

110TH CONGRESS
1ST SESSION

S. 541

To amend the Farm Security and Rural Investment Act of 2002 to promote local and regional support for sustainable bioenergy and biobased products, to support the future of farming, forestry, and land management, to develop and support local bioenergy, biobased products, and food systems, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 8, 2007

Mr. FEINGOLD introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Farm Security and Rural Investment Act of 2002 to promote local and regional support for sustainable bioenergy and biobased products, to support the future of farming, forestry, and land management, to develop and support local bioenergy, biobased products, and food systems, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Opportunities
5 Act of 2007”.

1 **SEC. 2. DEFINITIONS.**

2 Section 9001 of the Farm Security and Rural Invest-
3 ment Act of 2002 (7 U.S.C. 8101) is amended—

4 (1) by redesignating paragraphs (4) through
5 (6), as paragraphs (5) through (7), respectively;

6 (2) by inserting after paragraph (3) the fol-
7 lowing:

8 “(4) INSTITUTION OF HIGHER EDUCATION.—

9 The term ‘institution of higher education’ has the
10 meaning given the term in section 101 of the Higher
11 Education Act of 1965 (20 U.S.C. 1001).”; and

12 (3) by adding at the end the following:

13 “(8) STATE.—The term ‘State’ means—

14 “(A) a State;

15 “(B) the District of Columbia;

16 “(C) the Commonwealth of Puerto Rico;

17 and

18 “(D) any other territory or possession of
19 the United States.”.

20 **SEC. 3. LOCAL AND REGIONAL SUSTAINABLE BIOENERGY
21 AND BIOBASED PRODUCT USE AND PRODUC-
22 TION.**

23 (a) LOCAL AND REGIONAL SUSTAINABLE BIO-
24 ENERGY AND BIOBASED PRODUCT USE AND PRODUC-
25 TION.—Title IX of the Farm Security and Rural Invest-

1 ment Act of 2002 (7 U.S.C. 8101 et seq.) is amended by
2 adding at the end the following:

3 **SEC. 9012. LOCAL AND REGIONAL SUSTAINABLE BIO-**
4 **ENERGY AND BIOBASED PRODUCT USE AND**
5 **PRODUCTION.**

6 “(a) EXTENSION, EDUCATION, TECHNICAL ASSIST-
7 ANCE, APPLIED RESEARCH, AND DEVELOPMENT.—

8 “(1) IN GENERAL.—The Secretary shall make
9 grants to States to carry out extension, education,
10 applied research, and development activities at ap-
11 propriate institutions of higher education, State
12 agencies, or partnerships in the States to support
13 local and regional sustainable bioenergy and
14 biobased product use and production.

15 “(2) ALLOCATION OF FUNDS.—

16 “(A) IN GENERAL.—Subject to subpara-
17 graphs (B) and (C), funds made available
18 under paragraph (4) shall be allocated among
19 the States in accordance with the terms and
20 conditions of paragraphs (1) through (3) of sec-
21 tion 3(c) of the Hatch Act of 1887 (7 U.S.C.
22 361c(c)) and subparagraph (C).

23 “(B) UNALLOCATED FUNDS.—

24 “(i) IN GENERAL.—The Secretary
25 may use funds described in clause (ii) to

1 provide bonus grants to States based on
2 the need and merit of projects identified
3 through annual reports submitted under
4 paragraph (3)(E), as determined by the
5 Secretary.

6 “(ii) RELEVANT FUNDS.—The funds
7 referenced in clause (i) are funds that—

8 “(I) would otherwise remain
9 unallocated under this subsection for
10 a fiscal year;

11 “(II) remain unused by a State
12 as of the end of the grant term, as de-
13 termined by the Secretary; or

14 “(III) are returned to the Sec-
15 retary in accordance with paragraph
16 (3)(C)(ii).

17 “(C) ADMINISTRATION.—The Secretary
18 shall use not more than 5 percent of funds
19 made available under paragraph (4)—

20 “(i) to maintain a clearinghouse for
21 projects funded under this subsection;

22 “(ii) to fund liaisons to provide tech-
23 nical assistance within—

24 “(I) the Department of Agri-
25 culture;

16 “(3) CONDITIONS ON RECEIVING GRANTS.—

1 “(I) encourage collaboration be-
2 tween agencies, institutions of higher
3 education, cooperative extension, and
4 appropriate nonprofit organizations in
5 the State;

6 “(II) support private- and non-
7 profit-public partnerships for purposes
8 of the grant;

9 “(III) establish a local citizen
10 and industry advisory board;

11 “(IV) improve the energy inde-
12 pendence of the State; and

13 “(V) in consultation with the ad-
14 visory board, develop a comprehensive
15 statewide energy plan to increase en-
16 ergy independence described in clause
17 (iii).

18 “(iii) **COMPREHENSIVE PLAN.**—The
19 plan developed under clause (ii)(IV)
20 shall—

21 “(I) support local and regional
22 sustainable bioenergy and biobased
23 product use and production;

24 “(II) provide flexibility for local
25 needs;

1 “(III) support other renewable
2 energy, energy efficiency and con-
3 servation activities, and coordination
4 with other State and Federal energy
5 initiatives (including the Clean Cities
6 Program established under sections
7 405, 409, and 505 of the Energy Pol-
8 icy Act of 1992 (42 U.S.C. 13231,
9 13235, 13256));

10 “(IV) support a diverse array of
11 farm sizes, crops (including agro-
12 forestry), and production techniques,
13 with a particular focus on small- and
14 moderate-sized family farms;

15 “(V) have a goal of maximizing
16 the public value of developing and
17 using sustainable bioenergy and
18 biobased products;

19 “(VI) include activities—

20 “(aa) to manage energy
21 usage through energy efficiency
22 and conservation;

23 “(bb) to develop new energy
24 sources in a manner that is eco-
25 nomically viable, ecologically

1 sound, and socially responsible;
2 and

25 “(I) extension;

1 “(II) curriculum development;

2 “(III) education and training;

3 “(IV) technical assistance;

4 “(V) applied research;

5 “(VI) grants to support local pro-

6 duction and use of bioenergy and

7 biobased products;

8 “(VII) energy conservation or

9 support for other renewable fuels, if

10 identified as part of the comprehen-

11 sive statewide energy plan developed

12 under subparagraph (A)(ii)(IV);

13 “(VIII) support of bioenergy and

14 biobased product cooperatives through

15 education, training, technical assist-

16 ance, or grants; and

17 “(IX) any other activity identi-

18 fied or approved by the Secretary as

19 meeting those goals.

20 “(ii) ALLOCATION OF GRANT RE-

21 SOURCES.—

22 “(I) IN GENERAL.—Each com-

23 prehensive statewide energy plan shall

24 include a balanced allocation of grant

25 resources to ensure support for each

1 of research, education, extension, and
2 development.

1 for a fiscal year under clause (i) shall re-
2 turn to the Secretary an amount equal to
3 the difference between—

4 “(I) the amount provided to the
5 recipient under this subsection; and

6 “(II) the amount of matching
7 funds actually provided by the recipi-
8 ent.

9 “(D) ANNUAL REPORT.—

10 “(i) IN GENERAL.—Not later than
11 February 1 of each year, each State receiv-
12 ing a grant under this subsection shall
13 submit to the Secretary a report that—

14 “(I) describes and evaluates the
15 use of grant funds during the pre-
16 ceding fiscal year; and

17 “(II) includes the comprehensive
18 statewide energy plan, and any revi-
19 sions to the plan, developed under
20 subparagraph (A)(ii)(IV).

21 “(ii) PUBLICATION.—The Secretary
22 shall make available to the public all re-
23 ports received under clause (i).

24 “(4) AUTHORIZATION OF APPROPRIATIONS.—

25 There is authorized to be appropriated to carry out

1 this subsection \$30,000,000 for each of fiscal years
2 2008 through 2013, to remain available until ex-
3 pended.

4 “(b) STUDY.—

5 “(1) IN GENERAL.—The Comptroller General of
6 the United States shall carry out a study that as-
7 sses—

8 “(A) changes to law (including regulations)
9 and policies to provide or increase incentives for
10 the potential production of bioenergy (at levels
11 greater than in existence as of the date of en-
12 actment of this section) to maintain local own-
13 ership, control, economic development, and the
14 value-added nature of bioenergy and biobased
15 product production;

16 “(B) potential limits to prevent excessive
17 payments, including variable support (such as
18 reducing subsidies based on the price of bio-
19 energy or a comparable conventional energy
20 source); and

21 “(C) the use of existing and proposed in-
22 centives for particular stages in the bioenergy
23 system (including production, blending, or re-
24 tail), including an evaluation of which incentives

1 would be most efficient and beneficial for local
2 and regional communities and consumers.

3 “(2) REPORT.—Not later than 2 years after the
4 date of enactment of this Act, the Comptroller Gen-
5 eral of the United States shall submit to Congress
6 the report under paragraph (1).

7 “(c) BASIC RESEARCH ON NEXT GENERATION
8 TECHNOLOGY.—

9 “(1) IN GENERAL.—For each of fiscal years
10 2008 through 2013, the Secretary, acting through
11 the National Research Initiative, shall use
12 \$5,400,000 of funds of the Commodity Credit Cor-
13 poration, to remain available until expended, to
14 carry out additional research on biobased products
15 and bioenergy production with an emphasis on devel-
16 oping and improving the next generation of products
17 and production methods (such as cellulosic ethanol).

18 “(2) MAINTENANCE OF FUNDING.—The fund-
19 ing provided under this subsection shall supplement
20 (and not supplant) other Federal funding for the
21 National Research Initiative in those research areas.

22 “(d) SUPPLEMENTAL RURAL COOPERATIVE DEVEL-
23 OPMENT GRANTS.—

24 “(1) IN GENERAL.—For each of fiscal years
25 2008 through 2013, the Secretary, acting through

1 the Under Secretary for Rural Development, may
2 use up to \$1,000,000 to supplement existing grants
3 under the rural cooperative development grant pro-
4 gram established under section 310B(e) of the Con-
5 solidated Farm and Rural Development Act (7
6 U.S.C. 1932(e)) (referred to in this subsection as
7 the ‘program’).

8 “(2) REQUIREMENT.—The Secretary may
9 award supplemental grants under this subsection to
10 program grant recipients the applications or ongoing
11 activities of which support, establish, or assist the
12 establishment of, renewable fuels or biobased prod-
13 uct-based cooperatives.

14 “(3) AMOUNT.—The amount of a supplemental
15 grant under this subsection shall not exceed 20 per-
16 cent of the amount of the base program grant.

17 “(4) AUTHORIZATION OF APPROPRIATIONS.—
18 There is authorized to be appropriated to carry out
19 this subsection \$1,000,000 for each of fiscal years
20 2008 through 2013.

21 “(5) MAINTENANCE OF FUNDING.—The fund-
22 ing provided under this subsection shall supplement
23 (and not supplant) other Federal funding for the
24 program.”.

1 (b) REGIONAL BIOENERGY AND BIOBASED PROD-
2 UCTS COMPETITIVE RESEARCH, EDUCATION, AND EX-
3 TENSION PROGRAMS.—Title IV of the Agricultural Re-
4 search, Extension, and Education Reform Act of 1998 (7
5 U.S.C. 7621 et seq.) is amended by adding at the end
6 the following:

7 **“SEC. 412. REGIONAL BIOENERGY AND BIOBASED PROD-**
8 **UCTS COMPETITIVE RESEARCH, EDUCATION,**
9 **AND EXTENSION PROGRAMS.**

10 “(a) IN GENERAL.—The Secretary shall establish re-
11 gional funds in accordance with this section.

12 “(b) UNALLOCATED FUNDS.—

13 “(1) IN GENERAL.—The Secretary may use
14 funds described in paragraph (2) to provide bonus
15 grants to regional centers based on need and merit,
16 as determined by the Secretary.

17 “(2) RELEVANT FUNDS.—The funds referenced
18 in paragraph (1) are funds that—

19 “(A) would otherwise remain unallocated
20 under this section for a fiscal year; or

21 “(B) remain unused by a regional center
22 as of the end of the grant term, as determined
23 by the Secretary; or

24 “(C) are returned to the Secretary in ac-
25 cordance with paragraph (3)(B).

1 “(3) MATCHING FUNDS.—

2 “(A) IN GENERAL.—A recipient of funds
3 for an activity under this section shall con-
4 tribute in the form of cash or in-kind contribu-
5 tions an amount of non-Federal funds to carry
6 out the activity that is equal to the amount of
7 Federal funds received under this section for
8 the activity.

9 “(B) RETURN OF FUNDS.—A recipient of
10 funds for an activity under this section that
11 fails to comply with the requirement to provide
12 full matching funds for a fiscal year under sub-
13 paragraph (A) shall return to the Secretary an
14 amount equal to the difference between—

15 “(i) the amount provided to the recipi-
16 ent under this section; and

17 “(ii) the amount of matching funds
18 actually provided by the recipient.

19 “(C) WAIVER.—The Secretary may waive
20 the matching funds requirement described in
21 subparagraph (A) with respect to a project if
22 the Secretary determines that—

23 “(i) the results of the project, while of
24 particular benefit to a specific bioenergy or

1 biobased product research question, are
2 also likely to be generally applicable; or

3 “(ii)(I) the project involves a minor
4 crop or production method and deals with
5 scientifically important research; and

6 “(II) the grant recipient is unable to
7 satisfy the matching funds requirement.

8 “(c) IDENTIFICATION OF REGIONS.—

9 “(1) IN GENERAL.—Regions under this section
10 shall correspond with the regions of the Cooperative
11 State Research, Education, and Extension Service of
12 the Department of Agriculture.

13 “(2) SUBREGIONS.—Each regional board estab-
14 lished under subsection (f) may establish up to 3
15 subregions based on common characteristics, includ-
16 ing—

17 “(A) bioenergy production methods;

18 “(B) research questions;

19 “(C) the benefits in efficiency and coordi-
20 nation of identifying the same regions as are
21 used by other Federal programs, such as re-
22 gions used for sun grant centers under section
23 9011(d) of the Farm Security and Rural In-
24 vestment Act of 2002 (7 U.S.C. 8109(d)); and

1 “(D) other factors important in fulfilling
2 the goal of increasing local and regional sus-
3 tainable bioenergy and biobased product use
4 and production in the United States.

5 “(d) REGIONAL FUNDS.—

6 “(1) IN GENERAL.—The Secretary shall estab-
7 lish for each region identified under subsection (c) a
8 regional fund.

9 “(2) ALLOCATION OF FUNDS.—Funds made
10 available under subsection (g) shall be allocated
11 among the regional funds in accordance with the
12 proportional share of funds received under section
13 9012(a)(1) of the Farm Security and Rural Invest-
14 ment Act of 2002 by the States that constitute the
15 appropriate region.

16 “(e) COMPETITION.—

17 “(1) IN GENERAL.—Not less often than once
18 every 5 years, in conjunction with the appropriate
19 regional board, the Secretary shall competitively
20 award—

21 “(A) the funds in each regional fund to a
22 regional center to carry out multi-State applied
23 research, extension, education, and develop-
24 ment; and

1 “(B) the designation of the regional center
2 to an agency, institution of higher education,
3 nonprofit organization, or joint entity in the re-
4 gion.

5 “(2) SHARED CENTERS.—An agency, institu-
6 tion of higher education, nonprofit organization, or
7 joint entity may host more than 1 regional center if
8 the appropriate regional board determines that
9 shared administrative and other expenses benefits
10 program efficiency.

11 “(f) REGIONAL BOARD.—

12 “(1) IN GENERAL.—The Secretary shall estab-
13 lish a regional board for each region.

14 “(2) MEMBERSHIP.—

15 “(A) IN GENERAL.—The membership of
16 each regional board shall include—

17 “(i) representatives of—

18 “(I) the Agricultural Research
19 Service;

20 “(II) the Cooperative State Re-
21 search, Education, and Extension
22 Service;

23 “(III) the Natural Resources
24 Conservation Service;

1 “(IV) nonprofit organizations
2 with demonstrable expertise in sus-
3 tainable agriculture and sustainable
4 bioenergy and biobased product use
5 and production;

6 “(V) cooperatives engaged in bio-
7 energy or biobased products produc-
8 tion;

9 “(VI) agricultural producers in-
10 volved in production of agricultural
11 commodities for bioenergy and
12 biobased products;

13 “(VII) landowners or businesses
14 involved in forestry; and

15 “(VIII) agribusinesses; and

16 “(ii) 1 member from each State des-
17 ignated by the Governor of the State and
18 approved by the Secretary who rep-
19 resents—

20 “(I) State cooperative extension
21 services;

22 “(II) State agricultural experi-
23 ment stations; and

1 “(III) State departments engaged
2 in bioenergy and biobased products
3 programs.

4 “(B) ROTATION.—The members of the
5 board described in clause (ii) shall regularly ro-
6 tate among representatives of the groups de-
7 scribed in subclauses (I), (II), and (III) in
8 order that each regional board has equitable
9 representation of each of those groups.

10 “(3) RELATION TO EXISTING OR FUTURE RE-
11 GIONAL CONSORTIUMS.—If a regional consortium is
12 developed that, as determined by the Secretary, ful-
13 fills the goals of this section and reflects, to the
14 maximum extent practicable, the membership diver-
15 sity described in paragraph (2), the regional consor-
16 tium or a subpart of the regional consortium may
17 act as the regional board for the purposes of this
18 section.

19 “(4) RESPONSIBILITIES.—Each regional board
20 shall—

21 “(A) promote the programs established
22 under this section at the regional level;

23 “(B) establish goals and criteria for the se-
24 lection of projects authorized under this section
25 within the applicable region;

1 “(C) appoint a technical committee to
2 evaluate proposals for projects to be considered
3 under this section by the regional board;

4 “(D) review and act on the recommenda-
5 tions of the technical committee, and coordinate
6 the activities of the regional board with the re-
7 gional host institution; and

8 “(E) prepare and make available an an-
9 nual report covering projects funded under this
10 section and including an evaluation of the
11 project activity.

12 “(5) PREFERENCES.—In determining regional
13 priorities and making funding decisions, the regional
14 board shall give preference to—

15 “(A) collaborative proposals;

16 “(B) research that adapts existing tech-
17 nology to local conditions;

18 “(C) proposals that include more than 1 of
19 the components of education, extension, and re-
20 search and development;

21 “(D) proposals that examine multiple fac-
22 tors (including economic, social, and environ-
23 mental factors) at a landscape or watershed
24 scale to maximize the public value; and

1 “(E) proposals that develop and evaluate
2 more sustainable alternatives to traditional
3 monocultures, including perennial continuous
4 living cover systems and incorporating bio-
5 energy or biobased product production on con-
6 ventional farms in sensitive areas, such as pe-
7 rennial biomass production on watercourses.

8 “(6) OTHER DUTIES.—The regional board shall
9 coordinate with other Federal programs (including
10 the research, extension, and educational programs
11 described in section 9011 of the Farm Security and
12 Rural Investment Act of 2002 (7 U.S.C. 8109)) to
13 support joint initiatives, encourage complimentary
14 priorities, and prevent duplication of effort.

15 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
16 is authorized to be appropriated to carry out this sub-
17 section \$20,000,000 for each of fiscal years 2008 through
18 2013, to remain available until expended.”.

19 (c) AGROFORESTRY CONVERSION AND CELLULOSIC
20 PRODUCTION PILOT PROGRAMS.—

21 (1) AGROFORESTRY CONVERSION.—

22 (A) IN GENERAL.—The Secretary of Agri-
23 culture (referred to in this paragraph as the
24 “Secretary”) shall carry out an agroforestry
25 conversion pilot program under which the Sec-

1 retary shall provide technical assistance, cost
2 share assistance, grants, or loans to landowners
3 during the establishment phase of a woody
4 crop.

5 (B) SELECTION.—In providing assistance
6 under this paragraph, the Secretary shall—

7 (i) use a competitive selection process;

8 and

9 (ii) consider diversity of—

10 (I) region;

11 (II) production method;

12 (III) type of woody crop;

13 (IV) method of requested sup-
14 port.

15 (2) CELLULOSIC PRODUCTION PILOT PRO-
16 GRAM.—

24 (B) MULTIPLE PILOT PROGRAMS.—If
25 there is sufficient funding for the Secretary to

1 carry out more than 1 pilot program under this
2 paragraph, the Secretary shall ensure, to the
3 maximum extent practicable, that the pilot pro-
4 grams are geographically representative of the
5 major forestry regions of the United States.

6 (3) REPORT.—Not later than October 1, 2013,
7 the Secretary shall submit to the Committee on Ag-
8 riculture of the House of Representatives and the
9 Committee on Agriculture, Nutrition, and Forestry
10 of the Senate a report that—

11 (A) describes the effectiveness of the pilot
12 programs under this subsection; and

13 (B) recommends whether or not the pilot
14 programs should be continued and at what
15 funding level.

16 (4) AUTHORIZATION OF APPROPRIATIONS.—
17 There is authorized to be appropriated to carry out
18 this subsection \$10,000,000 for each of fiscal years
19 2008 through 2013.

20 (d) REAUTHORIZATIONS.—

21 (1) RENEWABLE ENERGY SYSTEMS AND EN-
22 ERGY EFFICIENCY IMPROVEMENTS.—Section 9006(f)
23 of the Farm Security and Rural Investment Act of
24 2002 (7 U.S.C. 8106(f)) is amended by striking

1 “section \$23,000,000” and all that follows and in-
2 serting “section—
3 “(1) \$23,000,000 for fiscal year 2006;
4 “(2) \$3,000,000 for fiscal year 2007; and
5 “(3) \$40,000,000 for each of fiscal years 2008
6 through 2013.”.

7 (2) GRANTS FOR CERTAIN VALUE-ADDED AGRI-
8 CULTURAL PRODUCTS.—Section 231(b)(4) of the
9 Agricultural Risk Protection Act of 2000 (7 U.S.C.
10 1621 note; Public Law 106-224) is amended—

11 (A) by striking “Not later” and inserting
12 the following:

13 “(A) FISCAL YEARS 2003 THROUGH 2007.—
14 Not later”; and.

15 (B) by adding at the end the following:

16 “(B) FISCAL YEARS 2008 THROUGH 2013.—
17 “(i) IN GENERAL.—Not later than Oc-
18 tober 1, 2007, and each October 1 there-
19 after through October 1, 2012, of the
20 funds of the Commodity Credit Corpora-
21 tion, the Secretary shall made available to
22 carry out this subsection, \$60,000,000, to
23 remain available until expended.

24 “(ii) USE OF FUNDS.—The Secretary
25 shall ensure that not less than 10 percent

1 of the competitive grants awarded during
2 each of fiscal years 2008 through 2013 are
3 awarded to producers of value-added agri-
4 cultural products that use or produce
5 biobased products or bioenergy.”.

6 SEC. 4. FUTURE OF FARMING, RANCHING, AND LAND MAN- 7 AGEMENT.

8 (a) IN GENERAL.—Subtitle D of the Consolidated
9 Farm and Rural Development Act is amended by inserting
10 after section 344 (7 U.S.C. 1991) the following:

11 "SEC. 345. FUTURE OF FARMING, RANCHING, AND LAND
12 MANAGEMENT.

13 "(a) GRANTS TO SUPPORT THE FUTURE OF FARM-
14 ING, RANCHING, AND LAND MANAGEMENT.—

15 “(1) IN GENERAL.—The Secretary shall make
16 grants to States to support the development of the
17 next generation of farmers, ranchers, and other land
18 managers.

19 “(2) ALLOCATION OF FUNDS.—

20 “(A) IN GENERAL.—Subject to subparagraphs
21 (B) and (C), funds made available
22 under paragraph (4) shall be allocated among
23 the States in accordance with the terms and
24 conditions of paragraphs (1) through (3) of sec-

1 “(i) to maintain a clearinghouse for
2 projects funded under this section;

3 “(ii) to fund liaisons within each
4 agency of the Department of Agriculture;
5 and

6 “(iii) to support studies, competitions,
7 and administration required by this sec-
8 tion.

9 “(3) CONDITIONS ON RECEIVING GRANTS.—

10 “(A) IN GENERAL.—The Governor of a
11 State shall designate or establish an agency,
12 public institution of higher education (as that
13 term is defined in section 101 of the Higher
14 Education Act of 1965 (20 U.S.C. 1001)), or
15 joint entity in the State as the lead agency for
16 the distribution of grant funds.

17 “(B) DUTIES.—A lead agency designated
18 under subparagraph (A) shall—

19 “(i) encourage collaboration between
20 agencies, cooperative extension, local non-
21 profit organizations, agricultural organiza-
22 tions, and institutions of higher education
23 in the State;

- 1 “(ii) support private- and nonprofit-
- 2 public partnerships for purposes of the
- 3 grant;
- 4 “(iii) establish a local citizen and in-
- 5 dustry advisory board;
- 6 “(iv) in consultation with the advisory
- 7 board, develop a statewide plan to increase
- 8 opportunities for, and reduce barriers to,
- 9 beginning farmers and ranchers and, in ac-
- 10 cordance with subparagraph (C), other
- 11 rural professions;
- 12 “(v) support the development of local
- 13 community-based support and mentoring
- 14 networks;
- 15 “(vi) to the maximum extent prac-
- 16 ticable, enable the transfer of family farms
- 17 to children or other relatives of owners in
- 18 order to allow family farms to be kept
- 19 whole in cases in which the division of the
- 20 farm would result in a less viable agricul-
- 21 tural operation; and
- 22 “(vii) support small-scale models for
- 23 farms or ranches for beginning farmers
- 24 and ranchers and other rural professions,
- 25 including models based on—

1 “(I) community-supported agri-
2 culture;
3 “(II) organic agriculture;
4 “(III) farmers markets;
5 “(IV) speciality agricultural
6 products;
7 “(V) sustainable production;
8 “(VI) grazing;
9 “(VII) agrotourism; and
10 “(VIII) agroforestry.

11 “(C) OTHER RURAL PROFESSIONS.—A
12 State that identifies other important rural pro-
13 fessions in the State (including professions in-
14 volving forestry, conservation, land manage-
15 ment, tourism, or a combination of those pro-
16 fessions) may include those professions in the
17 statewide plan under subparagraph (B)(iv).

18 “(D) MATCHING FUNDS.—

19 “(i) IN GENERAL.—A recipient of
20 funds for an activity under this subsection
21 shall contribute in the form of cash or in-
22 kind contributions an amount of non-Fed-
23 eral funds to carry out the activity that is
24 equal to the amount of Federal funds re-
25 ceived for the activity.

1 “(ii) RETURN OF FUNDS.—A recipient
2 of funds for an activity under this sub-
3 section that fails to comply with the re-
4 quirement to provide full matching funds
5 for a fiscal year under clause (i) shall re-
6 turn to the Secretary an amount equal to
7 the difference between—

8 “(I) the amount provided to the
9 recipient under this subsection; and

10 “(II) the amount of matching
11 funds actually provided by the recipi-
12 ent.

13 “(E) USE OF FUNDS.—

14 “(i) IN GENERAL.—A grant received
15 under this subsection may be used to pay
16 the Federal share of carrying out the pro-
17 grams that support and develop the next
18 generation of farmers, ranchers, and other
19 rural professionals, including—

20 “(I) extension;

21 “(II) education, including tar-
22 geted scholarships and loan forgive-
23 ness, for traditional degree and cer-
24 tificate courses and continuing edu-
25 cation and short courses;

1 “(III) technical assistance, in-
2 cluding support for development of co-
3 operatives;

4 “(IV) grants to support transi-
5 tional ownership, mentorships, ap-
6 prenticeships, and peer-support net-
7 works;

8 “(V) support of matched-savings
9 programs through individual develop-
10 ment accounts that can be used for
11 capitol expenses, land acquisition, or
12 training for beginning farmers, ranch-
13 ers, and other rural professionals;

14 “(VI) support of farmer land
15 contract programs to provide payment
16 guarantees to encourage retiring land-
17 owners to sell to beginning farmers,
18 ranchers, and rural professionals; and

19 “(VII) any other activity identi-
20 fied or approved by the Secretary as
21 meeting those goals;

22 “(ii) PREFERENCE.—In allocating
23 grants and other direct assistance under
24 this subsection, a lead agency shall give

1 priority to limited resource and socially-
2 disadvantaged individuals.

3 “(F) ANNUAL REPORT.—

4 “(i) IN GENERAL.—Not later than
5 February 1 of each year, each State receiv-
6 ing a grant under this subsection shall
7 submit to the Secretary a report that de-
8 scribes and evaluates the use of grant
9 funds during the preceding fiscal year.

10 “(ii) PUBLICATION.—The Secretary
11 shall make available to the public all re-
12 ports received under clause (i).

13 “(4) AUTHORIZATION OF APPROPRIATIONS.—
14 There is authorized to be appropriated to carry out
15 this subsection \$30,000,000 for each of fiscal years
16 2008 through 2013, to remain available until ex-
17 pended.

18 “(b) ADVISORY COMMITTEE ON BEGINNING FARM-
19 ERS AND RANCHERS.—To the maximum extent prac-
20 ticable, the Secretary shall use funds otherwise available
21 to the Secretary—

22 “(1) to support the work of the Advisory Com-
23 mittee on Beginning Farmers and Ranchers estab-
24 lished under section 5(b) of the Agricultural Credit
25 Improvement Act of 1992 (7 U.S.C. 1929 note; Pub-

1 lic Law 102–554) (referred to in this subsection as
2 the ‘Committee’)—

3 “(2) to fund more frequent meetings of the
4 Committee (including meetings at least twice per
5 year); and

6 “(3) to increase the outreach activities of the
7 Committee, including increased public field hearings,
8 if determined to be necessary by the Committee.

9 “(c) STUDY AND PILOT PROGRAM.—

10 “(1) BEGINNING FARMER AND RANCHER LOAN
11 PROGRAM.—

12 “(A) IN GENERAL.—For each of fiscal
13 years 2008 through 2013, the Secretary shall
14 use funds made available under subparagraph
15 (D)—

16 “(i) to study the provision under this
17 Act of direct farm ownership and guaran-
18 teed loans to beginning farmers and ranch-
19 ers;

20 “(ii) to carry out a pilot program to
21 use additional resources to reduce the
22 backlog of loan applications from begin-
23 ning farmers and ranchers;

24 “(iii) to carry out a pilot program
25 under which grants, rather than loans, are

1 provided to support capitol investments or
2 farm purchases at the same amount as the
3 subsidy would be over the term of a com-
4 parable loan; and

5 “(iv) to carry out a pilot program
6 under which direct and guaranteed loans
7 are provided under this Act to beginning
8 farmers and ranchers with no interest or
9 payments due, and no accrual of interest,
10 during a period of up to the first 36
11 months of the loans.

12 “(B) REPORTS.—

13 “(i) INITIAL REPORT.—Not later than
14 1 year after the date of enactment of this
15 Act, the Secretary shall submit to Con-
16 gress a report that—

17 “(I) describes the results of the
18 study under subparagraph (A)(i); and

19 “(II) recommends changes to im-
20 prove the efficiency of the provision
21 under this Act of direct and guaran-
22 teed loans to beginning farmers and
23 ranchers.

24 “(ii) ADDITIONAL REPORTS.—Not
25 later than 4 years after the date of enact-

7 After submission of the study under subparagraph
8 (B)(i), the Secretary may use funds
9 made available to carry out this subsection—

19 "(d) GAO STUDY AND REPORT.—

20 “(1) STUDY.—The Comptroller General of the
21 United States shall carry out a study of possible tax
22 incentives, contract guarantees, and other measures
23 to support the transfer of land from retiring farmers
24 and ranchers to beginning farmers and ranchers.

1 “(2) REPORT.—Not later than 2 years after the
2 date of enactment of this section, the Comptroller
3 General of the United States shall submit to Con-
4 gress a report that evaluates, and makes rec-
5 ommendations concerning, the effectiveness of meas-
6 ures studied under paragraph (1).”.

7 (b) BEGINNING FARMER AND RANCHER DEVELOP-
8 MENT PROGRAM.—Section 7405 of the Farm Security and
9 Rural Investment Act of 2002 (7 U.S.C. 3319f) is amend-
10 ed—

11 (1) in subsection (c)(5)—
12 (A) in subparagraph (B), by striking
13 “and” at the end;
14 (B) in subparagraph (C), by striking the
15 period at the end and inserting “; and”; and
16 (C) by adding at the end the following:
17 “(D) refugee or immigrant farmers or
18 ranchers”; and

19 (2) by striking subsection (h) and inserting the
20 following:

21 “(h) FUNDING.—

22 “(1) FEES AND CONTRIBUTIONS.—

23 “(A) IN GENERAL.—The Secretary may—
24 “(i) charge a fee to cover all or part
25 of the costs of curriculum development and

15 “(B) AVAILABILITY.—Fees and contribu-
16 tions received by the Secretary under subpara-
17 graph (A) shall—

1 “(iv) be in addition to any funds made
2 available under paragraph (2).

3 “(2) FUNDING.—For each of fiscal years 2008
4 through 2013, the Secretary shall use \$20,000,000
5 of funds of the Commodity Credit Corporation to
6 carry out this section, to remain available for 2 fis-
7 cal years after the date on which the funds are first
8 made available.”.

9 (c) IMPROVING AND TARGETING FARM SUPPORT AND
10 CONSERVATION PROGRAMS FOR BEGINNING FARMERS,
11 RANCHERS, AND RURAL PROFESSIONALS.—

12 (1) IN GENERAL.—The Secretary of Agriculture
13 (referred to in this section as the “Secretary”) shall
14 carry out a study to identify and propose remedies
15 to barriers to small, beginning, socially disadvan-
16 taged, and limited resource producers in conserva-
17 tion and farm support programs, including—

18 (A) the environmental quality incentives
19 program established under chapter 4 of subtitle
20 D of title XII of the Food Security Act of 1985
21 (16 U.S.C. 3839aa et seq.);

22 (B) the conservation security program es-
23 tablished under subchapter A of chapter 2 of
24 subtitle D of title XII of the Food Security Act
25 of 1985 (16 U.S.C. 3838 et seq.);

7 (D) the wetlands reserve program estab-
8 lished under subchapter C of chapter 1 of sub-
9 title D of title XII of the Food Security Act of
10 1985 (16 U.S.C. 3837 et seq.);

11 (E) risk management tools, such as insur-
12 ance;

13 (F) commodity support programs;

14 (G) food purchases by the Agricultural
15 Marketing Service;

16 (H) the provision of value-added agricultural
17 product market development grants to
18 producers under section 231(b) of the Agricultural
19 Risk Protection Act of 2000 (7 U.S.C.
20 1621 note; Public Law 106-224); and

21 (I) other programs identified by the Advi-
22 sory Committee on Beginning Farmers and
23 Ranchers established under section 5(b) of the
24 Agricultural Credit Improvement Act of 1992
25 (7 U.S.C. 1929 note; Public Law 102-554).

9 (A) describes the results of the study
10 under paragraph (1);

11 (B) summarizes the participation rates for
12 small, beginning, socially disadvantaged, and
13 limited resource producers in the programs
14 studied;

15 (C) recommends changes to make the pro-
16 grams studied more accessible and effective for
17 limited resource and beginning farmers and
18 ranchers; and

19 (D) for each report after the initial report,
20 describes the status of changes recommended
21 by previous reports.

22 (3) SENSE OF THE SENATE REGARDING CON-
23 SERVATION SECURITY PROGRAM.—It is the sense of
24 the Senate that—

8 (B) sufficient mandatory funds should be
9 provided to the conservation security program
10 to fulfill the promise of supporting conservation
11 on working land; and

12 (C) the next reauthorization of the Farm
13 Bill should—

14 (i) contain sufficient mandatory fund-
15 ing for the conservation security program;

17 (ii) continue the 15 percent cost-share
18 bonus for beginning farmers and ranchers
19 for the conservation security program and
20 the environmental quality incentives pro-
21 gram established under chapter 4 of sub-
22 title D of title XII of the Food Security
23 Act of 1985 (16 U.S.C. 3839aa et seq.).

24 (d) SUSTAINABLE AGRICULTURE INITIATIVES.—

(1) APPROPRIATE TECHNOLOGY TRANSFER FOR RURAL AREAS.—There is authorized to be appropriated to the Secretary of Agriculture to carry out appropriate technology transfer for rural areas program under the same terms and conditions as funds provided under the heading “RURAL COOPERATIVE DEVELOPMENT GRANTS” under the heading “RURAL BUSINESS-COOPERATIVE SERVICE” in title III of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006 (Public Law 109–97; 119 Stat. 2141) \$5,000,000 for each of fiscal years 2008 through 2013, to remain available until expended.

14 (2) SUSTAINABLE AGRICULTURE RESEARCH
15 AND EDUCATION PROGRAM.—

16 (A) BEST UTILIZATION OF BIOLOGICAL AP-
17 PLICATIONS —

18 (i) IN GENERAL.—Section 1624 of the
19 Food, Agriculture, Conservation, and
20 Trade Act of 1990 (7 U.S.C. 5814) is
21 amended to read as follows:

22 "SEC. 1624. FUNDING.

23 "(a) IN GENERAL.—There is authorized to be appro-
24 priated to carry out sections 1621 and 1622 \$75,000,000

1 for each of fiscal years 2008 through 2013, to remain
2 available until expended.

3 “(b) FEDERAL-STATE MATCHING GRANT PRO-
4 GRAM.—For each of fiscal years 2008 through 2013, the
5 Secretary shall use \$20,000,000 of funds of the Com-
6 modity Credit Corporation to carry out section 1623, to
7 remain available until expended.”.

12 (I) in subsections (a), (b), (c)(1),
13 and (d)(1), by inserting “or multi-
14 State regions” after “States” each
15 place it appears;

16 (II) in subsection (a), by insert-
17 ing “or multi-State” after “enhance-
18 ment of State”;

19 (III) in subsection (b)(8), by in-
20 serting “or multi-State region” after
21 “State”;

(IV) in paragraphs (1), (2), and
(3) of subsection (c) and subsection
(d)(1), by inserting “or multi-State”

1 after “State” each place it appears;

2 and

3 (V) in subsection (d)(2)—

4 (aa) in the paragraph head-
5 ing by inserting “OR MULTI-
6 STATE” after “STATE”;

7 (bb) by inserting “or multi-
8 State region” after “a State”;

9 (cc) by inserting “or multi-
10 State” after “from State”;

11 (dd) by inserting “or multi-
12 State” after “other State”; and
13 (ee) by inserting “or multi-
14 State region” after “the State”.

15 (B) NATIONAL TRAINING PROGRAM.—Section
16 1629 of the Food, Agriculture, Conserva-
17 tion, and Trade Act of 1990 (7 U.S.C. 5832)
18 is amended by striking subsection (i) and in-
19 serting the following:

20 “(i) FUNDING.—There is authorized to be appro-
21 priated to carry out this section \$25,000,000 for each of
22 fiscal years 2008 through 2013, to remain available until
23 expended.”.

24 (e) ORGANIC PROGRAMS.—

6 “(e) FUNDING.—For each of fiscal years 2008
7 through 2013, the Secretary shall use \$15,000,000 of
8 funds of the Commodity Credit Corporation to carry out
9 this section, to remain available until expended.”.

14 (A) in subsection (a), by striking
15 “\$5,000,000 for fiscal year 2002” and inserting
16 “\$25,000,000 for fiscal year 2008”;

17 (B) in subsection (b)(2), by striking
18 “\$500” and inserting “\$750”; and

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

20 "(c) RECORDKEEPING REQUIREMENTS.—
21 "(1) IN GENERAL.—The Secretary, acting
22 through the Agricultural Marketing Service, shall—

23 “(A) keep accurate, up-to-date records of
24 requests and disbursements from the program
25 under this section; and

1 “(B) require accurate and consistent rec-
2 ordkeeping from each State or other entity re-
3 ceiving program payments.

4 “(2) FEDERAL REQUIREMENTS.—Not later
5 than 30 days after the closing date for States to re-
6 quest funding under the program, the Secretary
7 shall—

8 “(A) finalize records that describe—
9 “(i) each State that has requested
10 funding; and

11 “(ii) the amount of each funding re-
12 quest; and

13 “(B) distribute the funding to the States.

14 “(3) STATE REQUIREMENTS.—Annual funding
15 requests from each State shall include data from the
16 program during the previous year, including—

17 “(A)(i) a description of which entities re-
18 quested reimbursement;

19 “(ii) the amount of each reimbursement;
20 and

21 “(iii) any discrepancies between requests
22 and the fulfillment of the requests;

23 “(B) data to support increases in requests
24 expected in the coming year, including informa-

3 “(C) an explanation if an annual request is
4 made for an amount less than the amount re-
5 quested the previous year.

6 “(d) REPORTING.—Not later than March of each
7 year, the Secretary shall provide an annual report to Con-
8 gress that describes, for each State, the expenditures
9 under the program under this section, including the num-
10 ber of producers and handlers served by the program in
11 the previous fiscal year.”.

12 (3) NATIONAL ORGANIC CONVERSION AND
13 STEWARDSHIP INCENTIVE PROGRAM.—The Organic
14 Foods Production Act of 1990 (7 U.S.C. 6501 et
15 seq.) is amended—

16 (A) by redesignating sections 2122 and
17 2123 (7 U.S.C. 6521, 6522) as sections 2124
18 and 2125, respectively; and

19 (B) by inserting after section 2121 (7)
20 U.S.C. 6520) the following:

21 "SEC. 2122. NATIONAL ORGANIC CONVERSION AND STEW-
22 ARDSHIP INCENTIVE PROGRAM.

23 "(a) DEFINITION OF SECRETARY.—In this section,
24 the term 'Secretary' means the Secretary (acting through
25 the Natural Resources Conservation Service), in consulta-

1 tion with the National Organic Technical Committee es-
2 tablished under subsection (h).

3 “(b) PROGRAM.—Not later than 180 days after the
4 date of the enactment of the Rural Opportunities Act of
5 2007, the Secretary shall establish a national organic agri-
6 culture conversion and stewardship incentives program
7 under which the Secretary shall provide cost-share and in-
8 centive payments and technical assistance to eligible pro-
9 ducers who enter into contracts with the Secretary to as-
10 sist the producers in—

11 “(1) developing and implementing practices to
12 convert all or part of nonorganic farms to certified
13 organic farms; and

14 “(2) adopting advanced organic farming con-
15 servation systems.

16 “(c) ELIGIBLE PRODUCERS.—

17 “(1) IN GENERAL.—To be eligible for a pay-
18 ment or technical assistance under this section, a
19 producer shall enter into a contract with the Sec-
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1 “(B) demonstrates an existing market or
2 reasonable expectation of a future market for
3 an agricultural product that is organically pro-
4 duced; and

5 “(C) meets the requirements of this title.

6 “(2) COMPLIANCE.—To be eligible for a pay-
7 ment or technical assistance under this section, a
8 producer shall comply with organic certification re-
9 quirements as verified by a certifying agent (as de-
10 fined in section 2103 of the Organic Foods Produc-
11 tion Act of 1990 (7 U.S.C. 6502)).

12 “(3) CONVERSION PAYMENTS FOR CERTIFIED
13 ORGANIC PRODUCERS.—A producer who owns or op-
14 erates a farm that is partially a certified organic
15 farm and who otherwise meets the requirements of
16 this section shall be eligible for payments under this
17 section to convert other parts of the farm to a cer-
18 tified organic farm.

19 “(4) APPEALS.—An applicant that seeks assist-
20 ance under this section shall have the right to appeal
21 an adverse decision of the Secretary with respect to
22 an application for the assistance, in accordance with
23 subtitle H of the Department of Agriculture Reorga-
24 nization Act of 1994 (7 U.S.C. 6991 et seq.).

1 “(d) ELIGIBLE PRACTICES AND ACTIVITIES.—The
2 Secretary shall provide payments and technical assistance
3 to eligible producers under this section for—

4 “(1) carrying out—

5 “(A) organic practices and activities to
6 convert all or part of a nonorganic farm to a
7 certified organic farm, in accordance with an
8 organic system plan that meets the require-
9 ments of this title;

10 “(B) advanced organic practices that are
11 consistent with the organic system plan;

12 “(C) organic animal welfare measures, so
13 long as the measures are—

14 “(i) necessary to implement an or-
15 ganic practice standard; and

16 “(ii) consistent with an approved plan
17 to transition to certified organic produc-
18 tion; and

19 “(D) other measures, as determined by the
20 Secretary; and

21 “(2) developing an organic system plan that
22 meets the requirements of this title.

23 “(e) PAYMENT LIMITATIONS.—

24 “(1) IN GENERAL.—Except as provided in para-
25 graphs (2) and (3), an individual or entity may not

1 receive, directly or indirectly, cost-share or incentive
2 payments under this section—

3 “(A) that, in the aggregate, exceed
4 \$10,000 per year; or

5 “(B) for a period of more than 4 years.

6 “(2) SPECIALTY CROPS.—In the case of an in-
7 dividual or entity who annually produces 3 or more
8 types of specialty crops (as defined in section 3 of
9 the Specialty Crops Competitiveness Act of 2004 (7
10 U.S.C. 1621 note; Public Law 108–465)), the indi-
11 vidual or entity may not receive, directly or indi-
12 rectly, cost-share or incentive payments under this
13 section—

14 “(A) that, in the aggregate, exceed
15 \$20,000 per year; or

16 “(B) for a period of more than 4 years.

17 “(3) DAIRY.—In the case of an individual or
18 entity whose principal farming enterprise is a dairy
19 operation, the individual or entity may not receive,
20 directly or indirectly, cost-share or incentive pay-
21 ments under this section—

22 “(A) that, in the aggregate, exceed
23 \$20,000 per year; or

24 “(B) for a period of more than 4 years.

25 “(f) TECHNICAL AND EDUCATIONAL ASSISTANCE.—

1 “(1) IN GENERAL.—The Secretary shall use not
2 less than 50 percent of the funds that are made
3 available under subsection (k) for each fiscal year
4 to—

5 “(A) provide technical assistance to eligible
6 producers to carry out eligible practices and ac-
7 tivities described in subsection (d); and

8 “(B) enter into cooperative agreements
9 with qualified nonprofit and nongovernmental
10 organizations and consultants to carry out edu-
11 cational programs that promote the purposes of
12 this section, as determined by the Secretary.

13 “(2) COOPERATIVE AGREEMENTS.—Of the
14 amount of funds for a fiscal year described in para-
15 graph (1), the Secretary shall use not less than 50
16 percent of the funds to carry out paragraph (1)(B).

17 “(g) SUSPENSION AUTHORITY.—

18 “(1) ASSESSMENTS.—Not later than October 1
19 of each fiscal year, the Secretary shall publish in the
20 Federal Register and otherwise make available an
21 assessment for each organic product that analyzes—

22 “(A) the domestic production and con-
23 sumption of the organic product;

1 “(B) the import and export organic market
2 demand and growth potential for the organic
3 product; and

4 “(C) the estimated number and total
5 amount of new payments under this section for
6 the fiscal year to be made to producers of the
7 organic product.

8 “(2) SUSPENSION OF NEW CONTRACTS.—The
9 Secretary shall not enter into contracts with new
10 producers of an organic product under this section
11 if the Secretary determines that entering into the
12 contracts would—

13 “(A) produce an increased quantity of the
14 organic product that the Secretary finds is rea-
15 sonably anticipated to adversely affect the eco-
16 nomic viability of producers who own or operate
17 certified organic farms under this title; or

18 “(B) create an unreasonable geographic
19 disparity in the distribution of payments under
20 this section.

21 “(h) NATIONAL ORGANIC TECHNICAL COM-
22 MITTEE.—

23 “(1) ESTABLISHMENT.—The Secretary shall es-
24 tablish a National Organic Technical Committee
25 to—

1 “(A) advise and assist the Secretary in
2 carrying out the program established under this
3 section; and

4 “(B) improve the interface between owners
5 and operators of certified organic farms and
6 other conservation programs and activities ad-
7 ministered by the Natural Resources Conserva-
8 tion Service, including development of criteria
9 for the approval of qualified organic technical
10 advisors under this title.

11 “(2) MEMBERSHIP.—The National Organic
12 Technical Committee shall consist of 9 members ap-
13 pointed by the Secretary, including—

14 “(A) 3 owners or operators of certified or-
15 ganic farms;

16 “(B) 2 certifying agents;

17 “(C) 2 inspectors of organic products;

18 “(D) 1 representative of an environmental
19 organization that is knowledgeable concerning
20 organic agriculture; and

21 “(E) 1 scientist with expertise in conserva-
22 tion planning.

23 “(i) ANNUAL REPORTS.—Not later than March 1 of
24 each year, the Secretary shall submit to the Committee
25 on Agriculture of the House of Representatives and the

1 Committee on Agriculture, Nutrition, and Forestry of the
2 Senate a report that describes the operation of the pro-
3 gram established under this section, including—

4 “(1) a State-by-State analysis of expenditures
5 on assistance under this section, including the num-
6 ber of producers served by the program and the
7 practices and activities implemented;

8 “(2) an assessment of the impact of the pro-
9 gram on organic food production; and

10 “(3) any recommended modifications to the pro-
11 gram.

12 “(j) NATIONAL PROGRAM REVIEW.—

13 “(1) IN GENERAL.—Not later than 4 years
14 after the commencement of the program established
15 under this section, the Secretary shall—

16 “(A) conduct a national program review
17 (including public hearings) of the program es-
18 tablished under this section; and

19 “(B) submit to the Committee on Agri-
20 culture of the House of Representatives and the
21 Committee on Agriculture, Nutrition, and For-
22 estry of the Senate a report that describes the
23 results of the review (including any appropriate
24 recommendations).

1 “(2) CONTENT.—In conducting the review, the
2 Secretary shall evaluate and make recommendations
3 to—

4 “(A) resolve any program deficiencies;
5 “(B) redress any underserved States, agri-
6 cultural products, and regions; and

7 “(C) ensure that the program is contrib-
8 uting positively to the profitability of small- and
9 intermediate-size producers and existing owners
10 and operators of certified organic farms.

11 “(k) FUNDING.—Of the funds of the Commodity
12 Credit Corporation, the Secretary shall use to carry out
13 this section \$50,000,000 for each of the fiscal years 2008
14 through 2013, to remain available until expended.”.

15 (4) ANNUAL REPORT.—The Organic Foods
16 Production Act of 1990 (7 U.S.C. 6501 et seq.) is
17 amended by inserting after section 2122 (as added
18 by paragraph (3)) the following:

19 **“SEC. 2123. ANNUAL REPORT.**

20 “Each year, the Secretary shall submit to Congress,
21 and make available to the public, a report that—

22 “(1) describes the enforcement activities carried
23 out by the Secretary under this Act to ensure the in-
24 tegrity of organic labels; and

1 “(2) includes specific details on the number and
2 investigative results of retail surveillance and over-
3 sight by certifying agents under this Act.”.

4 (5) REPORT.—Not later than 120 days after
5 the date of enactment of this Act, the Secretary
6 shall submit to Congress a report describing the
7 progress in carrying out the national organic pro-
8 gram established under the Organic Foods Produc-
9 tion Act of 1990 (7 U.S.C. 6501 et seq.) in imple-
10 menting the recommendations contained in—

11 (A) the audit conducted in 2004 by the
12 American National Standards Institute; and

13 (B) the audit conducted in 2005 by the Of-
14 fice of the Inspector General of the Department
15 of Agriculture.

16 (f) SOCIALLY DISADVANTAGED FARMERS AND
17 RANCHERS OUTREACH AND TECHNICAL ASSISTANCE
18 PROGRAM.—Section 2501 of the Food, Agriculture, Con-
19 servation, and Trade Act of 1990 (7 U.S.C. 2279) is
20 amended—

21 (1) in subsection (a)(4), by adding at the end
22 the following:

23 “(C) FUNDING.—For each of fiscal years
24 2008 through 2013, the Secretary shall use
25 \$25,000,000 of funds of the Commodity Credit

1 Corporation to carry out this subsection, to re-
2 main available until expended.”; and
3 (2) in subsection (c)(1)(A), by inserting “, in-
4 cluding beginning farmers and ranchers in those
5 groups,” after “groups”.

6 **SEC. 5. ENCOURAGING LOCAL MARKETS FOR FOOD, BIO-**
7 **ENERGY, AND BIOPRODUCTS.**

8 (a) GEOGRAPHIC PROCUREMENT PREFERENCE FOR
9 DEPARTMENT OF DEFENSE AND DEPARTMENT OF AGRI-
10 CULTURE.—

11 (1) FINDINGS.—Congress finds that—
12 (A) local produce, as compared to trans-
13 ported produce—
14 (i) is often harvested closer to full
15 ripeness and can have higher nutritional
16 quality;
17 (ii) can have improved ripeness, taste,
18 or selection, which can increase rates of
19 consumption of fruits and vegetables; and
20 (iii) is more efficient to store, dis-
21 tribute, and package;
22 (B) use of local produce—
23 (i) reduces dependence upon foreign
24 oil by reducing fuel consumption rates as-

sociated with the production or transportation of fruits and vegetables;

(ii) can help to improve the ability of those using the procurement system to provide education on nutrition, farming, sustainability, energy efficiency, and the importance of local purchases to the local economy;

(iii) helps to maintain a robust logistics network for agricultural product procurement; and

(iv) promotes farm, business, and economic development by accessing local markets; and

(C) section 9(j) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(j)) directs the Secretary of Agriculture to encourage institutions participating in the school lunch program established under that Act and school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) to purchase, in addition to regular food purchases, locally produced foods, to the maximum extent practicable and appropriate.

11 (I) the Defense Supply Center
12 Philadelphia;

13 (II) the Department of Defense
14 Farm to School Program;

15 (III) the Department of Defense
16 Fresh Fruit and Vegetable Program;

¹⁷ (IV) the service academies;

18 (V) Department of Defense do-
19 mestic dependant schools;

20 (VI) other Department of De-
21 fense schools under chapter 108 of
22 title 10, United States Code;

23 (VII) commissary and exchange
24 stores; and

1 (VIII) morale, welfare, and recre-
2 ation (MWR) facilities operated by
3 the Department of Defense; and

4 (ii) in the case of programs carried
5 out by the Department of Agriculture,
6 schools, local educational agencies, and
7 other entities—

8 (I) the school breakfast program
9 established by section 4 of the Child
10 Nutrition Act of 1966 (42 U.S.C.
11 1773);

12 (II) the school lunch program es-
13 tablished under the Richard B. Rus-
14 sell National School Lunch Act (42
15 U.S.C. 1751 et seq.);

16 (III) the summer food service
17 program for children established
18 under section 13 of the Richard B.
19 Russell National School Lunch Act
20 (42 U.S.C. 1761); and

21 (IV) the child and adult care
22 food program established under sec-
23 tion 17 of the Richard B. Russell Na-
24 tional School Lunch Act (42 U.S.C.
25 1766).

1 (B) ADDITIONAL AUTHORIZATIONS.—A
2 local food service director or other entity may
3 include a geographic preference described in
4 subparagraph (A) in bid specifications and may
5 select a bid involving locally produced fruits and
6 vegetables, even if that bid is not the lowest bid.

(b) ACCESS TO LOCAL FOODS AND SCHOOL GARDENS.—Section 18(i) of the Richard B. Russell National

1 School Lunch Act (42 U.S.C. 1769(i)) is amended by
2 striking paragraph (2) and inserting the following:

3 “(2) FUNDING.—For each of fiscal years 2008
4 through 2013, the Secretary shall use \$10,000,000
5 of funds of the Commodity Credit Corporation to
6 carry out this subsection, to remain available until
7 expended.”.

8 (c) SENIOR FARMERS’ MARKET NUTRITION PRO-
9 GRAM.—Section 4402(a) of the Farm Security and Rural
10 Investment Act of 2002 (7 U.S.C. 3007(a)) is amended—
11 (1) by striking “The Secretary” and inserting
12 the following:

13 “(1) IN GENERAL.—The Secretary;”; and
14 (2) by adding at the end the following:

15 “(2) SUBSEQUENT FUNDING.—Of funds of the
16 Commodity Credit Corporation, the Secretary shall
17 use to carry out this section \$25,000,000 for fiscal
18 year 2008, to remain available until expended.”.

19 (d) WIC FARMERS’ MARKET NUTRITION PRO-
20 GRAM.—Section 17(m)(9)(A) of the Child Nutrition Act
21 of 1966 (42 U.S.C. 1786(m)(9)(A)) is amended by strik-
22 ing clause (ii) and inserting the following:

23 “(i) MANDATORY FUNDING.—Of
24 funds of the Commodity Credit Corpora-
25 tion, the Secretary shall use to carry out

3 (e) FARMERS MARKET PROMOTION PROGRAM.—Sec-
4 tion 6 of the Farmer-to-Consumer Direct Marketing Act
5 of 1976 (7 U.S.C. 3005) is amended by adding at the end
6 the following:

7 “(f) MANDATORY FUNDING.—For each of fiscal
8 years 2008 through 2013, the Secretary shall use
9 \$20,000,000 of funds of the Commodity Credit Corpora-
10 tion to carry out this section, to remain available until ex-
11 pended.”.

12 (f) GRANTS FOR DEVELOPMENT OF LOCAL FOOD,
13 BIOENERGY, AND BIOPRODUCTS SYSTEMS.—Section
14 231(b)(4)(B) of the Agricultural Risk Protection Act of
15 2000 (7 U.S.C. 1621 note; Public Law 106-224) (as
16 added by section 3(b)(2)) is amended by adding at the
17 end the following:

1 producers of value-added agricultural
2 products relating to developing local
3 food, bioenergy, and bioproducts sys-
4 tems (such as supporting local mar-
5 kets, labeling of production location,
6 local infrastructure, or local distribu-
7 tion).

8 “(II) SPECIFIC PROJECTS.—Not
9 less than 50 percent of the grants
10 specified in subclause (I) shall be used
11 to fund projects that support the es-
12 tablishment of mid-tier food value-
13 added chains intended to help mid-
14 sized farms, through the marketing of
15 differentiated products that adhere to
16 sound social and environmental prin-
17 ciples and equitable business practices
18 at regional scales.

19 “(III) PROJECT DETAILS.—
20 Projects described in subclause (II)
21 should—

22 “(aa) facilitate partnerships
23 between businesses, cooperatives,
24 non-profits, agencies, and edu-
25 cational institutions;

1 “(bb) have mid-sized farmer
2 or rancher participation;
3 “(cc) include an agreement
4 from the eligible agricultural pro-
5 ducer group, farmer or rancher
6 cooperative, or majority-con-
7 trolled producer-based business
8 venture engaged in the food
9 value-added chain relating to the
10 method for price determination;
11 and
12 “(dd) articulate clear and
13 transparent social, environ-
14 mental, fair labor, and fair trade
15 standards.”.

16 (g) ASSISTANCE FOR COMMUNITY FOOD
17 PROJECTS.—Section 25 of the Food Stamp Act of 1977
18 (7 U.S.C. 2034) is amended—

19 (1) in subsection (a)(1)—
20 (A) in subparagraph (B), by striking
21 “and” at the end;
22 (B) in subparagraph (C), by striking “or”
23 at the end and inserting “and”; and
24 (C) by adding at the end the following:

1 “(D) supply healthy local foods to under-
2 served markets, including—

3 “(i) purchase of local foods by govern-
4 ment and nonprofit institutions;

5 “(ii) provision of technical assistance
6 for retail development in underserved
7 areas;

8 “(iii) support of metropolitan produc-
9 tion linked to community-based food serv-
10 ices and markets (such as urban, commu-
11 nity, school, and market gardens);

12 “(iv) provision of technical assistance
13 for limited-resource and socially-disadvan-
14 taged applicants;

15 “(v) support of local purchase of foods
16 by food banks and other emergency pro-
17 viders; and

18 “(vi) support of an information clear-
19 inghouse on innovative solutions to com-
20 mon community food security challenges;
21 or”;

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

1 “(1) IN GENERAL.—For each of fiscal years
2 2008 through 2013, the Secretary shall use, of
3 funds of the Commodity Credit Corporation—

4 “(A) \$15,000,000 to make grants to assist
5 eligible private nonprofit entities to establish
6 and carry out community food projects;

7 “(B) \$10,000,000 to encourage eligible
8 private nonprofit entities to purchase of local
9 foods for community food projects;

10 “(C) \$10,000,000 to provide technical as-
11 sistance under this section for retail develop-
12 ment in underserved areas;

13 “(D) \$10,000,000 for the community food
14 project competitive grant program to support
15 metropolitan production linked to community-
16 based food services and markets (urban, com-
17 munity, school and market gardens);

18 “(E) \$7,000,000 to provide technical as-
19 sistance under this section for limited resource
20 and socially disadvantaged applicants for com-
21 munity food project funds;

22 “(F) \$5,000,000 for the community food
23 project competitive grant program to support
24 food policy councils and food system networks

1 to develop demonstration regional food authori-
2 ties;

3 “(G) \$3,000,000 to support local purchase
4 of foods by food banks and other emergency
5 food providers under this section; and

6 “(H) \$500,000 to support an information
7 clearinghouse on innovative solutions to com-
8 mon community food security challenges.”; and
9 (3) in subsection (h)(4), by striking “2007”
10 and inserting “2013”.

11 **SEC. 6. BROADBAND REQUIREMENTS.**

12 (a) FINDINGS.—Congress finds the following:

13 (1) While data collection on broadband access
14 and affordability could be improved, several reports
15 indicate that both factors have led to a digital divide
16 in the nation, with rural areas lagging behind subur-
17 ban and urban areas.

18 (2) Even as early as 2000, a joint Department
19 of Commerce and Department of Agriculture report
20 demonstrated that there was a noticeable disparity
21 in the availability of broadband access between rural
22 and urban areas, with less than 5 percent of towns
23 smaller than 10,000 people having broadband ac-
24 cess, while 56 percent of cities with populations of

1 100,000 and 65 percent of cities with populations of
2 250,000 have broadband access.

3 (3) A February 2002 report by the Department
4 of Commerce found that among Internet users, only
5 12.2 percent of such users located in rural areas had
6 high speed connections versus 21.2 percent of such
7 users located in urban areas. Furthermore, the re-
8 port found higher income households were more like-
9 ly to have broadband access than lower income
10 households.

11 (4) A September 2004 report by the Depart-
12 ment of Commerce evidenced growth in broadband
13 subscribers among all Internet users, however, the
14 broadband access gap between rural (24.7 percent)
15 and urban areas (40.4 percent) remained.

16 (5) A May 2006 report by the Government Ac-
17 countability Office found that 17 percent of rural
18 households subscribe to broadband service, while
19 suburban households had a broadband subscription
20 rate 11 percent higher and urban households had a
21 broadband subscription rate 12 percent higher than
22 that of rural households.

23 (6) A May 2006 report by the Government Ac-
24 countability Office found that data collected by the
25 Federal Communications Commission on broadband

1 subscribers at a zip code level was of limited usefulness
2 for an accurate assessment of local availability
3 of broadband service, especially in rural areas. Moreover
4 such report found that this lack of reliable information
5 was a key obstacle in analyzing and targeting Federal aid for increasing access to
6 broadband service.

8 (7) Even with this limited zip code level data,
9 the most recently released Federal Communications
10 Commission data (for December 31, 2005) disclosed
11 that 11 percent fewer of the lowest population density zip codes had at least 1 subscriber relative to
12 the highest population density zip codes.

14 (8) A February 2006 report prepared for the
15 Economic Development Administration of the Department of Commerce found that communities with
16 early broadband availability experienced more rapid
17 growth in employment, number of businesses, and
18 number of information technology businesses.

20 (9) The United States is losing ground relative
21 to other developed countries. According to the Organization for Economic Cooperation and Development, the United States now ranks 12th out of the
22 30 OECD countries in broadband access per 100 inhabitants. In 2001, the United States ranked 4th,

1 behind only Korea, Sweden, and Canada. A similar
2 worldwide ranking by the International Tele-
3 communications Union put the United States even
4 further behind at 16th in broadband penetration.

5 (b) SENSE OF THE SENATE.—It is the sense of the
6 Senate that, given the growing number of opportunities
7 provided by broadband access, the digital divide affecting
8 rural households and other underserved groups be elimi-
9 nated not later than 10 years after the date of enactment
10 of this Act with the ultimate goal of providing nationwide
11 universal access to affordable broadband.

12 (c) IMPROVING FCC DATA COLLECTION.—

13 (1) REPORTING REQUIREMENTS.—

14 (A) GENERAL REQUIREMENTS.—Not later
15 than 180 days after the date of enactment of
16 this Act, the Federal Communications Commis-
17 sion shall revise FCC Form 477 (relating to re-
18 porting requirements) to require each
19 broadband service provider to report the fol-
20 lowing information:

21 (i) Identification of where such pro-
22 vider provides broadband service to cus-
23 tomers, identified by zip code plus 4 digit
24 location (in this section referred to as
25 “service area”).

(iii) The average price per megabyte of download speed and upload speed in each service area.

9 (iv) Identification by service area of
10 such provider's broadband service's—

11 (I) actual average throughput;
12 and

13 (II) contention ratio of the num-
14 ber of users sharing the same line.

22 (C) REPORT TO JOINT BOARD.—Not later
23 than 1 year after the date of enactment of this
24 Act, the Federal Communications Commission
25 shall provide the Federal-State Joint Board es-

12 (A) Population.

13 (B) Population density.

14 (C) Average per capita income.

15 (d) REVIEWS AND REPORTS.—

23 (A) reflect a data rate—

24 (i) greater than the 200 kilobits per
25 second standard established in the Com-

1 mission's Section 706 Report (14 FCC
2 Rec. 2406); and

3 (ii) consistent with data rates in the
4 marketplace; and

5 (B) promote uniformity in the definition of
6 broadband service.

7 (2) USDA REPORT.—Not later than 90 days
8 after the date of enactment of this Act, the Sec-
9 retary of Agriculture shall report on the adoption or
10 planned adoption of the recommendations contained
11 in the September 2005 audit report by the Inspector
12 General of the United States Department of Agri-
13 culture entitled “Rural Utilities Service Broadband
14 Grant and Loan Programs”.

15 (3) UNIVERSAL SERVICE.—

16 (A) IN GENERAL.—Not later than 1 year
17 after the date of enactment of this Act, the
18 Federal-State Joint Board in accordance with
19 the authority granted to such Board under sec-
20 tion 254(c)(2) of the Communications Act of
21 1934 (47 U.S.C. 254(c)(2)) shall recommend to
22 the Federal Communications Commission
23 whether advanced services such as broadband
24 service should be included in the definition of
25 universal service.

1 (B) DEFINITIONS.—In this paragraph:

2 (i) FEDERAL-STATE JOINT BOARD.—

13 SEC. 7. OFFSETS.

14 (a) LIMITATIONS ON MARKETING LOAN GAINS,
15 LOAN DEFICIENCY PAYMENTS, AND COMMODITY CER-
16 TIFICATE TRANSACTIONS.—Section 1001 of the Food Se-
17 curity of 1985 (7 U.S.C. 1308) is amended—

1 “(d) LIMITATIONS ON MARKETING LOAN GAINS,
2 LOAN DEFICIENCY PAYMENTS, AND COMMODITY CER-
3 TIFICATE TRANSACTIONS.—

4 “(1) LOAN COMMODITIES.—The total amount
5 of the following gains and payments that a person
6 may receive during any crop year may not exceed
7 \$75,000:

8 “(A)(i) Any gain realized by a producer
9 from repaying a marketing assistance loan for
10 1 or more loan commodities under subtitle B of
11 title I of the Farm Security and Rural Invest-
12 ment Act of 2002 (7 U.S.C. 7931 et seq.) at a
13 lower level than the original loan rate estab-
14 lished for the loan commodity under that sub-
15 title.

16 “(ii) In the case of settlement of a mar-
17 keting assistance loan for 1 or more loan com-
18 modities under that subtitle by forfeiture, the
19 amount by which the loan amount exceeds the
20 repayment amount for the loan if the loan had
21 been settled by repayment instead of forfeiture.

22 “(B) Any loan deficiency payments re-
23 ceived for 1 or more loan commodities under
24 that subtitle.

1 “(C) Any gain realized from the use of a
2 commodity certificate issued by the Commodity
3 Credit Corporation for 1 or more loan commod-
4 ities, as determined by the Secretary, including
5 the use of a certificate for the settlement of a
6 marketing assistance loan made under that sub-
7 title, with the gain reported annually to the In-
8 ternal Revenue Service and to the taxpayer in
9 the same manner as gains under subparagraphs
10 (A) and (B).

11 “(2) OTHER COMMODITIES.—The total amount
12 of the following gains and payments that a person
13 may receive during any crop year may not exceed
14 \$75,000:

15 “(A)(i) Any gain realized by a producer
16 from repaying a marketing assistance loan for
17 peanuts, wool, mohair, or honey under subtitle
18 B or C of title I of the Farm Security and
19 Rural Investment Act of 2002 at a lower level
20 than the original loan rate established for the
21 commodity under those subtitles.

22 “(ii) In the case of settlement of a mar-
23 keting assistance loan for peanuts, wool, mo-
24 hair, or honey under those subtitles by for-
25 feiture, the amount by which the loan amount

1 exceeds the repayment amount for the loan if
2 the loan had been settled by repayment instead
3 of forfeiture.

4 “(B) Any loan deficiency payments re-
5 ceived for peanuts, wool, mohair, and honey
6 under those subtitles.

7 “(C) Any gain realized from the use of a
8 commodity certificate issued by the Commodity
9 Credit Corporation for peanuts, wool, mohair,
10 or honey, as determined by the Secretary, in-
11 cluding the use of a certificate for the settle-
12 ment of a marketing assistance loan made
13 under those subtitles, with the gain reported
14 annually to the Internal Revenue Service and to
15 the taxpayer in the same manner as gains
16 under subparagraphs (A) and (B).”.

17 (b) RESCISSIONS.—

18 (1) SECTION 32.—Of the unobligated balances
19 under section 32 of the August of August 24, 1935
20 (7 U.S.C. 612e), \$37,601,000 is rescinded.

21 (2) CUSHION OF CREDIT PAYMENTS PRO-
22 GRAM.—Of the funds derived from interest on the
23 cushion of credit payments, as authorized by section
24 313 of the Rural Electrification Act of 1936 (7

1 U.S.C. 940c), \$74,000,000 shall not be obligated
2 and \$74,000,000 is rescinded.

3 (c) TRANSFER OF FUNDS.—For each of fiscal years
4 2008 through 2011, the Secretary of the Treasury shall
5 transfer to the Commodity Credit Corporation from unob-
6 ligated funds made available under section 32 of the Au-
7 gust of August 24, 1935 (7 U.S.C. 612c), \$125,500,000,
8 to be used to carry out the amendments made by section
9 5.

10 **SEC. 8. REGULATIONS.**

11 (a) IN GENERAL.—The Secretary of Agriculture may
12 promulgate such regulations as are necessary to imple-
13 ment this Act and the amendments made by this Act.

14 (b) PROCEDURE.—The promulgation of the regula-
15 tions and administration of this Act and the amendments
16 made by this Act shall be made without regard to—

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

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

23 (3) chapter 35 of title 44, United States Code
24 (commonly known as the “Paperwork Reduction
25 Act”).

1 (c) CONGRESSIONAL REVIEW OF AGENCY RULE-
2 MAKING.—In carrying out this section, the Secretary shall
3 use the authority provided under section 808 of title 5,
4 United States Code.

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