              “(1) permit—

16                      “(A) common grazing practices on the land  
 17 in a manner that is consistent with maintaining  
 18 the viability of natural grass and shrub species  
 19 indigenous to that locality;

20                      “(B) haying, mowing, or haying for seed  
 21 production, except that such uses shall not be  
 22 permitted until after the end of the nesting and  
 23 brood-rearing season for birds in the local area  
 24 which are in significant decline or are conserved  
 25 pursuant to State or Federal law, as deter-

1           mined by the Natural Resources Conservation  
2           Service State conservationist;

3           “(C) construction of fire breaks and  
4           fences, including placement of the posts nec-  
5           essary for fences; and

6           “(D) practices that reduce erosion, restore  
7           native species, control and eradicate exotic spe-  
8           cies, enhance habitat for native wildlife, and im-  
9           prove the health of riparian areas;

10          “(2) prohibit—

11           “(A) forestry and the production of any  
12           agricultural commodity (other than hay);

13           “(B) unless allowed under subsection (d),  
14           the conduct of any other activity that would dis-  
15           turb the surface of the land covered by the con-  
16           tract or easement; and

17           “(C) the development of homes, businesses  
18           or other structures on land subject to the con-  
19           tract or easement; and

20          “(3) include such additional provisions as the  
21          Secretary determines are appropriate to carry out or  
22          facilitate the administration of this subchapter.

23          “(c) RANKING APPLICATIONS.—

1           “(1) ESTABLISHMENT OF CRITERIA.—The Sec-  
 2       retary shall establish criteria to evaluate and rank  
 3       applications for contracts under this subchapter.

4           “(2) EMPHASIS.—In establishing the criteria,  
 5       the Secretary shall emphasize support for native  
 6       grass and shrubland, grazing operations, and plant  
 7       and animal biodiversity.

8           “(d) RESTORATION AGREEMENTS.—The Secretary  
 9       shall prescribe the terms by which grassland that is sub-  
 10      ject to a contract under the program shall be restored.  
 11      The agreement shall include duties of the land owner and  
 12      the Secretary, including the Federal share of restoration  
 13      payments and technical assistance.

14          “(e) VIOLATIONS.—On the violation of the terms or  
 15      conditions of a contract or restoration agreement entered  
 16      into under this section—

17           “(1) the contract shall remain in force; and

18           “(2) the Secretary may require the owner to re-  
 19      fund all or part of any payments received by the  
 20      owner under this subchapter, with interest on the  
 21      payments as determined appropriate by the Sec-  
 22      retary.

23      **“SEC. 1238B. DUTIES OF SECRETARY.**

24          “(a) IN GENERAL.—In return for the granting of a  
 25      contract by an owner under this subchapter, the Secretary

1 shall make contract payments and payments of the Fed-  
2 eral share of restoration and provide technical assistance  
3 to the owner in accordance with this section. The Sec-  
4 retary shall base the amount paid for an easement on the  
5 fair market value of the easement.

6 “(b) FEDERAL SHARE OF RESTORATION.—The Sec-  
7 retary shall make payments to the owner of not more  
8 than—

9 “(1) in the case of virgin (never cultivated)  
10 grassland, 90 percent of the costs of carrying out  
11 measures and practices necessary to restore grass-  
12 land functions and values; or

13 “(2) in the case of restored grassland, 75 per-  
14 cent of such costs.

15 “(c) TECHNICAL ASSISTANCE.—A landowner who is  
16 receiving a benefit under this subchapter shall be eligible  
17 to receive technical assistance in accordance with section  
18 1243(d) to assist the owner or operator in carrying out  
19 a contract entered into under this subchapter.

20 “(d) PAYMENTS TO OTHERS.—If an owner who is en-  
21 titled to a payment under this subchapter dies, becomes  
22 incompetent, is otherwise unable to receive the payment,  
23 or is succeeded by another person who renders or com-  
24 pletes the required performance, the Secretary shall make  
25 the payment, in accordance with regulations promulgated

1 by the Secretary and without regard to any other provision  
 2 of law, in such manner as the Secretary determines is fair  
 3 and reasonable in light of all the circumstances.”.

4 **SEC. 226. WATER CONSERVATION PROGRAM**

5 (a) IN GENERAL.—Chapter 1 of subtitle D of title  
 6 XII of the Food Security Act of 1985 (16 U.S.C. 3831  
 7 et seq.) is amended by adding at the end the following:

8 **“Subchapter E—Water Conservation Program**

9 **“SEC. 1239. DEFINITIONS.**

10 “In this subchapter:

11 “(1) ELIGIBLE LAND.—The term ‘eligible land’  
 12 means any land whose enrollment in this program  
 13 will further the goals of this subchapter.

14 “(2) ENDANGERED SPECIES.—The term ‘en-  
 15 dangered species’ has the meaning given the term in  
 16 section 3 of the Endangered Species Act of 1973 (16  
 17 U.S.C. 1532).

18 “(3) PROGRAM.—The term ‘program’ means  
 19 the water conservation program established under  
 20 section 1238A.

21 “(4) SENSITIVE SPECIES.—The term ‘sensitive  
 22 species’ has the meaning given the term ‘candidate  
 23 species’ within the meaning of section 424.02(b) of  
 24 title 50, Code of Federal Regulations (or a successor  
 25 regulation).

1           “(5) THREATENED SPECIES.—The term  
 2           ‘threatened species’ has the meaning given the term  
 3           in section 3 of the Endangered Species Act of 1973  
 4           (16 U.S.C. 1532).

5   **“SEC. 1239A. PROGRAM.**

6           “(a) ESTABLISHMENT.—Effective for each of the  
 7   2003 through 2006 calendar years, the Secretary shall es-  
 8   tablish, and carry out the enrollment of eligible land de-  
 9   scribed in subsection (b) through the use of contracts in  
 10   a water conservation program to provide for the temporary  
 11   transfer of water, or permanent acquisition of water or  
 12   water rights, from willing sellers, including in the Klamath  
 13   Basin, the Truckee-Carson Basin and the Walker River  
 14   Basin.

15          “(b) ENROLLMENT OF ELIGIBLE LAND.—

16               “(1) CRP LAND.—

17                   “(A) IN GENERAL.—The Secretary shall  
 18                   enroll in the program not less than 2,000,000  
 19                   acres of the acres authorized to be enrolled in  
 20                   the conservation reserve program under section  
 21                   1231(d).

22                   “(B) TIMING.—To the maximum extent  
 23                   practicable, an enrollment under subparagraph  
 24                   (A) shall occur during the enrollment period for



1 the conservation reserve program in accordance  
2 with section 1234(c)(2)(A).

3 “(2) OTHER ELIGIBLE LAND.—

4 “(A) IN GENERAL.—In addition to land  
5 described in paragraph (1), if the Secretary de-  
6 termines that the condition under subparagraph  
7 (B) is met, the Secretary shall enroll in the pro-  
8 gram such acres of land as the Secretary deter-  
9 mines to be appropriate that, but for water  
10 rights associated with the land, would be mar-  
11 ginal if used for agricultural production or as  
12 pasture.

13 “(B) CONDITION.—The condition referred  
14 to in subparagraph (A) is that any contract  
15 governing the enrollment of land described in  
16 subparagraph (A) provides for the transfer to  
17 the Secretary, or permanent acquisition by the  
18 Secretary, of water rights associated with the  
19 land, to be used to protect 1 or more endan-  
20 gered species, sensitive species, or threatened  
21 species or for the conservation or recovery of  
22 such species.

23 “(C) PRIORITY IN ENROLLMENT.—In en-  
24 rolling eligible land in the program, the Sec-

1           retary shall give priority to land with associated  
2           water rights that—

3                   “(i) could be used to significantly ad-  
4                   vance the goals of Federal, State, Tribal  
5                   and local fish, wildlife, and plant conserva-  
6                   tion plans, including—

7                           “(I) plans that address multiple  
8                           endangered species, sensitive species,  
9                           or threatened species; and

10                           “(II) agreements entered into, or  
11                           conservation plans submitted, under  
12                           section 6 or 10(a)(2)(A) of the En-  
13                           dangered Species Act of 1973 (16  
14                           U.S.C. 1535, 1539(a)(2)(A)), respec-  
15                           tively; or

16                           “(ii) would benefit fish, wildlife, or  
17                           plants of 1 or more refuges within the Na-  
18                           tional Wildlife Refuge System.

19   **“SEC. 1239B. DURATION AND NATURE OF CONTRACTS.**

20           “(a) IN GENERAL.—In enrolling eligible land in the  
21   program, the Secretary shall enter into a contract de-  
22   scribed in subparagraph (b) or (c), as appropriate, with  
23   a willing owner.

24           “(b) TRANSFER OF WATER RIGHTS.—In enrolling el-  
25   igible land in the program, for the purpose of transferring

1 water rights associated with eligible land or providing dry  
 2 year options on such water rights, the Secretary shall, in  
 3 accordance with the water law of the State in which eligi-  
 4 ble land sought to be enrolled is located, enter into a con-  
 5 tract with the owner of the eligible land for the transfer  
 6 of those rights that has a term of not less than one but  
 7 not more than 15 years, or shall provide for dry year op-  
 8 tion contract or other similar agreement which effectuates  
 9 the purposes of this section.

10 “(c) PERMANENT ACQUISITION OF WATER  
 11 RIGHTS.—In enrolling eligible land in the program, for the  
 12 purpose of permanently acquiring water rights associated  
 13 with the eligible land, the Secretary may enter into a con-  
 14 tract or agreement for the acquisition of those rights  
 15 with—

16 “(1) the owner of the eligible land; and

17 “(2) to the extent that matching funds are pro-  
 18 vided for the acquisition of the water rights—

19 “(A) a State (including a political subdivi-  
 20 sion); or

21 “(B) nonprofit organization; or

22 “(C) Tribes.”

23 **“SEC. 1239C. DUTIES OF OWNERS.**

24 “(a) IN GENERAL.—The owner of eligible land en-  
 25 rolled in the program under a contract described in sub-

1 section (b) or (c) of section 1238B shall, in accordance  
2 with the contract—

3 “(1) agree to transfer to the Secretary water  
4 rights associated with enrolled eligible land;

5 “(2) agree to take no action that would inter-  
6 fere with the quantity or quality of water transferred  
7 or acquired under the contract;

8 “(3) at the option of the Secretary, use, or  
9 transfer or sell to an entity approved by the Sec-  
10 retary, water described in paragraph (2) to protect  
11 251 or more endangered species, sensitive species, or  
12 threatened species; and

13 “(4) on violation of any term of the contract  
14 that the Secretary determines is of such a nature as  
15 to warrant termination of the contract—

16 “(A) forfeit all rights to receive payments  
17 under the contract; and

18 “(B) refund to the Secretary any payments  
19 received as of the date of the violation (includ-  
20 ing interest on the payments, as determined by  
21 the Secretary).

22 “(b) TRANSFER OF ELIGIBLE LAND BY OWNER.—

23 “(1) IN GENERAL.—If the owner of eligible land  
24 enrolled in the program transfers any right or inter-  
25 est in the eligible land subject to a contract de-

1 scribed in subsection (b) or (c) of section 1239B, the  
2 owner shall—

3 “(A) forfeit all rights to receive payments  
4 under the contract; and

5 “(B)(i) refund to the Secretary any pay-  
6 ments received as of the date of the violation  
7 (including interest on the payments, as deter-  
8 mined by the Secretary); or

9 “(ii) accept such payment adjustments or  
10 make such refunds as the Secretary determines  
11 to be appropriate.

12 “(2) EXCEPTIONS.—Paragraph (1) shall not  
13 apply in any case in which—

14 “(A) a transferee of eligible land or an in-  
15 terest in eligible land described in paragraph  
16 (1) agrees with the Secretary—

17 “(i) to assume all obligations under a  
18 contract described in subsection (b) or (c)  
19 of section 1239B to which the transferred  
20 eligible land is subject; or

21 “(ii) to modify the contract in a man-  
22 ner that is consistent with this section; or

23 “(B) eligible land or an interest in eligible  
24 land described in paragraph (1) is purchased by

1           or for the United States Fish and Wildlife Serv-  
 2           ice, Tribe, or others.

3   **“SEC. 1239D. DUTIES OF THE SECRETARY.**

4           “(a) PAYMENTS.—The Secretary shall make pay-  
 5   ments for eligible land enrolled in the program in accord-  
 6   ance with section 1239E.

7           “(b) STATE APPLICATIONS AND PROCESS.—At the  
 8   request of an owner, the Secretary shall submit any nec-  
 9   essary State application, and complete any applicable  
 10   State legal process, for the transfer or acquisition of water  
 11   under a contract described in subsection (b) or (c) of sec-  
 12   tion 1239B.

13   **“SEC. 1239E. PAYMENTS.**

14           “(a) IN GENERAL.—

15           “(1) TEMPORARY TRANSFER OF WATER  
 16   RIGHTS.—In a case in which the Secretary enters  
 17   into a contract described in section 1238B(b), for  
 18   each year of the term of the contract, the Secretary  
 19   shall pay to the owner of the enrolled eligible land  
 20   a payment in such amount as the Secretary and the  
 21   owner jointly determine is appropriate to compensate  
 22   the owner for the use of the water rights transferred  
 23   under the contract.

24           “(2) PERMANENT ACQUISITION OF WATER  
 25   RIGHTS.—In a case in which the Secretary enters

1       into a contract described in section 1238B(c), the  
2       Secretary shall make a single payment to the owner  
3       of enrolled eligible land in such amount as the Sec-  
4       retary and the owner jointly determine is appro-  
5       priate to compensate for the acquisition of water  
6       rights associated with the enrolled eligible land.

7       “(b) TIMING.—The Secretary shall make payments  
8       for obligations incurred during the fiscal year by the Sec-  
9       retary under this section as soon as practicable after Octo-  
10      ber 1 of the fiscal year.

11      “(c) DETERMINATION OF PAYMENT AMOUNT.—The  
12      Secretary may determine the amount to be paid to the  
13      owner of eligible land under paragraph (1) or (2) of sub-  
14      section (a) by—

15           “(1) taking into consideration such minimum  
16           amount as the Secretary determines is necessary to  
17           encourage owners to participate in the program;

18           “(2) soliciting and reviewing bids for enrollment  
19           contracts from owners in such manner as the Sec-  
20           retary may prescribe, except that the bidding process  
21           for eligible land enrolled under the program shall be  
22           separate from the bidding process for eligible land  
23           under the conservation reserve program under sec-  
24           tion 1234; or

1           “(3) using such other means as the Secretary  
2           determines to be appropriate.

3           “(d) ACCEPTANCE OF CONTRACT OFFERS.—In de-  
4           termining whether to accept an offer for a contract from  
5           an owner of eligible land to enroll the eligible land in the  
6           program, the Secretary shall—

7           “(1) to the maximum extent practicable as de-  
8           termined by the Secretary, incorporate the applicable  
9           provisions of priority system established under sec-  
10          tion 1230(d); and

11          “(2) explicitly encourage, and give priority to  
12          the permanent and long-term acquisition of water  
13          and water rights that accompany the eligible land to  
14          be enrolled in the program by providing enhanced  
15          payments for—

16                 “(A) the permanent acquisition of water or  
17                 water rights; or

18                 “(B) the transfer of water or water rights  
19                 for terms of at least 10 years.

20   **“SEC. 1239F. CONSULTATION.**

21          “In enrolling eligible land in the program, to ensure,  
22          to the maximum extent practicable, that all water rights  
23          transferred or acquired under this section are used to pro-  
24          tect endangered species, sensitive species, and threatened  
25          species, the Secretary shall consult with—



1 “(1) the Secretary of the Interior;

2 “(2) the head of the lead water agency of the  
3 State in which the enrolled eligible land is located;  
4 and

5 “(3) any affected Tribes.

6 **“SEC. 1239G. ADDITIONAL APPLICABLE PROVISIONS.**

7 “The terms and conditions of subsections (e), (g),  
8 and (h) of section 1234 and subsections (a) through (d)  
9 of section 1235 apply to the enrollment of eligible land  
10 in the program, to the extent determined to be appropriate  
11 by the Secretary.

12 **“SEC. 1239H. STATE WATER LAW.**

13 “Nothing in this section shall be construed to pre-  
14 empt State water law.”.

15 (b) FUNDING.—Section 1241(a) of the Food Security  
16 Act of 1985 (16 U.S.C. 3841(a)) is amended—

17 (1) in paragraph (2), by striking “; and”;

18 (2) by redesignating paragraph (3) as para-  
19 graph (4); and

20 (3) by inserting after paragraph (2) the fol-  
21 lowing:

22 “(3) subchapter E of chapter 1 of subtitle D;  
23 and”.

# 1      **TITLE V—ORGANIC FARMING**

## 2      **SEC. 231. ORGANIC AGRICULTURE RESEARCH TRUST FUND.**

3            (a) ESTABLISHMENT.—There shall be established in  
4 the Treasury of the United States an account to be known  
5 as the “Organic Agriculture Research Trust Fund”.

6            (b) AUTHORIZATION OF APPROPRIATIONS; TRANS-  
7 FER OF MONEYS; INVESTMENTS.—

8            (1) The Credit Corporation shall make available  
9        \$250,000,000 to the Secretary to carry out this sec-  
10       tion.

11           (2) Moneys deposited in the Fund under para-  
12       graph (1) shall be invested by the Secretary of the  
13       Treasury in obligations of the United States or any  
14       agency thereof, in general obligations of any State or  
15       any political subdivision thereof, in any interest-  
16       bearing account or certificate of deposit of a bank  
17       that is a member of the Federal Reserve System, or  
18       in obligations fully guaranteed as to principal and  
19       interest by the United States. Interest, dividends,  
20       and other payments that accrue from such invest-  
21       ments shall be deposited in the Fund and also shall  
22       be so invested, subject to subsection (c) of this sec-  
23       tion.

24           (c) AVAILABILITY OF MONIES FOR AUTHORIZED AND  
25 APPROVED ACTIVITIES.—Monies in the Fund shall be

1 available to the Board in such amounts, and for such ac-  
2 tivities, as the Secretary may approve to implement or-  
3 ganic research plans or projects as authorized by Section  
4 1672B of the Food, Agriculture, Conservation, and Trade  
5 Act of 1990 (7 U.S.C. 5925b).

6 **SEC. 232. ESTABLISHMENT OF NATIONAL ORGANIC RE-**  
7 **SEARCH ENDOWMENT INSTITUTE.**

8       The Secretary of Agriculture, in consultation with the  
9 National Organic Standards Board, may establish in the  
10 Department of Agriculture a National Organic Research  
11 Endowment Institute whose function shall be to aid the  
12 organic industry through the implementation of the or-  
13 ganic products research order, which its Board of Trustees  
14 shall administer, and the use of monies made available to  
15 its Board of Trustees from the Organic Research Trust  
16 Fund to implement the order. In implementing the order,  
17 the Institute shall provide a permanent system for funding  
18 scientific research activities designed to facilitate the ex-  
19 pansion of markets for organic products marketed in the  
20 United States. The Institute shall be headed by a Board  
21 of Trustees composed of the members of the National Or-  
22 ganic Promotion and Research Board. The Board may ap-  
23 point from among its members an executive committee  
24 whose membership shall reflect equally each of the dif-  
25 ferent regions in the United States in which organic prod-

1 ucts are produced. The executive committee shall have  
 2 such duties and powers as are delegated to it by the board.  
 3 The members of the Board shall serve without compensa-  
 4 tion. While away from their homes or regular places of  
 5 business in the performance of services for the Board,  
 6 members of the Board shall be allowed reasonable travel  
 7 expenses, including a per diem allowance in lieu of subsist-  
 8 ence, as recommended by the Board and approved by the  
 9 Secretary, except that there shall be no duplication of pay-  
 10 ment for such expenses.

## 11 **TITLE VI—TECHNICAL** 12 **ASSISTANCE**

### 13 **SEC. 241. REIMBURSEMENT FOR PROGRAM ADMINISTRA-** 14 **TION.**

15 Subtitle E of title XII of the Food Security Act of  
 16 1985 (16 U.S.C. 3841–3843) is amended—

17 (1) by inserting “(1)” before the first unnum-  
 18 bered paragraph;

19 (2) by redesignating paragraphs (1) through  
 20 (3) as subparagraphs (A) through (B);

21 (3) by moving the newly designated subpara-  
 22 graphs (A) through (B) 3 items to the right; and

23 (4) by adding at the end the following:

24 “(2) For each of fiscal years 1996 through  
 25 2011, the Secretary shall use the funds of the Com-

1       modity Credit Corporation for the provision of tech-  
 2       nical assistance to allow for full reimbursement of  
 3       actual costs for delivering all conservation programs  
 4       funded through the Commodity Credit Corporation  
 5       for which technical assistance is required.”.

6 **SEC. 242. CONSERVATION TECHNICAL ASSISTANCE BY**  
 7 **THIRD PARTIES.**

8       Section 1243(d) of the Food Security Act of 1985  
 9 (16 U.S.C. 3843(d)) is amended—

10           (1) by striking “In the preparation” and insert-  
 11       ing the following:

12           “(1) IN GENERAL.—In the preparation” and

13           (2) by adding at the end the following:

14           “(2) CERTIFICATION OF THIRD-PARTY PRO-  
 15       VIDERS.—

16           “(A) IN GENERAL.—Not later than 6  
 17       months after the date of the enactment of this  
 18       Act, the Secretary of Agriculture shall, by regu-  
 19       lation, establish a system for approving persons  
 20       to provide technical assistance pursuant to this  
 21       title. In the system, the Secretary shall give pri-  
 22       ority to a person who has a memorandum of  
 23       understanding regarding the provision of tech-  
 24       nical assistance in place with the Secretary.

1           “(B) EXPERTISE REQUIRED.—In pre-  
 2           scribing such regulations, the Secretary shall  
 3           ensure that persons with expertise in the tech-  
 4           nical aspects of conservation planning, water-  
 5           shed planning, environmental engineering, in-  
 6           cluding commercial entities, qualified nonprofit  
 7           entities, State or local governments or agencies,  
 8           and other Federal agencies, are eligible to be-  
 9           come approved providers of such technical as-  
 10          sistance.

11           “(C) QUALIFIED NONPROFIT ORGANIZA-  
 12          TIONS.—Qualified nonprofit organizations shall  
 13          include organizations whose missions primarily  
 14          promote the stewardship of working farmland  
 15          and ranchland.

16           “(3) QUALITY ASSURANCE PROGRAM.—The  
 17          Secretary shall establish a program to assess the  
 18          quality of the technical assistance provided by third  
 19          parties.”.

20   **SEC. 243. CONSERVATION PRACTICE STANDARDS.**

21          The Secretary of Agriculture shall—

22           (1) revise standards and, when necessary, es-  
 23          tablish standards for eligible conservation practices  
 24          to include measurable goals for enhancing natural  
 25          resources, including innovative practices;

1           (2) within 6 months after the date of the enact-  
 2           ment of this section, revise the National Handbook  
 3           of Conservation Practices and field office technical  
 4           guides; and

5           (3) not less frequently than once every 5 years,  
 6           update the Handbook and technical guides to reflect  
 7           the best available science.

8   **TITLE    VII—FARMLAND    STEW-**  
 9       **ARDSHIP            ENHANCEMENT**  
 10      **PROGRAM**

11 **SEC. 251. FARMLAND STEWARDSHIP ENHANCEMENT PRO-**  
 12       **GRAM.**

13       (a) PURPOSE.—The purpose of this subtitle is to pro-  
 14       vide for the establishment of a program that recognizes  
 15       the leveraged benefit of an ecosystem-based application of  
 16       the Department of Agriculture conservation programs, ad-  
 17       dresses the increasing and extraordinary threats to agri-  
 18       culture in many areas of the United States, and recognizes  
 19       the importance of local and regional involvement in the  
 20       protection of economically and ecologically important  
 21       farmlands.

22       (b) ESTABLISHMENT.—The Secretary of Agriculture  
 23       (in this subtitle referred to as the “Secretary”) shall es-  
 24       tablish a Farmland Stewardship Enhancement Program  
 25       through which States, local governments, tribes, and com-

1 binations of States may submit, and the Secretary may  
 2 approve, plans to integrate agriculture and forestry con-  
 3 servation programs of the United States Department of  
 4 Agriculture with State, local, tribal, and private efforts to  
 5 address farm preservation, water quality, wildlife, and  
 6 other conservation needs in critical areas, watersheds, and  
 7 corridors in a manner that enhances the conservation ben-  
 8 efits of the individual programs, tailors programs to State  
 9 and local needs, and promotes and supports ecosystem and  
 10 watershed-based conservation.

11 (c) MEMORANDUM OF AGREEMENT.—On approval of  
 12 a proposed plan, the Secretary may enter into a memo-  
 13 randum of agreement with a State, a combination of  
 14 States, local governments, or tribes, that—

15 (1) guarantees specific program resources for  
 16 implementation of the plan;

17 (2) establishes different or automatic enroll-  
 18 ment criteria than otherwise established by regula-  
 19 tion or policy, for specific levels of enrollments of  
 20 specific conservation programs within the region, if  
 21 doing so will achieve greater conservation benefits;

22 (3) establishes different compensation rates to  
 23 the extent the parties to the agreement consider jus-  
 24 tified;



1           (4) establishes different conservation practice  
2           criteria if doing so will achieve greater conservation  
3           benefits;

4           (5) provides more streamlined and integrated  
5           paperwork requirements; and

6           (6) otherwise alters any other requirement es-  
7           tablished by United States Department of Agri-  
8           culture policy and regulation to the extent not incon-  
9           sistent with the statutory requirements and purposes  
10          of an individual conservation program.

11 **SEC. 252. FARMLAND STEWARDSHIP ENHANCEMENT PLAN.**

12          (a) PREPARATION.—To be eligible to participate in  
13 the program under this subtitle, a State, combination of  
14 States, political subdivision or agency of a State, tribe,  
15 or local government shall submit to the Secretary an en-  
16 hancement plan that proposes specific criteria and com-  
17 mitment of resources in the geographic region designated,  
18 and describes how the linkage of Federal, State, and local  
19 resources will—

20           (1) improve the economic viability of agriculture  
21           by protecting contiguous tracts of land;

22           (2) improve the ecological integrity of the eco-  
23           systems or watersheds within the region by linking  
24           land with high ecological and natural resource value;  
25           and

1           (3) in the case of a multi-State plan, provide a  
2       draft memorandum of agreement among entities in  
3       each State.

4       (b) SUBMISSION AND REVIEW.—Within 90 days after  
5       receipt of the enhancement plan, the Secretary shall re-  
6       view the plan and approve it for implementation and fund-  
7       ing under this subtitle if the Secretary determines that  
8       the plan and memorandum of agreement meet the criteria  
9       specified in subsection (c).

10       (c) CRITERIA FOR PARTICIPATION.—The Secretary  
11       may approve an enhancement plan only if, as determined  
12       by the Secretary, the plan provides for each of the fol-  
13       lowing:

14           (1) Actions taken under the enhancement plan  
15       are voluntary and require the consent of willing  
16       landowners.

17           (2) Criteria specified in the plan and memo-  
18       randum of agreement assure that enrollments in  
19       each conservation program incorporated through the  
20       plan are of exceptionally high conservation value.

21           (3) The program provides benefits greater than  
22       the benefits that would likely be achieved through  
23       individual application of the Federal conservation  
24       programs because of such factors as—

1 (A) ecosystem- or watershed-based enroll-  
2 ment criteria;

3 (B) lengthier or permanent conservation  
4 commitments;

5 (C) integrated treatment of special natural  
6 resource problems, including preservation and  
7 enhancement of natural resource corridors; and

8 (D) improved economic viability for agri-  
9 culture.

10 (4) Staffing and marketing, considering both  
11 Federal and non-Federal resources, are sufficient to  
12 assure program success.

13 (d) APPROVAL AND IMPLEMENTATION.—Within 90  
14 days after approval of an enhancement plan, the Secretary  
15 shall begin to provide funds for the implementation of the  
16 plan.

17 (e) PRIORITY.—In carrying out this section, the Sec-  
18 retary shall give priority to multi-State or multi-tribal  
19 plans.

20 **SEC. 253. FUNDING REQUIREMENTS.**

21 (a) COST-SHARING.—As a further condition on the  
22 approval of a enhancement plan submitted by a non-Fed-  
23 eral interest under section 272, the Secretary shall require  
24 the non-Federal interest to contribute at least 20 percent

1 of the total cost of the Farmland Stewardship Enhance-  
2 ment Program.

3 (b) EXCEPTION.—The Secretary may reduce the  
4 cost-share requirement in the case of a specific activity  
5 under the Farmland Stewardship Enhancement Program  
6 on good cause and demonstration that the project or activ-  
7 ity is likely to achieve extraordinary natural resource bene-  
8 fits.

9 (c) COORDINATION.—The Secretary shall require  
10 that non-Federal interests contributing financial resources  
11 for the Farmland Stewardship Enhancement Program  
12 shall implement streamlined paperwork requirements and  
13 other procedures to allow for integration with the Federal  
14 programs for participants in the program.

15 (d) RESERVATION OF FUNDS.—The Secretary shall  
16 direct funds on a priority basis to the Farmland Steward-  
17 ship Enhancement Program and to projects in areas iden-  
18 tified by the plan.

19 (e) ADMINISTRATION.—A State may submit multiple  
20 plans, but the Secretary shall assure opportunity for sub-  
21 mission by each State. Acreage committed as part of ap-  
22 proved Conservation Reserve Enhancement Programs  
23 shall be considered acreage of the Conservation Reserve  
24 Program committed to a Conservation Enhancement Pro-  
25 gram.

1     **TITLE VIII—MISCELLANEOUS**  
2     **CONSERVATION PROVISIONS**

3     **SEC. 261. CONSERVATION PROGRAM PERFORMANCE RE-**  
4             **VIEW AND EVALUATION.**

5             (a) IN GENERAL.—The Secretary shall establish a  
6     grant program to evaluate the benefits of the conservation  
7     programs under title XII of the Food Security Act of 1985  
8     and under sections 242 and 262 of this Act.

9             (b) GRANTS.—The Secretary shall make grants to  
10    land grant colleges and other research institutions whose  
11    applications are highly ranked under subsection (c) to  
12    evaluate the economic and environmental benefits of con-  
13    servation programs, and shall use such research to identify  
14    and rank measures needed to improve water quality, fish  
15    and wildlife habitat, and other environmental goals of con-  
16    servation programs.

17            (c) SCIENTIFIC PANELS.—The Secretary shall estab-  
18    lish a panel of independent scientific experts to review and  
19    rank the grant applications submitted under subsection  
20    (a).

21            (d) FUNDING.—The Commodity Credit Corporation  
22    shall make available \$10,000,000 to the Secretary for each  
23    of fiscal years 2002 through 2006 to carry out this sec-  
24    tion.

1       **TITLE IX—REGIONAL EQUITY**

2       **SEC. 271. ALLOCATION OF CONSERVATION FUNDS BY**  
3               **STATE.**

4           (a) STATE ALLOCATION.—To the maximum extent  
5 practicable in each of fiscal years 2002 through 2006, the  
6 Secretary, subject to the rules of the conservation pro-  
7 grams administered by the Secretary, shall ensure that  
8 each State receives at a minimum the State's share of  
9 \$2,000,000,000 in this title based on the State's share of  
10 the total agricultural market value of production, with  
11 each State receiving not less than 0.52 percent and not  
12 more than 7 percent of such amount annually. Under this  
13 formula, each state will receive approximately the fol-  
14 lowing annual amounts:

- 15           (1) Alabama: \$31,480,000;  
16           (2) Alaska: \$10,000,000;  
17           (3) Arizona: \$19,340,000;  
18           (4) Arkansas: \$55,660,000;  
19           (5) California: \$140,000,000;  
20           (6) Colorado: \$46,060,000;  
21           (7) Connecticut: \$10,000,000;  
22           (8) Delaware: \$10,000,000;  
23           (9) Florida: \$61,000,000;  
24           (10) Georgia: \$50,720,000;  
25           (11) Hawaii: \$10,000,000;

- 1 (12) Idaho: \$34,000,000;
- 2 (13) Illinois: \$86,920,000;
- 3 (14) Indiana: \$53,140,000;
- 4 (15) Iowa: \$121,400,000;
- 5 (16) Kansas: \$93,540,000;
- 6 (17) Kentucky: \$31,140,000;
- 7 (18) Louisiana: \$20,640,000;
- 8 (19) Maine: \$10,000,000;
- 9 (20) Maryland: \$13,320,000;
- 10 (21) Massachusetts: \$10,000,000;
- 11 (22) Michigan: \$36,240,000;
- 12 (23) Minnesota: \$84,220,000;
- 13 (24) Mississippi: \$31,780,000;
- 14 (25) Missouri: \$54,540,000;
- 15 (26) Montana: \$19,000,000;
- 16 (27) Nebraska: \$99,880,000;
- 17 (28) Nevada: \$10,000,000;
- 18 (29) New Hampshire: \$10,000,000;
- 19 (30) New Jersey: \$10,000,000;
- 20 (31) New Mexico: \$16,440,000;
- 21 (32) New York: \$28,880,000;
- 22 (33) North Carolina: \$77,980,000;
- 23 (34) North Dakota: \$29,160,000;
- 24 (35) Ohio: \$47,580,000;
- 25 (36) Oklahoma: \$42,120,000;

- 1           (37) Oregon: \$30,160,000;
- 2           (38) Pennsylvania: \$40,620,000;
- 3           (39) Rhode Island: \$10,000,000;
- 4           (40) South Carolina: \$16,140,000;
- 5           (41) South Dakota: \$36,260,000;
- 6           (42) Tennessee: \$22,140,000;
- 7           (43) Texas: \$139,860,000;
- 8           (44) Utah: \$10,000,000;
- 9           (45) Vermont: \$10,000,000;
- 10          (46) Virginia: \$23,800,000;
- 11          (47) Washington: \$48,440,000;
- 12          (48) West Virginia: \$10,000,000;
- 13          (49) Wisconsin: \$56,680,000; and
- 14          (50) Wyoming: \$10,000,000.

15           (b) TRANSITION AND UNOBLIGATED BALANCES.—If  
 16 the offices of the United States Department of Agriculture  
 17 in each respective State cannot expend all funds allocated  
 18 in this title within 2 consecutive fiscal years for the pro-  
 19 grams identified in this title, the funds shall be remitted  
 20 to the Secretary for reallocation as the Secretary deems  
 21 appropriate among States to address unmet conservation  
 22 needs through the programs in this title, except that in  
 23 no event shall these unobligated balances be used to fund  
 24 technical assistance.



1 (c) REGIONAL EQUITY.—Section 1230 of the Food  
 2 Security Act of 1985 (16 U.S.C. 3830) is amended by  
 3 adding at the end the following:

4 “(d) REGIONAL EQUITY.—In carrying out the  
 5 ECARP, the Secretary shall recognize the importance of  
 6 regional equity, and the importance of accomplishing  
 7 many conservation objectives that can sometimes only be  
 8 achieved on land of high value.

9 “(e) Not later than October 1, 2002, the Secretary  
 10 shall reform compensation and other policies to ensure  
 11 that enrollments of land in ECARP achieve these objec-  
 12 tives and are equitable on a regional basis.”.

## 13 **TITLE X—CONSERVATION** 14 **SECURITY PROGRAM**

### 15 **SEC. 281. CONSERVATION SECURITY PROGRAM.**

16 (a) IN GENERAL.—Subtitle D of title XII of the Food  
 17 Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended  
 18 by adding at the end thereof the following:

## 19 **“CHAPTER 6—CONSERVATION SECURITY** 20 **PROGRAM**

### 21 **“SEC. 1240P. CONSERVATION SECURITY PROGRAM.**

22 “(a) IN GENERAL.—The Secretary shall establish a  
 23 conservation security program to assist owners and opera-  
 24 tors of agricultural operations to promote, as is applicable  
 25 to each operation—

1           “(1) conservation of soil, water, energy, and  
2 other related resources;

3           “(2) soil quality protection and improvement;

4           “(3) water quality protection and improvement;

5           “(4) air quality protection and improvement;

6           “(5) diversity of flora and fauna;

7           “(6) on-farm conservation and regeneration of  
8 biological resources, including plant and animal  
9 germplasm;

10          “(7) wetland restoration, conservation, and en-  
11 hancement;

12          “(8) wildlife habitat management, with special  
13 emphasis on species identified by the Natural Herit-  
14 age Program of the State;

15          “(9) reduction of greenhouse gas emissions and  
16 enhancement of carbon sequestration; and

17          “(10) any similar conservation purpose (as de-  
18 termined by the Secretary).

19          “(b) ELIGIBILITY.—

20               “(1) ELIGIBLE OWNERS AND OPERATORS.—To  
21 be eligible to participate in the conservation security  
22 program an owner or operator shall—

23                       “(A) develop and submit to the Secretary,  
24 and obtain the approval of the Secretary, of, a

1 conservation security plan that meets the re-  
 2 quirements of subsection (c)(1); and

3 “(B) enter into a conservation security  
 4 contract with the Secretary to carry out the  
 5 conservation security plan.

6 “(2) ELIGIBLE LAND.—

7 “(A) IN GENERAL.—Private agricultural  
 8 land (including cropland, rangeland, grassland,  
 9 and pasture land) that is entirely used as part  
 10 of the agricultural operation of an owner or op-  
 11 erator on the date of enactment of this chapter  
 12 shall be eligible for enrollment in the conserva-  
 13 tion security program.

14 “(B) EXCLUSIONS.—

15 “(i) CONSERVATION RESERVE PRO-  
 16 GRAM.—Land enrolled in the conservation  
 17 reserve program under subchapter B of  
 18 chapter 1 shall not be eligible for enroll-  
 19 ment in the conservation security program  
 20 except for land enrolled in partial field con-  
 21 servation practice enrollment options.

22 “(ii) WETLANDS RESERVE PRO-  
 23 GRAM.—Land enrolled in the wetlands re-  
 24 serve program established under sub-  
 25 chapter C of chapter 1 of subtitle D shall

1 not be eligible for enrollment in the con-  
 2 servation security program.

3 “(iii) TOLERANCE LEVELS.—The Sec-  
 4 retary shall promulgate regulations to en-  
 5 sure that land shall not be eligible for en-  
 6 rollment in the conservation security pro-  
 7 gram if the land is initially used for the  
 8 production of an agricultural commodity  
 9 after the date of enactment of this chapter  
 10 and cannot be used for the production of  
 11 an agricultural commodity without result-  
 12 ing in the loss of soil at a level that ex-  
 13 ceeds the soil loss tolerance level.

14 “(c) CONSERVATION SECURITY PLANS.—A conserva-  
 15 tion security plan shall—

16 “(1) identify the resources and designated land  
 17 to be conserved under the conservation security plan;

18 “(2) describe the tier of conservation practices,  
 19 and the particular conservation practices to be im-  
 20 plemented, maintained, or improved, in accordance  
 21 with subsection (d) on the land covered by the con-  
 22 servation security contract for the specified term;

23 “(3) contain a schedule of the implementation,  
 24 maintenance, or improvement of the conservation  
 25 practices described in the conservation security plan

1 during the term of the conservation security con-  
2 tract;

3 “(4) meet the requirements of the highly erod-  
4 ible land and wetland conservation requirements of  
5 subtitles B and C;

6 “(5) address conservation priorities of State  
7 and locality in which the operation is located to the  
8 greatest extent possible; and

9 “(6) contain such other terms as the Secretary  
10 determines to be appropriate.

11 “(d) CONSERVATION PRACTICES.—

12 “(1) ESTABLISHMENT OF TIERS.—The Sec-  
13 retary shall establish 3 tiers of conservation prac-  
14 tices that are eligible for payment under a conserva-  
15 tion security contract, including a first tier con-  
16 sisting of basic conservation practices, a second tier  
17 consisting of conservation practices that entail land  
18 use adjustment, and a third tier that addresses all  
19 resources and a full complement of conservation  
20 practices.

21 “(2) CONSERVATION PRACTICE STANDARDS.—

22 The Secretary shall establish guidance standards for  
23 implementation of eligible conservation practices.

24 “(e) CONSERVATION SECURITY CONTRACTS.—On ap-  
25 proval of a conservation security plan of an owner or oper-

1 ator, the Secretary shall enter into a conservation security  
 2 contract with the owner or operator to enroll the land cov-  
 3 ered by the conservation security plan in the conservation  
 4 security program for a period of not less than 5 years or  
 5 longer than 10 years.

6 “(f) ANNUAL PAYMENTS.—

7 “(1) IN GENERAL.—The Secretary shall, in  
 8 amounts and for a period of years specified in the  
 9 conservation security contract and based on objective  
 10 and transparent criteria established by the Sec-  
 11 retary, make an annual payment to the owner or op-  
 12 erator in an amount not to exceed a maximum pay-  
 13 ment for a given tier established by the Secretary  
 14 based on environmental benefit, costs and any other  
 15 factors the Secretary determines appropriate.

16 “(2) LAND ENROLLED IN OTHER CONSERVA-  
 17 TION PROGRAMS.—Notwithstanding any other provi-  
 18 sion of law, if an owner or operator has land en-  
 19 rolled in another conservation program administered  
 20 by the Secretary and has applied to enroll the same  
 21 land in the conservation security program, the owner  
 22 or operator may elect to—

23 “(A) convert the contract under the other  
 24 conservation program to a conservation security  
 25 contract, without penalty, except that this sub-

1 clause shall not apply to a long-term or perma-  
2 nent conservation easement; or

3 “(B) have each annual payment to the  
4 owner or operator under this paragraph re-  
5 duced to reflect payment for practices the  
6 owner or operator receives under the other con-  
7 servation program, except that the annual pay-  
8 ment under this paragraph may include incen-  
9 tives for qualified practices that enhance or ex-  
10 tend the conservation benefit achieved under  
11 the other conservation program.

12 “(g) TECHNICAL ASSISTANCE.—For each fiscal year,  
13 the Secretary shall use such sums as are necessary from  
14 the funds of the Commodity Credit Corporation to provide  
15 technical assistance to owners and operators for the devel-  
16 opment and implementation of conservation security con-  
17 tracts. Technical assistance may be provided by persons  
18 not employed by USDA.

19 “(h) EDUCATION, OUTREACH, MONITORING, AND  
20 EVALUATION.—For each fiscal year, the Secretary shall  
21 use such sums as are necessary from the funds of the  
22 Commodity Credit Corporation to carry out education,  
23 outreach, monitoring, and evaluation activities in support  
24 of the conservation security program.

1       “(i) ON-FARM RESEARCH, DEMONSTRATION AND  
 2 PILOT PROJECTS.—The Secretary shall encourage partici-  
 3 pation in on-farm research and demonstration projects, as  
 4 well as pilot projects that further accomplish the goals  
 5 stated in section a(1).

6       “(j) FUNDING.—Of the funds of the Commodity  
 7 Credit Corporation, the Corporation shall make available  
 8 to carry out this chapter such sums as are necessary, to  
 9 remain available until expended.”.

10       (b) REGULATIONS.—The Secretary shall promulgate  
 11 such regulations as are necessary to carry out this section.

## 12       **TITLE XI—RURAL COMMUNITY** 13       **ECONOMIC ENHANCEMENT**

### 14       **SEC. 291. EXPANSION OF STATE MARKETING PROGRAMS.**

15       (a) FEDERAL-STATE MARKET INCENTIVE PAY-  
 16 MENTS.—Section 204(b) of the Agricultural Marketing  
 17 Act of 1946 (7 U.S.C. 1623) is amended by striking “such  
 18 sums as he may deem appropriate” and inserting  
 19 “\$10,000,000 from the Commodity Credit Corporation for  
 20 each of the fiscal years 2002 through 2006”.

21       (b) MARKET DEVELOPMENT GRANTS.—Section  
 22 203(e)(1) of such Act (7 U.S.C. 1622(e)(1)) is amended  
 23 by adding at the end the following: “The Secretary shall  
 24 transfer to State departments of agriculture and other  
 25 State marketing offices at least 10 percent of the funds



1 appropriated for a fiscal year for this subsection to facili-  
2 tate the development of local and regional markets for ag-  
3 ricultural products, including direct farm-to-consumer  
4 markets.”.

○