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House of Representatives

FARM, NUTRITION, AND BIOENERGY ACT OF 2007—Continued

The CHAIRMAN. Pursuant to the rule, the amendment in the nature of a substitute printed in the bill, modified by the amendments printed in part A of House Report 110–261, is adopted. The bill, as amended, shall be considered as an original bill for the purpose of further amendment under the 5-minute rule and shall be considered read.

The text of the bill, as amended, is as follows:

(The bill will be printed in a subsequent edition of the CONGRESSIONAL RECORD.)

The CHAIRMAN. No further amendment to the bill, as amended, shall be in order except those printed in part B of the report and amendments en bloc described in section 3 of House Resolution 574.

Each further amendment printed in the report shall be considered only in the order printed in the report; may be offered only by a Member designated in the report, shall be considered read; shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent of the amendment; shall not be subject to amendment; and shall not be subject to a demand for division of the question.

It shall be in order at any time for the chairman of the Committee on Agriculture or his designee to offer amendments en bloc consisting of amendments printed in part B of the report not earlier disposed of. Amendments en bloc shall be considered read (except that modifications shall be reported); shall be debatable for 20 minutes, equally divided and controlled by the chairman and ranking minority member or their designees; shall not be subject to amendment; and shall not be subject to a demand for division of the question.

The original proponent of an amendment included in amendments en bloc may insert a statement in the CONGRESSIONAL RECORD immediately before disposition of the amendments en bloc.

AMENDMENT NO. 1 OFFERED BY MR. KIND

The CHAIRMAN. It is now in order to consider amendment No. 1 printed in part B of House Report 110–261.

Mr. KIND. Madam Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. KIND:

[COMMODITY TITLE]

In section 1102, strike subsection (b) and insert the following new subsection:

(b) PAYMENT RATE.—

(1) 2008 CROP YEAR.—The payment rates used to make direct payments with respect to covered commodities for the 2008 crop year are as follows:

(A) Wheat, $0.52 per bushel.
(B) Corn, $0.14 per bushel.
(C) Grain sorghum, $0.25 per bushel.
(D) Barley, $0.17 per bushel.
(E) Oats, $0.02 per bushel.
(F) Upland cotton, $0.05 per pound.
(G) Rice, $1.65 per hundredweight.
(H) Soybeans, $0.22 per bushel.
(I) Other oilseeds, $0.01 per pound.
(J) Peanuts, $25.20 per ton.

(2) 2009 CROP YEAR.—The payment rates used to make direct payments with respect to covered commodities for the 2009 crop year are as follows:

(A) Wheat, $0.52 per bushel.
(B) Corn, $0.13 per bushel.
(C) Grain sorghum, $0.23 per bushel.
(D) Barley, $0.16 per bushel.
(E) Oats, $0.02 per bushel.
(F) Upland cotton, $0.04 per pound.
(G) Rice, $1.53 per hundredweight.
(H) Soybeans, $0.20 per bushel.
(I) Other oilseeds, $0.01 per pound.
(J) Peanuts, $23.40 per ton.

(3) 2010 CROP YEAR.—The payment rates used to make direct payments with respect to covered commodities for the 2010 crop year are as follows:

(A) Wheat, $0.52 per bushel.
(B) Corn, $0.11 per bushel.
(C) Grain sorghum, $0.21 per bushel.
(D) Barley, $0.14 per bushel.
(E) Oats, $0.02 per bushel.
(F) Upland cotton, $0.04 per pound.
(G) Rice, $1.41 per hundredweight.
(H) Soybeans, $0.18 per bushel.
(I) Other oilseeds, $0.01 per pound.
(J) Peanuts, $21.60 per ton.

(4) 2011 CROP YEAR.—The payment rates used to make direct payments with respect to covered commodities for the 2011 crop year are as follows:

(A) Wheat, $0.49 per bushel.
(B) Corn, $0.10 per bushel.
(C) Grain sorghum, $0.35 per bushel.
(D) Barley, $0.13 per bushel.
(E) Oats, $0.02 per bushel.
(F) Upland cotton, $0.04 per pound.
(G) Rice, $1.29 per hundredweight.
(H) Soybeans, $0.15 per bushel.
(I) Other oilseeds, $0.01 per pound.
(J) Peanuts, $19.80 per ton.

(5) 2012 CROP YEAR.—The payment rates used to make direct payments with respect to covered commodities for the 2012 crop year are as follows:

(A) Wheat, $0.47 per bushel.
(B) Corn, $0.08 per bushel.
(C) Grain sorghum, $0.18 per bushel.
(D) Barley, $0.12 per bushel.
(E) Oats, $0.02 per bushel.
(F) Upland cotton, $0.03 per pound.
(G) Rice, $1.18 per hundredweight.
(H) Soybeans, $0.13 per bushel.
(I) Other oilseeds, $0.01 per pound.
(J) Peanuts, $18.00 per ton.

(6) LIMITED RESOURCE FARMERS.—Notwithstanding paragraphs (2), (3), (4), and (5), the payment rates specified in paragraph (1) shall be used for each of the 2008 through 2012 crop years in the case of a limited resource farmer, as defined by the Secretary.

Section 1102 is amended by adding at the end the following:

''(e) CONSERVATION ENHANCED PAYMENT OPTION.—

''(1) IN GENERAL.—All producers on a farm that meet the eligibility requirements of paragraph (2) may, in lieu of direct payments otherwise provided in this section, make a one time election to receive enhanced direct payments through crop year 2012 in accordance with this subsection.

''(2) ELIGIBILITY.—To be eligible to obtain an enhanced direct payment for a covered commodity for a crop year under this subsection, the producers on a farm shall enter into a contract with the secretary under which the producers of the farm agree, for each crop year—

''(A) to forgo all counter-cyclical payments under this subtitle and all marketing assistance loans and all loan deficiency payments under subtitle B for the farm subject to a contract under this subsection;

''(B) to carry out conservation practices on the farm that are at least equivalent to the requirements for land enrolled under the a conservation security contract entered into under section 1238A of the Food Security Act of 1985 (16 U.S.C. 3838a); and

''(C) to meet such other requirements as are established by the Secretary.

''(3) AMOUNT.—The amount of an enhanced direct payment to be paid to the producers on a farm for a covered commodity for a crop year that enter into a contract with the secretary under this subsection shall be equal to the product obtained by multiplying—

''(A) the amount of the direct payment the producers on a farm would otherwise be eligible to receive under subsection (c); and

''(B) 110

''(4) ONE TIME ENROLLMENT.—Producers on a farm shall have one period of time (as determined by the Secretary) in which to enter into a contract for a conservation enhanced payment.

''(5) DE MINIMIS PAYMENTS.—A payment under this section that is less than $25.00 in amount shall not be tendered to a producer on a farm''.

Section 1103 is amended to read as follows:

SEC. 1103. COUNTER-CYCLICAL PAYMENTS.

Section 1103 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7913) is amended to read as follows:

''SEC. 1103. COUNTER-CYCLICAL PAYMENTS.

''(a) PAYMENT REQUIRED.—The Secretary shall make counter-cyclical payments to producers on farms for which payment yields and base acres are established with respect to a covered commodity, if the Secretary determines that the national actual revenue per acre for the covered commodity (except for other oilseeds) is less than the national target revenue per acre for the covered commodity, as determined in this section.

''(b) NATIONAL ACTUAL REVENUE PER ACRE.—For each covered commodity (except for other oilseeds) for the applicable year, the Secretary shall establish a national actual revenue per acre by multiplying the national average yield for the given year by the higher of:

''(1) the national average market price received by producers during the 12-month marketing year established by the Secretary; or

''(2) the loan rate.

''(c) NATIONAL TARGET REVENUE PER ACRE.—The national target revenue per acre shall be, on a per acre basis, as follows:

''(1) Wheat, $140.42.

''(2) Corn, $344.12.

''(3) Grain Sorghum, $131.28.

''(4) Barley, $123.13.

''(5) Oats, $88.36.

''(6) Upland cotton, $516.86.

''(7) Rice, $548.06.

''(8) Soybeans, $219.58 .

''(9) Peanuts, $683.83.

''(d) NATIONAL PAYMENT YIELD.—The national payment yield shall be as follows:

''(1) Wheat, 36.1 bushels per acre.

''(2) Corn, 114.2 bushels per acre.

''(3) Grain Sorghum, 58.1 bushels per acre.

''(4) Barley, 48.7 bushels per acre.

''(5) Oats, 49.8 bushels per acre.

''(6) Upland cotton, 636 pounds per acre.

''(7) Rice, 51.24 hundredweight per acre.

''(8) Soybeans, 34.1 bushels per acre.

''(9) Peanuts, 1.495 tons per acre.

''(e) NATIONAL PAYMENT RATE.—The national payment rate used to make counter-cyclical payments for a crop year shall be the result of—

''(1) the difference between the national target revenue per acre for the covered commodity and the national actual revenue per acre for the covered commodity; divided by

''(2) the national payment yield for the covered commodity.

''(f) PAYMENT AMOUNT.—If counter-cyclical payments are required to be paid for any of the 2008 through 2012 crop years of a covered commodity, the amount of the counter-cyclical payment to be paid to the producers on a farm for that crop year for the covered commodity shall be equal to the product of—

''(1) the national payment rate for the covered commodity;

''(2) the payment acres of the covered commodity on the farm; and

''(3) the payment yield for counter-cyclical payments for the covered commodity.

''(g) TIME FOR PAYMENTS.—

''(1) GENERAL RULE.—If the Secretary determines that counter-cyclical payments are required to be made under this section for the crop of a covered commodity, the Secretary shall make the counter-cyclical payments for the crop as soon as practicable after the end of the 12-month marketing year for the covered commodity.

''(2) AVAILABILITY OF PARTIAL PAYMENTS.—If, before the end of the 12-month marketing year for a covered commodity, the Secretary estimates that counter-cyclical payments will be required for the crop of the covered commodity, the Secretary shall give producers on a farm the option to receive partial payments of the counter-cyclical payment projected to be made for that crop of the covered commodity.

''(3) TIME FOR PARTIAL PAYMENTS.—When the Secretary makes partial payments available under paragraph (2) for a covered commodity—

''(A) the first partial payment for the crop year shall be made not earlier than October 1, and, to the maximum extent practicable, not later than October 31, of the calendar year in which the crop of the covered commodity is harvested;

''(B) the second partial payment shall be made not earlier than February 1 of the next calendar year; and

''(C) the final partial payment shall be made as soon as practicable after the end of the 12-month marketing year for the covered commodity.

''(4) AMOUNT OF PARTIAL PAYMENTS.—

''(A) FIRST PARTIAL PAYMENT.—The first partial payment under paragraph (3) to the producers on a farm may not exceed 35 percent of the projected counter-cyclical payment for the covered commodity for the crop year, as determined by the Secretary.

''(B) SECOND PARTIAL PAYMENT.—The second partial payment under paragraph (3) for a covered commodity for a crop year may not exceed the difference between—

''(i) 70 percent of the projected counter-cyclical payment (including any revision thereof) for the crop of the covered commodity; and

''(ii) the amount of the payment made under subparagraph (A).

''(C) FINAL PAYMENT.—The final payment for the crop year shall be equal to the difference between—

''(i) the actual counter-cyclical payment to be made to the producers for the covered commodity for that crop year; and

''(ii) the amount of the partial payments made to the producers on a farm under subparagraphs (A) and (B) for that crop year.

''(5) REPAYMENT.—Producers on a farm that receive a partial payment under this subsection for a crop year shall repay to the Secretary the amount, if any, by which the total of the partial payments exceed the actual counter-cyclical payment to be made for the covered commodity for that crop year.

''(h) DE MINIMIS PAYMENTS.—A payment under this section that is less than $25.00 in amount shall not be tendered to a producer on a farm.''.

In section 1105(a)(1)(D) insert '', residential'' after ''commercial'' and after the period at the end insert the following: ''In the case of a parcel of land that at anytime subsequent to the enactment of the Federal Agriculture Improvement and Reform Act of 1996 is subdivided, transferred to a new owner and used for the construction of a new residence, the base acres for covered commodities for the farm shall be eliminated, unless the owner of such residence receives at least $10,000 of gross income from farming or ranching and the owner of such residence receives gross income from farming or ranching exceeding at least half of their adjusted gross income.'' .

Section 1201(a)(1) is amended by striking ''For each of'' and all that follows through ''loan commodity, the'' and inserting ''The''

Section 1201(b) is amended to read as follows:

(b) ELIGIBLE PRODUCTION.—

(1) IN GENERAL.—The producers on a farm shall be eligible for a marketing assistance loan under subsection (a) for any quantity of a loan commodity produced on the farm. In addition, such producers must have beneficial interest, as determined under paragraph (2), in the commodity at the time the commodity is tendered as collateral for such loan.

(2) BENEFICIAL INTEREST.—In order to have beneficial interest in a commodity, a producer shall:

(A) be the producer of the commodity;

(B) possess and maintain ownership and control of the commodity;

(C) not have received any payment from any party with respect to the commodity; and

(D) satisfy other criteria, as determined by the Secretary.

(3) INELIGIBLE PRODUCTION.—A crop of a loan commodity shall be ineligible for a marketing assistance loan if the crop was produced on land of a farm that has been subject to a land transaction covered under section 1101(c).

Section 1201(e) is amended to read as follows:

(e) ADJUSTMENTS OF LOANS.—

(1) ADJUSTMENT AUTHORITY.—The Secretary may make appropriate adjustments in the loan rates for any commodity for differences in grade, type, quality, location, and other factors.

(2) MANNER OF ADJUSTMENT.—The adjustments under the authority of this section shall, to the maximum extent practicable, be made in such manner that the national average loan rate for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined as provided in this title.

(f) HANDLING AND STORAGE CHARGES.—All payments for storage, handling or other charges associated with a loan commodity subject to a marketing assistance loan or loan deficiency payment under this subtitle are the responsibility of the producer and shall not be paid by the Secretary.

Section 1202 is amended to read as follows:

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

(a) IN GENERAL.—Except as provided in subsection (b), the loan rate for each crop of a loan commodity shall be equal to the amount determined by multiplying:

(1) .85; and

(2) the average of the national average market price received by producers during the five preceding marketing years, excluding the highest and lowest prices determined

for such years, as determined by the Secretary.

(b) LOAN RATES.—The loan rate determined under (a) shall not exceed, in the case of—

(1) wheat, $2.58 per bushel;

(2) corn, $1.89 per bushel;

(3) grain sorghum, $1.89 per bushel;

(4) barley, $1.70 per bushel;

(5) oats, $1.21 per bushel;

(6) upland cotton, $0.5192 per pound;

(7) extra long staple cotton, $0.7965 per pound;

(8) rice, $6.50 per hundredweight;

(9) soybeans, $4.92 per bushel;

(10) other oilseeds, $0.087 per pound;

(11) graded wool, $1.00 per pound;

(12) nongraded wool, $0.40 per pound;

(13) mohair, $4.20 per pound;

(14) honey, $0.60 per pound;

(15) dry peas, $6.22 per hundredweight;

(16) lentils, $11.72 per hundredweight;

(17) small chickpeas, $7.43 per hundredweight; and

(18) peanuts, $350.00 per ton.

Section 1204(a) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7934) is amended to read as follows:

(a) GENERAL RULE.—

(1) REPAYMENT OF COMMODITY LOANS.—The Secretary shall permit the producers on a farm to repay a marketing assistance loan under section 1201 for a loan commodity (other than upland cotton, rice, extra long staple cotton, confectionary and each other kind of sunflower seed (other than oil sunflower seed)) at a rate that is the lesser of—

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

(B) a rate that the Secretary determines will—

(i) minimize potential loan forfeitures;

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

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

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

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

(2) RATE ADJUSTMENTS.—

(A) IN GENERAL.—Subject to subparagraph (B) and except as provided in subsection (b), repayment rates established under this section shall be adjusted by the Secretary no more than once every month for all loan commodities.

(B) MONTHLY REPAYMENT RATE.—In establishing the monthly repayment rates with respect to wheat, corn, grain sorghum, barley, oats and soybeans, the rates shall be established by using the rates determined for five days in the previous month as determined in regulations issued by the Secretary, which shall—

(i) exclude the rates for days that represent the highest and lowest rates for the 5 day period; and

(ii) use the average of the three remaining rates to establish the monthly repayment rate.

(3) DATE FOR DETERMINING REPAYMENT RATE.—With respect to the monthly repayment rates established under paragraph (2) and subsection (b) and (c), the rate shall be—

(A) in the case of a producer who, as determined by the Secretary, loses beneficial interest immediately upon repayment of the loan, the monthly repayment rate determined under paragraph (2) and subsection (b) and (c) that is in effect on the date beneficial interest is lost; and

(B) in the case of other producers who did not lose beneficial interest upon repayment of the loan, the repayment rate in effect on the earlier of:

(i) the month in which the loan matures; or

(ii) the last month of the marketing year established by the Secretary for the commodity.

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

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

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

(5) QUALITY GRADES FOR DRY PEAS, LENTILS, AND SMALL CHICKPEAS.—The loan repayment rates for dry peas, lentils, and small chickpeas shall be based on the quality grades for the applicable commodity.

Section 1204(e) is amended to read as follows:

(e) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—During the period beginning on the date of the enactment of this Act through July 31, 2012, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subsection (d) shall be further adjusted if—

(1) the adjusted prevailing world market price for upland cotton is less than 115 percent of the loan rate for upland cotton established under section 1202, as determined by the Secretary; and

(2) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe (referred to in this section as the ''Northern Europe price'').

Section 1204 is amended by striking subsections (f) through (h).

Section 1205(a) is amended by inserting after paragraph (1) the following new paragraph (and redesignating succeeding paragraphs accordingly):

(2) BENEFICIAL INTEREST.—At the time producers request payments under this section, the producers must have beneficial interest, as defined in section 1201(b)(2), in the commodity for which such payment is requested.

Section 1205(c) is amended to read as follows:

(c) PAYMENT RATE.—

(1) LOAN COMMODITIES.—

(A) IN GENERAL.—With respect to all loan commodities except extra long staple cotton, the payment rate shall be determined as of the day the producer loses beneficial interest in the commodity.

(B) FORMULA.—The payment rate under subparagraph (A) shall be the amount that equals the difference between—

(i) the loan rate established under section 1202 for the loan commodity; and

(ii) the monthly repayment rate determined for the commodity under section 1204.

(2) UNSHORN PELTS.—-In the case of unshorn pelts, the payment rate shall be the amount that equals the difference between—

(A) the loan rate established under section 1202 for ungraded wool: and

(B) the rate at which ungraded wool may be redeemed under section 1204.

(3) HAY, SILAGE, FEED AND SIMILAR USES.—

(A) IN GENERAL.—In the case of a commodity that would otherwise be eligible to be pledged as collateral for a marketing assistance loan at the time of harvest of the commodity, but cannot be pledged due to the normal commercial state of the commodity, the payment rate shall be the average of the monthly repayment rates established for the first three months of the marketing year of the commodity, as determined by the Secretary.

(B) INCLUSIONS.—Commodities covered by subparagraph (A) shall be determined by the Secretary, and shall include hay, silage, cracked corn, and corn stored in a commingled manner by feedlots.

In section 1206(d) strike ''A 2002 through 2007 crop of'' and inserting ''A crop of''.

In section 1207 strike subsection (b) and redesignate subsection (c) as subsection (b).

Section 1208 of Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7938) is amended

(1) by striking the section;

(2) by redesignating section 1209 as section 1208;

(3) in section 1208 (as redesignated in paragraph (2)) (A) in subsection (a)(1) by striking ''For each of the 2002 through 2007 crops of'' and inserting ''For each crop of'' (B) in subsection (b) by striking ''For each of the 2002 through 2007 crops of'' and inserting ''For each crop of''; and (C) by striking subsection (d).

In subtitle C strike sections 1301, 1302, and 1303 and insert the following:

SEC. 1301. SUGAR PROGRAM.

Section 156(j) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(j)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 1302. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.

Section 359b(a)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb(a)(1)) is amended in the matter preceding subparagraph (A) by striking ''2007'' and inserting ''2012''.

Section 1409 is amended to read as follows:

SEC. 1409. FEDERAL DAIRY COMMISSION.

(a) ESTABLISHMENT.—The secretary of agriculture shall establish a commission to be known as the ''federal dairy commission'', in this section referred to as the ''commission'', which shall conduct a comprehensive review and evaluation of—

(1) the current Federal and non-Federal milk marketing order systems;

(2) the milk income loss contracting program;

(3) the forward contracting program;

(4) the 9.90 dairy price support system; and

(5) programs in the European Union and other major dairy exporting countries that may have a trade distorting effect.

(b) ELEMENT OF REVIEW AND EVALUATION.—As part of the review and evaluation under this section, the commission shall evaluate how well the programs accomplish the following goals, providing legislative and regulatory recommendations for achieving these goals—

(1) ensuring the competitiveness of diary products;

(2) enhancing the competitiveness of American diary products in world markets;

(3) increasing the responsiveness of dairy programs to market forces;

(4) ensuring an adequate safety net for dairy farmers;

(5) streamlining, simplifying, and expediting the administration of these programs; and

(6) continuing to serve the interest of the public, diary processors, and diary farmers;

(7) operating in a manner to minimize costs to taxpayers;

(8) ensuring that we meet our trade obligations; and

(9) ensuring the safety of our dairy supply.

(c) MEMBERSHIP.—

(1) COMPOSITION.—The commission shall consist of 16 members and shall include the following representation:

(A) Geographical diversity.

(B) Diversity in size of operation.

(C) At least one State with a Federal marketing order.

(D) At least one State with a state marketing order.

(E) At least one State with no marketing order.

(F) At least two dairy producers.

(G) At least two dairy processors.

(H) At least one trade experts.

(I) At least one State official.

(J) At least one Federal official.

(K) At least one nongovernmental organization.

(L) At least one economist.

(M) At least one representative of a land grant university.

(2) APPOINTMENTS.—Within 3 months of the date of enactment, commission members shall be appointed as follows:

(A) Two members appointed by the Majority Leader of the Senate, in consultation with the Chair and ranking member of the Committee on Agriculture of the House of Representatives.

(B) Two members appointed by the Speaker of the House of Representatives, in consultation with the Chair and ranking member of the Senate Committee on Agriculture, Nutrition and Forestry of the Senate.

(C) Fourteen members appointed by the Secretary of Agriculture.

(3) CHAIR.—The commission shall elect one of its members to serve as chairperson during the duration of the commission's proceedings.

(4) VACANCY.—Any vacancy occurring before the termination of the commission shall be filled in the same manner as the original appointment.

(5) COMPENSATION.—Members of the commission shall serve without compensation, but shall be reimbursed by the Secretary from existing budgetary resources for necessary and reasonable expenses incurred in the performance of the duties of the commission.

(d) REPORT.—Not later than three years after the date of establishment of the commission, the commission shall submit to Congress and the Secretary of Agriculture a report setting forth the results of the review and evaluation conducted under this section, including recommendations regarding legislative and regulatory options for accomplishing the goals under subsection (____). The report findings shall reflect, to the greatest extent possible, a consensus opinion of the commission members, but shall include majority and minority findings and their supporters regarding those matters for which consensus was not reached.

(e) ADVISORY NATURE.—The commission is wholly advisory in nature and bound by the requirements of the FACA.

(f) NO EFFECT ON EXISTING PROGRAMS.—The Secretary shall not allow the existence of the commission to impede, delay, or otherwise affect any regulatory decisionmaking.

(g) ADMINISTRATIVE ASSISTANCE.—The Secretary shall provide administrative support to the commission, and expend such funds as necessary from existing budget authority to carry out this responsibility.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

(i) TERMINATION.—The commission shall terminate 60 days after submission of the report under subparagraph (D), during which time it will remain available to answer question of Congress and the Secretary regarding the report.

Strike sections 1503 and 1504 and insert the following:

SEC. 1503. PAYMENT LIMITATIONS.

Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in subsection (a) by striking paragraphs (1) and (2) and inserting the following:

''(1) ENTITY.—

''(A) IN GENERAL.—THE TERM 'ENTITY' MEANS.—

''(i) an organization that (subject to the requirements of this section and section 1001A) is eligible to receive a payment under a provision of law referred to in subsection (b) or (c);

''(ii) a corporation, joint stock company, association, limited partnership, limited liability company, limited liability partnership, charitable organization, estate, irrevocable trust, a grantor of a revocable trust, or other similar entity (as determined by the Secretary); and

''(iii) an organization that is participating in a farming operation as a partner in a general partnership or as a participant in a joint venture.

''(B) EXCLUSION.—Except in section 1001F, the term 'entity' does not include a general partnership or joint venture.

''(C) ESTATES.—In defining the term entities as it will apply to estates, the Secretary shall ensure that fair and equitable treatment is given to estates and the beneficiaries thereof.

''(D) IRREVOCABLE TRUSTS.—In defining the term entities as it will apply to irrevocable trusts, the Secretary shall ensure that irrevocable trusts are legitimate entities and have not been created for the purpose of avoiding the payment limitation.

''(2) INDIVIDUAL.—The term 'individual' means—

''(A) a natural person, and any minor child of the natural person (as determined by the Secretary), who, subject to the requirements of this section and section 1001A, is eligible to receive a payment under a provision of law referred to in subsection (b), (c), or (d); and

''(B) a natural person participating in a farming operation as a partner in a general partnership, a participant in a joint venture, a grantor of a revocable trust, or a participant in a similar entity (as determined by the Secretary).

''(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.''.

(2) by striking subsections (b) through (f) and inserting the following:

''(b) LIMITATION ON DIRECT PAYMENTS.—The total amount of direct payments that an individual or entity may receive, directly or indirectly, during any crop year under subtitle A or C of title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7911 et seq.) for 1 or more covered commodities or peanuts shall not exceed $20,000.

''(c) LIMITATION ON COUNTER-CYCLICAL PAYMENTS.—The total amount of counter-cyclical payments that an individual or entity may receive, directly or indirectly, during any crop year under subtitle A or C of title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7911 et seq.) for 1 or more covered commodities or peanuts shall not exceed $30,000.

''(d) LIMITATIONS ON MARKETING LOAN GAINS, LOAN DEFICIENCY PAYMENTS, AND COMMODITY CERTIFICATE TRANSACTIONS.—The total amount of the following gains and payments that an individual or entity may receive during any crop year may not exceed $75,000.

''(1)(A) Any gain realized by a producer from repaying a marketing assistance loan for 1 or more loan commodities or peanuts under subtitle B of title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7931 et seq.) at a lower level than the original loan rate established for the loan commodity under that subtitle.

''(B) In the case of settlement of a marketing assistance loan for 1 or more loan commodities under that subtitle by forfeiture, the amount by which the loan amount exceeds the repayment amount for the loan if the loan had been settled by repayment instead of forfeiture.

''(2) Any loan deficiency payments received for 1 or more loan commodities under that subtitle.

''(3) Any gain realized from the use of a commodity certificate issued by the Commodity Credit Corporation for 1 or more loan commodities, as determined by the Secretary, including the use of a certificate for the settlement of a marketing assistance loan made under that subtitle or section 1307 of that Act (7 U.S.C. 7957).

''(e) PAYMENT TO INDIVIDUALS AND ENTITIES.—Notwithstanding subsections (b) through (d), an individual or entity, directly or indirectly through all ownership interests of the individual or entity from all sources, may received payments for a fiscal or corresponding crop year up to but not exceeding twice the limitations established under subsections (b) through (d).

''(f) SINGLE FARMING OPERATION.—Notwithstanding subsections (b) through (d), subject to paragraph (2), an individual or entity that participates only in a single farming operation and receives, directly or indirectly, any payment or gain covered by this section through the farming operation, may receive payments for a fiscal or corresponding crop year up to but not exceeding twice the limitations established under subsections (b) through (d).

''(g) SPOUSAL EQUITY.—

''(1) IN GENERAL.—Notwithstanding subsections (b), (c), (d), (e) and (f) except as provided in paragraph (2), if an individual and the spouse of the individual are covered by paragraph (2) and receive, directly or indirectly, any payment or gain covered by this section, the total amount of payments or gains (as applicable) covered by this section that the individual and spouse may jointly receive during any crop year may not exceed an amount equal to twice the applicable dollar amounts specified in subsections (b), (c), and (d).

''(2) EXCEPTIONS.—

''(A) SEPARATE FARMING OPERATIONS.—In the case of a married couple in which each spouse, before the marriage, was separately engaged in an unrelated farming operation, each spouse shall be treated as a separate individual with respect to a farming operation brought into the marriage by a spouse, subject to the condition that the farming operation shall remain a separate farming operation, as determined by the Secretary.

''(B) ELECTION TO RECEIVE SEPARATE PAYMENTS.—A married couple may elect to receive payments separately in the name of each spouse if the total amount of payments and benefits described in subsections (b), (c), and (d) that the married couple receives, directly or indirectly, does not exceed an amount equal to twice the applicable dollar amounts specified in those subsections.

''(h) PUBLIC SCHOOLS.—The provisions of this section that limit payments to any individual or entity shall not be applicable to land owned by a public school district or land owned by a State that is used to maintain a public school.

''(i) TIME LIMITS; RELIANCE.—Regulations of the Secretary shall establish time limits for the various steps involved with notice, hearing, decision, and the appeals procedure in order to ensure expeditious handling and settlement of payment limitation disputes.

Notwithstanding any other provision of law, actions taken by an individual or other entity in good faith on action or advice of an authorized representative of the Secretary may be accepted as meeting the requirement under this section or section 1001A, to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.''.

SEC. 1504. PAYMENTS LIMITED TO ACTIVE FARMERS.

Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1) is amended—

(1) by striking the section designation and heading and all that follows through the end of subsection (a) and inserting the following:

''(a) SUBSTANTIVE CHANGE.—

''(1) IN GENERAL.—For purposes of the application of limitations under this section, the Secretary shall not approve any change in a farming operation that otherwise would increase the number of individuals or entities (as defined in section 1001(a)) to which the limitations under this section apply, unless the Secretary determines that the change is bona fide and substantive.

''(2) FAMILY MEMBERS.—For the purpose of paragraph (1), the addition of a family member (as defined in subsection (b)(2)(A)) to a farming operation under the criteria established under subsection (b)(3)(B) shall be considered to be a bona fide and substantive change in the farming operation.

''(3) PRIMARY CONTROL.—To prevent a farm from reorganizing in a manner that is inconsistent with the purposes of this Act, the Secretary shall promulgate such regulations as the Secretary determines to be necessary to simultaneously attribute payments for a farming operation to more than one individual or entity, including the individual or entity that exercises primary control over the farming operation, including to respond to —

''(A)(i) any instance in which ownership of a farming operation is transferred to an individual or entity under an arrangement that provides for the sale or exchange of any asset or ownership interest in 1 or more entities at less than fair market value; and

''(ii) the transferor is provided preferential rights to repurchase the asset or interest at less than fair market value; or

''(B) a sale or exchange of any asset or ownership interest in 1 or more entities under an arrangement under which rights to exercise control over the asset or interest are retained, directly or indirectly, by the transferor.''

(2) in subsection (b)—

(A) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—To be eligible to receive, directly or indirectly, payments or benefits described as being subject to limitation in subsection (b) or (c) of section 1001 with respect to a particular farming operation, an individual or entity (as defined in section 1001(a)) shall be actively engaged in farming with respect to the farming operation, in accordance with paragraphs (2), (3), and (4).'';

(B) in paragraph (2)—

(i) by striking subparagraphs (A), (B), and (C) and inserting the following:

''(A) DEFINITIONS.—In this paragraph:

''(i) ACTIVE PERSONAL MANAGEMENT.—The term 'active personal management' means with respect to an individual, administrative duties carried out by the individual for a farming operation—

''(I) that are personally provided by the individual on a regular, substantial, and continuing basis; and

''(II) relating to the supervision and direction of—

''(aa) activities and labor involved in the farming operation; and

''(bb) onsite services directly related and necessary to the farming operation.

''(ii) FAMILY MEMBER.—The term 'family member', with respect to an individual participating in a farming operation, means an individual who is related to the individual as a lineal ancestor, a lineal descendant, or a sibling (including a spouse of such and individual).

''(B) ACTIVE ENGAGEMENT.—Except as provided in paragraph (3), for purposes of paragraph (1), the following shall apply:

''(i) An individual shall be considered to be actively engaged in farming with respect to a farming operation if—

''(I) the individual makes a significant contribution, as determined under subparagraph (E) (based on the total value of the farming operation), to the farming operation of—

''(aa) capital, equipment, or land; and

''(bb) personal labor and active personal management;

''(II) the share of the individual of the profits or losses from the farming operation is commensurate with the contributions of the individual to the operation; and

''(III) a contribution of the individual is at risk.

''(ii) An entity shall be considered to be actively engaged in farming with respect to a farming operation if—

''(I) the entity makes a significant contribution, as determined under subparagraph (E) (based on the total value of the farming operation), to the farming operation of capital, equipment, or land;

''(II)(aa) the stockholders or members that collectively own at least 51 percent of the combined beneficial interest in the entity each make a significant contribution of personal labor and active personal management to the operation; or

''(bb) in the case of an entity in which all of the beneficial interests are held by family members, any stockholder or member (or household comprised of a stockholder or member and the spouse of the stockholder or member) who owns at least 10 percent of the beneficial interest in the entity makes a significant contribution of personal labor or active personal management; and

''(III) the entity meets the requirements of subclauses (II) and (III) of clause (i).

''(C) ENTITIES MAKING SIGNIFICANT CONTRIBUTIONS.—If a general partnership, joint venture, or similar entity (as determined by the Secretary) separately makes a significant contribution (based on the total value of the farming operation involved) of capital, equipment, or land, the partners or members making a significant contribution of personal labor or active personal management and meeting the standards provided in subclauses (II) and (III) of subparagraph (B)(i), shall be considered to be actively engaged in farming with respect to the farming operation''; and

(ii) by adding at the end the following:

''(E) SIGNIFICANT CONTRIBUTION OF PERSONAL LABOR OR ACTIVE PERSONAL MANAGEMENT.—

''(i) IN GENERAL.—Subject to clause (ii), for purposes of subparagraph (B), an individual shall be considered to be providing, on behalf of the individual or an entity, a significant contribution of personal labor or active personal management, if the total contribution of personal labor and active personal management is at least equal to the lesser of—

''(I) 1,000 hours; and

''(II) a period of time equal to—

''(aa) 50 percent of the commensurate share of the total number of hours of personal labor and active personal management required to conduct the farming operation; or

''(bb) in the case of a stockholder or member (or household comprised of a stockholder or member and the spouse of the stockholder or member) that owns at least 10 percent of the beneficial interest in an entity in which all of the beneficial interests are held by family members, 50 percent of the commensurate share of hours of the personal labor and active personal management of all family members required to conduct the farming operation.

''(ii) MINIMUM LABOR HOURS.—For the purpose of clause (i), the minimum number of labor hours required to produce a commodity shall be equal to the number of hours that would be necessary to conduct a farming operation for the production of each commodity that is comparable in size to the commensurate share of an individual or entity in the farming operation for the production of the commodity, based on the minimum number of hours per acre required to produce the commodity in the State in which the farming operation is located, as determined by the Secretary.''

(C) in paragraph (3) by striking subparagraphs (A), (B), and (C) and inserting the following:

''(A) LANDOWNERS.—An individual or entity that is a landowner contributing owned land, and that meets the requirements of subclauses (II) and (III) of paragraph (2)(B)(i), if as determined by the Secretary—

''(i) the landowner share-rents the land at a rate that is usual and customary; and

''(ii) the share received by the landowner is commensurate with the share of the crop or income received as rent.

''(B) FAMILY MEMBERS.—With respect to a farming operation conducted by individuals who are family members, or an entity the majority of whose stockholders or members are family members, an adult family member who makes a significant contribution (based on the total value of the farming operation) of active personal management or personal labor and, with respect to such contribution, who meets the requirements of subclauses (II) and (III) of paragraph (2)(B)(i).

''(C) SHARECROPPERS.—A sharecropper who makes a significant contribution of personal labor to the farming operation and, with respect to such contribution, who meets the requirements of subclauses (II) and (III) of paragraph (2)(B)(i), and who was receiving payments from the landowner as a sharecropper prior to the effective date of this Act.''

(D) in paragraph (4)—

(i) in the paragraph heading, by striking ''PERSONS'' and inserting ''INDIVIDUALS AND ENTITIES'';

(ii) in the matter preceding subparagraph (A), by striking ''persons'' and inserting ''individuals and entities''; and

(iii) by striking subparagraph (B) and inserting the following:

''(B) OTHER INDIVIDUALS AND ENTITIES.—Any other individual or entity, or class of individuals or entities, that fails to meet the requirements of paragraphs (2) and (3), as determined by the Secretary.''

(E) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively;

(F) by inserting after paragraph (4) the following:

''(5) PERSONAL LABOR AND ACTIVE PERSONAL MANAGEMENT.—No stockholder or member may provide personal labor or active personal management to meet the requirements of this subsection for individuals or entities that collectively receive, directly or indirectly, an amount equal to more than twice the applicable limits under subsections (b), (c), and (d) of section 1001.''

(G) In paragraph (6) (as redesignated by subparagraph (e))

(i) in the first sentence—

(I) by striking ''A person'' and inserting ''An individual or entity''; and

(II) by striking ''such person'' and inserting ''the individual or entity''; and

(ii) by striking the second sentence; and

(3) by adding at the end the following:

''(c) NOTIFICATION BY ENTITIES.—To facilitate the administration of this section, each entity that receives payments or benefits described as being subject to limitation in subsection (b), (c), or (d) of section 1001 with respect to a particular farming operation shall—

''(1) notify each individual or other entity that acquires or holds a beneficial interest in the farming operation of the requirements and limitations under this section; and

''(2) provide to the Secretary, at such times and in such manner as the Secretary may require, the name and social security number of each individual, or the name and taxpayer identification number of each entity, that holds or acquires such a beneficial interest.

''(4) FOUR LEVELS OF ATTRIBUTION FOR EMBEDDED ENTITIES.—

''(A) IN GENERAL.—Attribution of payments made to legal entities shall be traced through four levels of ownership in entities.

''(B) FIRST LEVEL.—Any payments made to a legal entity (a first-tier entity) that is owned in whole or in part by a person shall be attributed to the person in an amount that represents the direct ownership in the first-tier entity by the person.

''(C) SECOND LEVEL.—Any payments made to a first-tier entity that is owned in whole or in part by another legal entity (a second-tier entity) shall be attributed to the second-tier entity in proportion to the second-tier entity's ownership in the first-tier entity. If the second-tier entity is owned in whole or in part by a person, the amount of the payment made to the first-tier entity shall be attributed to the person in the amount that represents the indirect ownership in the first-tier entity by the person.

''(D) THIRD AND FOURTH LEVELS.—The Secretary shall attribute payments at the third and fourth tiers of ownership in the same manner as specified in subparagraph (C) unless the fourth-tier of ownership is that of a fourth-tier entity and not that of a person, in which case the Secretary shall reduce the amount of the payment to be made to the first-tier entity in the amount that represents the indirect ownership in the first-tier entity by the fourth-tier entity.''.

SEC. 1505. SCHEMES OR DEVICES.

Section 1001B of the Food Security Act of 1985 (7 U.S.C. 1308–2) is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''if'';

(2) in subsection (a) (as designated by paragraph (1)), by striking ''person'' each place it appears and inserting ''individual or entity''; and

(3) by adding at the end the following:

''(b) FRAUD.—If fraud is committed by an individual or entity in connection with a scheme or device to evade, or that has the purpose of evading, section 1001, 1001A, or 1001C, the individual or entity shall be ineligible to receive farm program payments described as being subject to limitation in subsection (b), (c), or (d) of section 1001 for—

''(1) the crop year for which the scheme or device is adopted; and

''(2) the succeeding 5 crop years.

''(c) JOINT AND SEVERAL LIABILITY.—All individuals and entities who participate in a scheme or device described in subsection (a) or (b) shall be jointly and severally liable for any and all overpayments resulting from the scheme or device, and subject to program ineligibility resulting from the scheme or device, regardless of whether a particular individual or entity was or was not a payment recipient.

''(d) WAIVER AUTHORITY.—The Secretary may fully or partially release an individual or entity from liability for repayment of program proceeds under subsection (a)(2) if the individual or entity cooperates with the Department of Agriculture by disclosing a scheme or device to evade section 1001, 1001A, or 1001C or any other provision of law administered by the Secretary that imposes a payment limitation. The decision of the Secretary under this subsection is vested in the sole discretion of the Secretary.''.

SEC. 1506. FOREIGN INDIVIDUALS AND ENTITIES MADE INELIGIBLE FOR PROGRAM BENEFITS.

Section 1001C of the Food Security Act of 1985 (7 U.S.C. 1308–3) is amended—

(1) in the section heading, by striking ''**PERSONS**'' and inserting ''**INDIVIDUALS AND ENTITIES**'';

(2) in subsection (a), by striking ''person'' each place it appears and inserting ''individual''; and

(3) in subsection (b)—

(A) in the subsection heading, by striking ''CORPORATION OR OTHER''; and

(B) by striking ''a corporation or other entity'' and inserting ''an entity''.

SEC. 1507. ADJUSTED GROSS INCOME LIMITATION.

(a) EXTENSION OF ADJUSTED GROSS INCOME LIMITATION.—

(b) MODIFICATION OF LIMITATION.—Section 1001D(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(b)) is amended—

(1) by striking paragraph (1) and inserting the following new paragraph:

''(1) CAPS.—

''(A) UPPER LIMIT.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2) during a crop year and no benefits shall be provided on land owned by an individual or entity if the average adjusted gross income of the entity or individual combined with the income of the individual″s spouse exceeds $250,000.

''(B) PRODUCER EXEMPTION.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2) and no benefits shall be provided on land owned by an individual or entity during a crop year if the average adjusted gross income of the entity or individual combined with the income of the individual's spouse exceeds $125,000, unless not less than 66.66 percent of the average adjusted gross income of the entity or individual combined with the income of the individuals spouse is derived from farming, ranching, or forestry operations, as determined by the Secretary.'';

(2) in paragraph (2), by striking subparagraph (C); and

(3) by adding at the end the following new paragraph:

''(3) INCOME DERIVED FROM FARMING, RANCHING OR FORESTRY OPERATIONS.—In determining what portion of the average adjusted gross income of an individual or entity is derived from farming, ranching, or forestry operations, the Secretary shall include income derived from the following:

''(A) The production of crops, livestock, or unfinished raw forestry products.

''(B) The sale, including the sale of easements and development rights, of farm, ranch, or forestry land or water rights.

''(C) The sale, but not as a dealer, of equipment purchased to conduct farm, ranch, or forestry operations when the equipment is otherwise subject to depreciation expense.

''(D) The rental of land used for farming, ranching, or forestry operations.

''(E) The provision of production inputs and services to farmers, ranchers, and foresters.

''(F) The processing, storing, and transporting of farm, ranch, and forestry commodities.

''(G) The sale of land that has been used for agriculture.''.

SEC. 1508. REGULATIONS.

(a) IN GENERAL.—The Secretary of Agriculture may promulgate such regulations as are necessary to implement this Act and the amendment made to this Act.

(b) PROCEDURE.—The promulgation of the regulations and administration of this Act and the amendments made by this Act shall be made without regard to

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

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

(3) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act'').

(c) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, 21 United States Code.

Strike section 1512 (title I, page 109, beginning line 1), relating to mandatory reporting for peanuts

At the end of title I insert the following:

Subtitle F—Risk Management Accounts

SEC. 1601. ESTABLISHMENT OF RISK MANAGEMENT ACCOUNTS.

(a) IN GENERAL.—The Secretary shall establish optional Risk Management Accounts for all eligible farmers and offer incentives to encourage farmers to save money during years of high profits to use during years of low profits, and for retirement.

(b) DEFINITIONS.—For purposes of this section—

(1) OPERATOR.—The term ''operator'' means an individual or entity that—

(A) either—

(i) during each of the preceding 5 taxable years, filed a schedule F of the Federal income tax returns or a comparable tax form related to the agricultural operations of the individual or entity, as approved by the Secretary; or

(ii) is a beginning farmer or rancher, as determined by the Secretary; and

(B) earned—

(i) at least $10,000 in average adjusted gross revenue for the preceding 5 taxable years;

(ii) less than such amount, but is a limited resource farmer or rancher, as determined by the Secretary; or

(iii) at least $10,000 in estimated income from all agricultural operations for the applicable year, as determined by the Secretary, and is a beginning farmer or rancher under subparagraph (A)(ii).

(2) FARM.—The term ''farm'' is land used for production of crops, livestock and other agricultural products of which the operator has more than de-minimis control or ownership.

(3) ADJUSTED GROSS REVENUE.—The term ''adjusted gross revenue'' means the adjusted gross income as determined by the Secretary, from the sale of agricultural crops grown, dairy products produced, and livestock raised as part of an agricultural operation—

(A) by taking into account gross receipts from the sale of agricultural crops, eligible livestock and dairy products on the agricultural operation, including insurance indemnities;

(B) by including all farm payments paid by the Secretary or any other government entity for the agricultural operation related to agricultural crops, eligible livestock and dairy products;

(C) by deducting the cost or basis of livestock or other items purchased for resale, such as feeder livestock, on the agricultural operation;

(D) by excluding revenues that do not arise from the sale of crops grown, dairy products produced or livestock raised on an agricultural operation, such as revenues associated with the packaging, merchandising, marketing and reprocessing of the agricultural product beyond that typically undertaken by a producer of the crop, dairy products or livestock as determined by the Secretary;

(E) by using with such adjustments, additions and additional documentation as the Secretary determines is appropriate, information presented on—

(i) a schedule F of the Federal income tax returns of the producer; or

(ii) a comparable tax form related to the agricultural operations of the producer, as approved by the Secretary.

(c) ESTABLISHMENT.—Any operator of a farm, including dairy farms and ''specialty crop'' farms, may establish a Risk Management Account in the name of the farm to be jointly administered by the Secretary and a private banking institution, credit union, or other approved lender.

(d) VOLUNTARY CONTRIBUTIONS.—An operator of a farm may make voluntary contributions to their Risk Management Account up to the limits specified in section 219(b)(5)(A) of the Internal Revenue Code of 1986, as amended.

(e) INCENTIVES FOR CONTRIBUTIONS.—For producers eligible for Direct Payments under Subtitle A of this Act, for each dollar contributed to the account by the producer, up to the full amount of the Direct Payment received in that year, the Secretary shall make a matching contribution of 5 percent.

(f) WITHDRAWALS.—An operator who establishes an account may withdraw funds under the following conditions and amounts:

(1) In a year when the farm's adjusted gross revenue is less than 95 percent of the five-year average adjusted gross revenue, the producer may withdraw funds up to the amount of the difference.

(2) Up to 10 percent of the account balance for investments in rural enterprises that contribute to the agricultural economy, as defined by the Secretary, no more than once in any five-year period.

(3) When withdrawals are necessary to protect the solvency of the farm, as determined by the Secretary.

(4) To purchase revenue or crop insurance.

(5) Without restriction once the farmer has retired from farming, as determined by the farmer's no longer filing a Schedule F Income Tax Return.

(g) VIOLATIONS.—If an operator fails to meet the conditions established for a contribution to an account, the operator shall refund to the Secretary an amount equal to the contribution in any fiscal year in which a violation occurred.

(h) SALE OR TRANSFER.—If an operator sells or transfers a farm, the operator may elect to—

(1) transfer all or a portion of the account to another farm in which the operator has a controlling ownership interest or acquires a controlling ownership interest within two years of the sale or transfer of the original agricultural operation;

(2) transfer the account to the purchaser of the farm if the operator is not already a holder of an account; or

(3) rollover the account into an Individual Retirement Account pursuant to section 408 of the Internal Revenue Code of 1986 of the operator, if the operator is a natural person, or, if the operator is an entity, into the accounts of any natural person who has a substantial beneficial interest in the farm that is the subject of the account.

(i) CONSERVATION COMPLIANCE.—Any operator and any holder of a beneficial interest in a farm subject to an account shall—

(1) comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

(2) comply with applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

[CONSERVATION TITLE]

In the matter proposed to be inserted by section 2103 strike ''2012'' and inserting ''2009''.

[Section 2104 is amended in subsection (b) by striking ''by striking paragraph (1)'' and all that follows through ''2012'' and inserting in paragraph (1), by striking ''2,000,000 acres'' and inserting ''5,000,000 acres''.]

In section 2104 redesignate subsections (d) and (e) as subsections (e) and (f) and insert after subsection (c) the following:

(d) GRASSLAND RESERVE PROGRAM.—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking paragraph (5) and inserting the following new paragraph:

''(5) For each of fiscal years 2008 through 2012, the grassland reserve program under subchapter C of chapter 2''.

Add at the end of section 2104 insert the following:

(e) EXTENSION AND FUNDING.—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking paragraph (5) and inserting the following new paragraph:

''(5) For each of fiscal years 2008 through 2012, the grassland reserve program under subchapter C of chapter 2.''.

(f) ENROLLMENT GOALS.—Section 1238N(b) of such Act (16 U.S.C. 3838N(b)) is amended in paragraph (1), by striking ''2,000,000 acres'' and inserting ''5,000,000 acres''.

In the matter to be inserted by section 2301 strike subparagraphs (A) through (E) and insert the following:

(A) $20,000,000.

(B) $40,000,000.

(C) $50,000,000.

(D) $90,000,000.

(E) ''$100,000,000.

At the end of subtitle C of title I insert the following:

SEC. 2303. COMMUNITY FORESTS AND OPEN SPACE CONSERVATION PROGRAM.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States Forest Service projects that 44 million acres of privately owned forested land will be developed in the United States by 2030, including many of the most important remaining forested parcels within and adjacent to communities.

(2) There is an urgent need to assist local governments in raising the funds necessary to purchase the most important of these parcels of privately owned forested land as they come up for sale.

(3) The breakup of forested land into smaller parcels has resulted in an increasing number of owners of privately owned forested land, but many of these owners have little or no experience in forest stewardship.

(4) In fast growing communities of all sizes across the United States, the remaining parcels of privately owned forested land play an essential role in protecting public water supplies, which has lead many local governments to purchase these lands for municipal or county ownership.

(5) Rising rates of obesity and other public health problems related to inactivity have been shown to be ameliorated by improving public access to safe and pleasing areas for outdoor recreation, which has lead many local governments to purchase lands for recreational purposes under municipal or county ownership.

(6) Across the United States, many communities of diverse types and sizes are deriving significant financial benefit from owning and managing municipal or county forestlands as a source of local revenue that also contributes significantly to the health of the forest products economy at the local and national levels.

(7) The access to privately owned forested land for hunting, fishing, and trapping has declined, and the number of persons participating in these activities has likewise declined, as these lands are divided into smaller parcels and more owners of privately owned forested land post their land against public use, which has lead many local governments to purchase forestlands to guarantee access for hunting, fishing, and trapping.

(8) There is a national interest and an urgent need to assist local governments in raising the funds necessary to purchase important privately owned forested land that will maintain the diverse public benefits of forestlands close to or within all manner of communities nationwide, from close-knit rural communities to fast growing suburban and exurban areas.

(b) ESTABLISHMENT OF PROGRAM.—The Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et seq.) is amended by adding at the end the following new section:

''SEC. 21. FORESTS AND OPEN SPACE CONSERVATION PROGRAM.

''(a) ESTABLISHMENT AND PURPOSE.—The Secretary of Agriculture shall establish within the Forest Service a program to be known as the 'Community Forests and Open Space Conservation Program' (in this section referred to as the 'Program') for the purpose of assisting local governments in a State selected to participate in the Program to acquire forested land that—

''(1) is economically, culturally, and environmentally important to the locality in which the land is located;

''(2) is threatened by conversion to non-forest uses; and

''(3) will conserve public access to and benefit from the land for a wide variety of public purposes, including model forest stewardship, sustainable timber production, forest-based educational and cultural activities, wildlife habitat protection, watershed protection, or outdoor recreation, including hunting and fishing.

''(b) SELECTION OF PARTICIPATING STATES.—

''(1) SELECTION.—Not later than one year after the date of the enactment of this section, the Secretary shall select at least one State in each of the New England, Mid-Atlantic, Midwest, South, West, and Pacific Northwest regions of the United States to participate in the Program. The Secretary shall make the selections from among applications submitted by willing States. No State shall be compelled to participate in the Program.

''(2) IMPLEMENTATION.—Authority for implementation of the Program in a participating State shall lie with the State forester, equivalent State official, or other appropriate State natural resource management agency designated by the Governor of the State.

''(c) ELIGIBILITY AND RANKING CRITERIA.—

''(1) STATE ASSESSMENT OF NEED.—Each participating State shall prepare an assessment of need that identifies the geographic areas within the State that will be the focus of land acquisition activities under the Program and priority objectives for conservation, based on conditions and public needs in the State. This requirement may be satisfied by inclusion of the assessment as part of an

integrated State-wide forest planning process for application of Federal programs in the State.

''(2) ESTABLISHMENT OF CRITERIA.—Not later than one year after the date of the enactment of this section, the Secretary shall establish eligibility and ranking criteria for the selection of land acquisition proposals to receive funding under the Program. The Secretary shall establish the criteria in consultation with State Forest Stewardship Advisory Committees, State Urban and Community Forestry Advisory Committees, and similar organizations.

''(3) PRIORITIES.—In establishing the eligibility and ranking criteria under paragraph (2), the Secretary shall give priority to the acquisition of lands that—

''(A) meet identified local open space and natural resource needs, as expressed in town plans, regional plans, or other relevant local planning documents;

''(B) can be effectively managed to model good forest stewardship for private landowners and support forest-based educational programs, including vocational education in forestry;

''(C) provide significant protection of public water supplies or other waterways;

''(D) can offer long-term economic benefit to communities through forestry;

''(E) contain important wildlife habitat;

''(F) provide convenient public access for outdoor recreation, including hunting and fishing; and

''(G) are most threatened with conversion to nonforest uses.

''(d) APPLICATION AND RANKING OF PROPOSALS.—

''(1) PREPARATION AND CONTENTS.—A local government in a participating State may prepare an application for assistance under the Program in the acquisition of forested land within the geographic program focus area in the State identified under subsection (c)(1). The application shall include certification by the appropriate unit or units of local government that the proposed land acquisition is consistent with any comprehensive plans for development adopted by the unit of local government and include such other information as the Secretary may prescribe.

''(2) SUBMISSION.—Participating States shall rank all applications according to priority and submit the applications to the Secretary at such times and in such form as the Secretary may prescribe.

''(3) NATIONAL LIST.—The Secretary shall maintain a national list of all submitted applications, ranked according to the criteria established pursuant to subsection (c).

''(e) OWNERSHIP OF LAND.—

''(1) GOVERNMENT OWNERSHIP.—Except as provided in paragraph (2), all land acquired in whole or in part using funds provided under the Program shall be owned in fee simple by a local government, such as a municipality or county.

''(2) NONPROFIT ORGANIZATION OWNERSHIP.—Upon the request of a participating State, designated nonprofit organizations operating within that State may also own land acquired using funds provided under the Program, subject to the condition that the land is open for public access consistent with the purposes and criteria of the Program.

''(3) EFFECT OF VIOLATION.—If the owner of land acquired in whole or in part using funds provided under the Program sells the land, the owner shall reimburse the Secretary for the full amount of the funds provided under the Program, plus a penalty equal to 50 percent of the sale price or appraised value of the land at the time of the sale, whichever is greater. The local government or designated nonprofit organization that sold the land shall no longer be eligible for assistance under the Program.

''(f) DUTIES OF OWNERS.—

''(1) USE AND PROHIBITION ON CONVERSION.—The owner of land acquired in whole or in part using funds provided under the Program shall manage the land in a manner that is consistent with the purposes for which the land was purchased under the Program and shall not convert the property to other nonforest uses. Public access for compatible recreational uses, as determined by the owner, shall be required.

''(2) MANAGEMENT PLAN.—Not later than two years after the closing date on the purchase of land using funds under the Program, the owner of the land shall complete a management plan for the land, which shall be subject to the approval of the responsible State agency. Management plans shall be created through a public process that allows for community participation and input.

''(g) COST SHARING REQUIREMENTS.—

''(1) COST SHARING.—In accordance with such terms and conditions as the Secretary may prescribe, costs for the acquisition of land under the Program, and other costs associated with the Program, shall be shared among participating entities, including State, county, municipal, and other governmental units, landowners, corporations, or private organizations. Such costs may include costs associated with planning, administration, property acquisition, and property management. The Secretary may authorize in-kind contributions.

''(2) FEDERAL COST SHARE.—The Federal share of the cost to acquire land under the Program shall not exceed 50 percent of the total cost to acquire the land. Payments under this section shall be made in accordance with Federal appraisal and acquisition standards and procedures.

''(3) ADMINISTRATION AND TECHNICAL ASSISTANCE.—In order to assist local governments in achieving model stewardship of land acquired under the Program, 10 percent of all funds appropriated for a fiscal year for the Program shall be allocated to the responsible State agencies in participating States to administer the Program and to provide technical assistance to local governments for forest stewardship, including development and implementation of management plans required by subsection (f)(2).

''(h) PRIVATE PROPERTY PROTECTIONS.—

''(1) ACCESS.—Nothing in this section—

''(A) requires a private property owner to permit public access (including Federal, State, or local government access) to private property; or

''(B) modifies any provision of Federal, State, or local law with regard to public access to, or use of, private land.

''(2) LIABILITY.—Nothing in this section creates any liability, or has any effect on liability under any other law, of a private property owner with respect to any persons injured on the private property.

''(3) RECOGNITION OF AUTHORITY TO CONTROL LAND USE.—Nothing in this section modifies any authority of Federal, State, or local governments to regulate land use.

''(4) PARTICIPATION OF PRIVATE PROPERTY OWNERS.—Nothing in this section requires a private property owner to participate in the Program.

''(i) AUTHORIZATION OF APPROPRIATIONS.—Of the funds available through the Commodity Credit Corporation, The Secretary shall use to carry out the Program $10,000,000 for each of the fiscal years 2008 through 2012.''.

In the matter to be inserted by section 2401(b) strike ''2011'' and insert ''2008'' and before clause (i) insert the following (and redesignate subsequent clauses accordingly):

''(i) $200,000,000 for fiscal year 2009;

''(ii) $350,000,000 for fiscal year 2010;

''(iii) $500,000,000 for fiscal year 2011;''.

In the matter to be inserted by section 2401(d) strike subparagraphs (A) through (D) and insert the following:

''(A) $1,675,000,000 in fiscal year 2008;

''(B) $1,840,000,000 in fiscal year 2009;

''(C) $1,840,000,000 in fiscal year 2010;

''(D) $1,940,000,000 in fiscal year 2011; and''.

Section 2401(e) is amended to read as follows:

(e) WILDLIFE HABITAT INCENTIVES PROGRAM.—Paragraph (7) of section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended to read as follows:

''(7) The wildlife habitat incentives program under section 1240N, using, to the maximum extent practicable—

''(A) $85,000,000 in fiscal year 2008;

''(B) $100,000,000 in fiscal year 2009;

''(C) $140,000,000 in fiscal year 2010;

''(D) $150,000,000 in fiscal years 2011 and 2012.''.

[TRADE TITLE]

Strike section 3005 (relating to the McGovern-Dole International Food for Education and Child Nutrition Program) and insert the following:

SEC. 3005. MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

(a) ADMINISTRATION OF PROGRAM.—Section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1) is amended—

(1) in subsection (d), in the matter preceding paragraph (1), by striking ''The President shall designate 1 or more Federal agencies to'' and inserting ''The Secretary shall'';

(2) in subsection (f)(2), in the matter preceding subparagraph (A), by striking ''implementing agency'' and inserting ''Secretary''; and

(3) in subsections (c)(2)(B), (f)(1), (h)(1) and(2), and (i), by striking ''President'' each place it appears and inserting ''Secretary''.

(b) FUNDING.—Subsection (1) of such section is amended—

(1) by striking paragraphs (1) and (2) and inserting the following:

''(1) USE OF COMMODITY CREDIT CORPORATION FUNDS.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section—

''(A) $140,000,000 for fiscal year 2008;

''(B) $180,000,000 for fiscal year 2009;

''(C) $220,000,000 for fiscal year 2010;

''(D) $260,000,000 for fiscal year 2011; and

''(E) $300,000,000 for fiscal year 2012.'';

(2) by redesignating paragraph (3) as paragraph (2); and

(3) in paragraph (2) (as redesignated by paragraph (2)), by striking ''any Federal agency implementing or assisting'' and inserting ''the Department of Agriculture or any other Federal department or agency assisting''.

[NUTRITION TITLE]

In title IV of the bill, strike section 4008 (relating to Adjusting Countable Resources for Inflation), as added to the bill by the En Bloc Amendment adopted, and insert the following (and make such technical and conforming changes as may be appropriate).

SEC. 4008. ADJUSTING COUNTABLE RESOURCES FOR INFLATION.

Section (5)(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended—

(1) by striking ''(g)(1) The Secretary'' and inserting the following:

''(g) ALLOWABLE FINANCIAL RESOURCES.—

''(1) TOTAL AMOUNT.—

''(A) IN GENERAL.—The Secretary''.

(2) in subparagraph (A) (as so designated by paragraph (1))—

(A) by striking ''$2,000'' and inserting ''$2,700 (as adjusted in accordance with subparagraph (B))''; and

(B) by striking ''$3,000'' and inserting ''$3,900 (as adjusted in accordance with subparagraph (B)),''; and

(3) by adding at the end the following:

''(B) ADJUSTMENT FOR INFLATION.—

''(i) IN GENERAL.—Beginning on October 1, 2008, and each October 1 thereafter, the amounts in subparagraph (A) shall be adjusted to the nearest $100 increment to reflect changes for the 12-month period ending the preceding June in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

''(ii) REQUIREMENT.—Each adjustment under clause (i) shall be based on the unrounded amount for the prior 12-month period.''.

At appropriate places throughout title IV, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. ___. EXCLUDING COMBAT RELATED PAY FROM COUNTABLE INCOME.

Section (5)(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking ''and (18)'', and inserting ''(18)'', and

(2) by inserting before the period at the end the following: ''and (19) any additional payment received under Chapter 5 of title 37, United States Code, by (or as an allotment to or transfer from) a member of the United States Armed Forces deployed to a designated combat zone for the duration of the member's deployment to or service in a combat zone if the additional pay was not received immediately prior to serving in that or another combat zone.''.

SEC. ___. INCREASING THE STANDARD DEDUCTION.

Section (5)(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(1)) is amended—

(1) in subparagraph (A)(ii) by striking ''not less than $134'' and all that follows through the period at the end, and inserting the following: ''not less than $156, $267, $220, and $137, respectively. On October 1, 2008, and each October 1 thereafter, such standard deduction shall be an amount that is equal to the amount from the previous fiscal year adjusted to the nearest lower dollar increment to reflect changes in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, for items other than food, for the 12 months ending the preceding June 30.''; and

(2) in subparagraph (B)(ii) by striking ''not less than $269.'' and inserting the following: ''not less than $313. On October 1, 2008, and each October 1 thereafter, such standard deduction shall be an amount that is equal to the amount of the previous fiscal year adjusted to the nearest dollar increment to reflect changes in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, for items other than food, for the 12 months ending the preceding June 30.''.

SEC. ___. EXCLUDING DEPENDENT CARE EXPENSES.

Section (5)(e)(3)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(3)(A)) is amended by striking '', the maximum allowable level of which shall be $200 per month for each dependent child under 2 years of age and $175 per month for each other dependent,''.

SEC. ___. ADJUSTING COUNTABLE RESOURCES FOR INFLATION.

Section (5)(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended—

(1) by striking ''(g)(1) The Secretary'' and inserting the following:

''(g) ALLOWABLE FINANCIAL RESOURCES.—

''(1) TOTAL AMOUNT.—

''(A) IN GENERAL.—The Secretary''.

(2) in subparagraph (A) (as so designated by paragraph (1))—

(A) by inserting ''(as adjusted in accordance with subparagraph (B))'' after ''$2,000''; and

(B) by inserting ''(as adjusted in accordance with subparagraph (B))'' after ''$3,000''; and

(3) by adding at the end the following:

''(B) ADJUSTMENT FOR INFLATION.—

''(i) IN GENERAL.—Beginning on October 1, 2007, and each October 1 thereafter, the amounts in subparagraph (A) shall be adjusted to the nearest $100 increment to reflect changes for the 12-month period ending the preceding June in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

''(ii) REQUIREMENT.—Each adjustment under clause (i) shall be based on the unrounded amount for the prior 12-month period.''.

SEC. ___. EXCLUDING EDUCATION ACCOUNTS FROM COUNTABLE INCOME.

Section (5)(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

''(7) EXCLUSION OF EDUCATION ACCOUNTS FROM COUNTABLE RESOURCES.—

''(A) MANDATORY EXCLUSIONS.—The Secretary shall exclude from financial resources under this subsection the value of any funds in a qualified tuition program described in section 529 of the Internal Revenue Code of 1986 or in a Coverdell education savings account under section 530 of that Code.

''(B) DISCRETIONARY EXCLUSIONS.—The Secretary may also exclude from financial resources under this subsection the value of any program or account included in any successor or similar provision that is enacted and determined to be exempt from taxation under the Internal Revenue Code of 1986.''.

SEC. ___. EXCLUDING RETIREMENT ACCOUNTS FROM COUNTABLE INCOME.

Section (5)(g) of the of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)), as amended by the preceding section, is amended—

(1) in subsection (g)(2)(B)(v) by striking ''or retirement account (including an individual account)'' and inserting ''account''; and

(2) adding at the end the following:

''(8) EXCLUSION OF RETIREMENT ACCOUNTS FROM COUNTABLE RESOURCES.—

''(A) MANDATORY EXCLUSIONS.—The Secretary shall exclude from financial resources under this subsection the value of any funds in a plan, contract, or account as described in section 401(a), 403(a), 403(b), 408, 408A, 457(b), or 501(c)(18) of the Internal Revenue Code of 1986 and the value of funds in a Federal Thrift Savings Plan account as provided section 8439 of title 5, United States Code.

''(B) DISCRETIONARY EXCLUSIONS.—

''(i) The Secretary may exclude from financial resources under this subsection any other retirement plans, contracts, or accounts that have been determined to be tax qualified retirement plans, contracts, or accounts, under the Internal Revenue Code of 1986.

''(ii) The Secretary may also exclude from financial resources under this subsection the value of any program or account included in any successor or similar provision that is enacted and determined to be exempt from taxation under the Internal Revenue Code of 1986.''.

SEC. ___. INCREASING THE MINIMUM BENEFIT.

Section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking ''$10 per month'' and inserting ''10 percent of the thrifty food plan for a household containing 1 member, as determined by the Secretary under section 3(o)''.

SEC. ___. EMERGENCY FOOD ASSISTANCE PROGRAM.

Section 27(a) of the Food Stamp Act of 1977 (7 U.S.C. 2036(a)) is amended by—

(1) by striking ''(a) PURCHASE OF COMMODITIES'' and all that follows through 2007' and inserting the following:

''(a) PURCHASE OF COMMODITIES.—

''(1) IN GENERAL.—As provided in paragraph (2), for each of the fiscal years 2008 through 2012'';

(2) by striking ''$140,000,000 of''; and

(3) by adding at the end the following:

''(2) AMOUNTS.—The following amounts are made available to carry out this subsection:

''(A) for fiscal year 2008, $250,000,000; and

''(B) for each of the fiscal years 2009 through 2012, the dollar amount of commodities specified in subparagraph (A) adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2007 and June 30 of the immediately preceding fiscal year.''.

SEC. ___. FRUIT AND VEGETABLE NUTRITION PROMOTION PROGRAM.

(a) IN GENERAL.—The Secretary of Agriculture, acting through the Administrator of the Agricultural Marketing Service, shall establish and carry out a program to provide assistance to eligible trade organizations described in paragraph (3) to increase the consumption of fruits and vegetables in the United States to meet Federal health guidelines.

(b) REQUIREMENTS FOR PARTICIPATION.—To be eligible for assistance under this section, an eligible trade organization shall—

(1) prepare and submit a plan to increase the consumption of fruits and vegetables in the United States to the Administrator of the Agricultural Marketing Service that meets any guidelines governing such plans established by the Administrator; and

(2) meet any other requirements established by the Administrator.

(c) ELIGIBLE TRADE ORGANIZATIONS.—An eligible trade organization referred to in paragraph (1) means any of the following:

(1) A nonprofit fruit and vegetable trade organizations in the United States.

(2) A nonprofit State or regional fruit and vegetable organization.

(3) A fruit and vegetable agricultural cooperative in the United States.

(4) A commodity board or commission in the United States.

(5) A small business engaged in the fruit and vegetable industry in the United States.

(d) MATCHING FUNDS.—Assistance provided under this section shall not exceed—

(1) in the case of an organization described in paragraphs (1) through (5) of subsection (c), 90 percent of the cost of the plan to increase the consumption of fruits and vegetables in the United States submitted under paragraph (b)(1); and

(2) in the case of an organization described in paragraph (c)(5), 50 percent of the cost of the plan to increase the consumption of fruits and vegetables in the United States submitted under paragraph (b)(1).

(e) FUNDING.—Of the funds of the Commodity Credit Corporation, the Administrator of the Agricultural Marketing Service shall use $15,000,000 in each of fiscal years 2008 through 2012 to carry out this section.

In section 4020(a), strike paragraph (4) and insert the following:

(4) by inserting after subsection (f) the following:

''(g) FUNDING.—For each of the fiscal years 2008 through 2012, the Secretary shall use $30 million of the funds, facilities and authorities of the Commodity Credit Corporation to carry out this section.''.

In section 4303(4)(A), strike clause (ii) and insert the following:

(ii) by striking ''$9,000,000'' and inserting ''$100,000,000''.

At the end of subtitle C of title IV, insert the following(and make such technical and conforming changes as may be appropriate):

SEC. _____. HUNGER-FREE COMMUNITIES.

(a) DEFINITIONS.—In this section:

(1) DOMESTIC HUNGER GOAL.—The term ''domestic hunger goal'' means—

(A) the goal of reducing hunger in the United States to at or below 2 percent by 2010; or

(B) the goal of reducing food insecurity in the United States to at or below 6 percent by 2010.

(2) EMERGENCY FEEDING ORGANIZATION.—The term ''emergency feeding organization'' has the meaning given the term in section 201A of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501).

(3) FOOD SECURITY.—The term ''food security'' means the state in which an individual has access to enough food for an active, healthy life.

(4) HUNGER-FREE COMMUNITIES GOAL.—The term ''hunger-free communities goal'' means any of the 14 goals described in the H. Con. Res. 302 (102nd Congress).

(b) HUNGER REPORTS.—

(1) STUDY.—

(A) TIMELINE.—

(i) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall conduct a study of major matters relating to the problem of hunger in the United States, as determined by the Secretary.

(ii) UPDATE.—Not later than 5 years after the date on which the study under clause (i) is conducted, the Secretary shall update the study.

(B) MATTERS TO BE ASSESSED.—The matters to be assessed by the Secretary in the study and update under this paragraph shall include—

(i) data on hunger and food insecurity in the United States;

(ii) measures carried out during the previous year by Federal, State, and local governments to achieve domestic hunger goals and hunger-free communities goals;

(iii) measures that could be carried out by Federal, State, and local governments to achieve domestic hunger goals and hunger-free communities goals; and

(iv) the impact of hunger and household food insecurity on obesity, in the context of poverty and food assistance programs.

(2) RECOMMENDATIONS.—The Secretary shall develop recommendations on—

(A) removing obstacles to achieving domestic hunger goals and hunger-free communities goals; and

(B) otherwise reducing domestic hunger.

(3) REPORT.—The Secretary shall submit to the President and Congress—

(A) not later than 1 year after the date of enactment of this Act, a report that contains—

(i) a detailed statement of the results of the study, or the most recent update to the study, conducted under paragraph (1)(A); and

(ii) the most recent recommendations of the Secretary under paragraph (2); and

(B) not later than 5 years after the date of submission of the report under subparagraph (A), an update of the report.

(c) HUNGER-FREE COMMUNITIES COLLABORATIVE GRANTS.—

(1) DEFINITION OF ELIGIBLE ENTITY.—In this subsection, the term ''eligible entity'' means a public food program service provider or a nonprofit organization, including but not limited to an emergency feeding organization, that demonstrates the organization has collaborated, or will collaborate, with 1 or more local partner organizations to achieve at least 1 hunger-free communities goal.

(2) PROGRAM AUTHORIZED.—

(A) IN GENERAL.—The Secretary shall use not more than 55 percent of any funds made available under subsection (f) to make grants to eligible entities to pay the Federal share of the costs of an activity described in paragraph (4).

(B) FEDERAL SHARE.—The Federal share of the cost of carrying out an activity under this subsection shall not exceed 80 percent.

(C) NON-FEDERAL SHARE.—

(i) CALCULATION.—The non-Federal share of the cost of an activity under this subsection may be provided in cash or in kind, fairly evaluated, including facilities, equipment, or services.

(ii) SOURCES.—Any entity may provide the non-Federal share of the cost of an activity under this subsection through a State government, a local government, or a private source.

(3) APPLICATION.—

(A) IN GENERAL.—To receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at the time and in the manner and accompanied by any information the Secretary may require.

(B) CONTENTS.—Each application submitted under subparagraph (A) shall—

(i) identify any activity described in paragraph (4) that the grant will be used to fund;

(ii) describe the means by which an activity identified under clause (i) will reduce hunger in the community of the eligible entity;

(iii) list any partner organizations of the eligible entity that will participate in an activity funded by the grant;

(iv) describe any agreement between a partner organization and the eligible entity necessary to carry out an activity funded by the grant; and

(v) if an assessment described in paragraph (4)(A) has been performed, include—

(I) a summary of that assessment; and

(II) information regarding the means by which the grant will help reduce hunger in the community of the eligible entity.

(C) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to eligible entities that—

(i) demonstrate in the application of the eligible entity that the eligible entity makes collaborative efforts to reduce hunger in the community of the eligible entity; and

(ii)(I) serve a predominantly rural and geographically underserved area;

(II) serve communities in which the rates of food insecurity, hunger, poverty, or unemployment are demonstrably higher than national average rates;

(III) provide evidence of long-term efforts to reduce hunger in the community;

(IV) provide evidence of public support for the efforts of the eligible entity; or

(V) demonstrate in the application of the eligible entity a commitment to achieving more than 1 hunger-free communities goal.

(4) USE OF FUNDS.—

(A) ASSESSMENT OF HUNGER IN THE COMMUNITY.—

(i) IN GENERAL.—An eligible entity in a community that has not performed an assessment described in clause (ii) may use a grant received under this subsection to perform the assessment for the community.

(ii) ASSESSMENT.—The assessment referred to in clause (ii) shall include—

(I) an analysis of the problem of hunger in the community served by the eligible entity;

(II) an evaluation of any facility and any equipment used to achieve a hunger-free communities goal in the community;

(III) an analysis of the effectiveness and extent of service of existing nutrition programs and emergency feeding organizations; and

(IV) a plan to achieve any other hunger-free communities goal in the community.

(B) ACTIVITIES.—An eligible entity in a community that has submitted an assessment to the Secretary shall use a grant received under this subsection for any fiscal year for activities of the eligible entity, including—

(i) meeting the immediate needs of people in the community served by the eligible entity who experience hunger by—

(I) distributing food;

(II) providing community outreach; or

(III) improving access to food as part of a comprehensive service;

(ii) developing new resources and strategies to help reduce hunger in the community;

(iii) establishing a program to achieve a hunger-free communities goal in the community, including—

(I) a program to prevent, monitor, and treat children in the community experiencing hunger or poor nutrition; or

(II) a program to provide information to people in the community on hunger, domestic hunger goals, and hunger-free communities goals; and

(iv) establishing a program to provide food and nutrition services as part of a coordinated community-based comprehensive service.

(d) HUNGER-FREE COMMUNITIES INFRASTRUCTURE GRANTS.—

(1) DEFINITION OF ELIGIBLE ENTITY.—In this subsection, the term ''eligible entity'' means an emergency feeding organization (as defined in section 201A(4) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501(4))).

(2) PROGRAM AUTHORIZED.—

(A) IN GENERAL.—The Secretary shall use not more than 45 percent of any funds made available under subsection (f) to make grants to eligible entities to pay the Federal share of the costs of an activity described in paragraph (4).

(B) FEDERAL SHARE.—The Federal share of the cost of carrying out an activity under this subsection shall not exceed 80 percent.

(3) APPLICATION.—

(A) IN GENERAL.—To receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at the time and in the manner and accompanied by any information the Secretary may require.

(B) CONTENTS.—Each application submitted under subparagraph (A) shall—

(i) identify any activity described in paragraph (4) that the grant will be used to fund; and

(ii) describe the means by which an activity identified under clause (i) will reduce hunger in the community of the eligible entity.

(C) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to eligible entities the applications of which demonstrate 2 or more of the following:

(i) The eligible entity serves a predominantly rural and geographically underserved area.

(ii) The eligible entity serves a community in which the rates of food insecurity, hunger, poverty, or unemployment are demonstrably higher than national average rates.

(iii) The eligible entity serves a community that has carried out long-term efforts to reduce hunger in the community.

(iv) The eligible entity serves a community that provides public support for the efforts of the eligible entity.

(v) The eligible entity is committed to achieving more than 1 hunger-free communities goal.

(4) USE OF FUNDS.—An eligible entity shall use a grant received under this subsection for any fiscal year to carry out activities of the eligible entity, including—

(A) constructing, expanding, or repairing a facility or equipment to support hunger relief agencies in the community;

(B) assisting an emergency feeding organization in the community in obtaining locally-produced produce and protein products; and

(C) assisting an emergency feeding organization in the community to process and serve wild game.

(e) REPORT.—Not later than September 30, 2013, the Secretary shall submit to Congress a report describing—

(1) each grant made under this section, including—

(A) a description of any activity funded by such a grant; and

(B) the degree of success of each activity funded by such a grant in achieving hunger-free communities goals; and

(2) the degree of success of all activities funded by grants under this section in achieving domestic hunger goals.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 2008 through 2013.

In subsection (a)(1) of the amendment made by section 4401(a) of the bill, strike ''$15,000,000'' and insert ''$45,000,000'' .

In subsection (a) of the amendment made by section 4401(a) of the bill, strike paragraph (2) and insert the following:

(2) There is authorized to be appropriated $100,000,000 for each of fiscal years 2008 through 2012 to carry out and expand the senior farmers' market nutrition programs.

At the end of subtitle D of title IV, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. ___. GRANTS FOR LOCAL FARMERS AND COMMUNITY FARMING.

(a) GRANTS TO ASSIST MUNICIPALITIES TO HELP LOCAL FARMERS TO GROW FOOD TO BE SOLD LOCALLY.—

(1) IN GENERAL.—The Secretary of Agriculture may make a grant in accordance with this subsection to a municipality to enable the municipality to facilitate the ability of local farmers to grow food crops or raise beef, poultry, or other consumable agricultural products to be sold to the local community.

(2) MAXIMUM AMOUNT OF GRANT.—The amount of a grant under this subsection shall not exceed $100,000.

(3) USE OF GRANTS.—

(A) IN GENERAL.—A municipality to which a grant is made under this subsection shall use the grant, subject to subparagraph (B), to establish a community supported agriculture project, by—

(i) leasing municipal land to a participating farmer;

(ii) providing a loan guarantee for a loan made for the purchase or lease of equipment or facilities to be used by a participating farmer;

(iii) establish a kitchen certified by relevant health authorities for use by the participating farmer and other farmers operating, as determined by the municipality, locally or regionally; or

(iv) establish a beef, poultry or other agricultural product processing plant certified by relevant health authorities for use by the participating farmer or other farmers operating, a determined by the municipality, locally or regionally.

(B) REQUIREMENTS RELATING TO MINIMUM OUTPUT, LOCAL SALE, AND UNDER-SERVED COMMUNITIES.—

(i) IN GENERAL.—A lease entered into or a loan guarantee provided pursuant to this subsection shall provide that the municipality may terminate the lease or rescind the loan guarantee, as the case may be, if, during each year for which the lease or loan guarantee is in effect—

(I) the total value of the crops, beef, poultry, or other consumable agricultural products produced from the land involved is less than $5,000;

(II) at least 30 percent of the crops, beef, poultry, or other consumable agricultural products are not made available for sale in an under-served community; or

(III) at least 70 percent of the crops, beef, poultry, or other consumable agricultural products are not made available for sale locally or regionally.

(ii) LOCAL OR REGIONAL SALE.—An agricultural product shall be considered to be made available for sale locally or regionally for purposes of this subsection if the product is distributed within the locality or region where produced, in a manner which—

(I) ensures that information regarding the product origin, production practices, or other similar information which is a source of value to the end-use consumer is typically conveyed;

(II) facilitates the likelihood that the income of the community supported agriculture operation is increased through maximization of the share of the retail food price retained by the producer;

(III) ensures that consumers are provided with an affordable product produced, processed, and distributed in the locality or region where the end-use consumers acquire the product; and

(IV) ensures that the product has traveled less than half of the current average distance of all food produced and consumed in the United States, as determined by the Secretary.

(C) PUBLIC BIDDING REQUIRED.—The municipality shall solicit bids from the general public for the leases and loan guarantees to be provided by the municipality pursuant to this subsection. The municipality shall conduct the bidding in a manner that creates a primary preference for minority and socially-disadvantaged farmers and ranchers (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003 (e))) and a secondary preference for participating farmers who will farm the land organically.

(4) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this subsection, there are authorized to be appropriated to the Secretary not more than $40,000,000 for each of fiscal years 2008 through 2013.

(b) GRANTS TO SUPPORT THE FORMATION OF COMMUNITY-SUPPORTED AGRICULTURAL PROJECTS.—

(1) IN GENERAL.—The Secretary of Agriculture may make a grant to enable a local nongovernmental farming association that promotes community-based farming or to a qualified farmer to provide technical, advisory, and other assistance to support the formation of a municipally-based community-supported agricultural project.

(2) MAXIMUM AMOUNT OF GRANT.—The amount of a grant under this subsection shall not exceed $25,000.

(3) USE OF GRANTS.—A grant recipient shall use the grant to—

(A) provide public information about the assistance available pursuant to this section;

(B) provide technical and advisory assistance to participating farmers who enter into a lease or receive a loan guarantee from a municipality pursuant to section 1; or

(C) conduct training sessions on subjects relevant to starting, operating, maintaining, or marketing crops produced by participating farmers.

(4) DEFINITION.—In this subsection, the term ''qualified farmer'' means a farmer who demonstrated expertise in setting up a profit-making enterprise, such as a farm, a community supported agriculture operation, or a farmers market that has been in operation at least five years.

(5) DISPUTE RESOLUTION.—In the event of a landlord-tenant dispute, dispute concerning ownership rights to improved infrastructure, or other dispute between a municipality and a participating farmer, the parties shall utilize the services of the Certified State Agricultural Mediation Program is administered by the Farm Service Agency.

(6) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this subsection, there are authorized to be appropriated to the Secretary not more than $10,000,000 for each of fiscal years 2008 through 2013.

(c) GRANTS TO PROVIDE START-UP FUNDS TO FARMERS WHO MUST DIVERSIFY THEIR OPERATIONS IN ORDER TO PARTICIPATE IN COMMUNITY-SUPPORTED AGRICULTURAL PROJECTS.—

(1) IN GENERAL.—The Secretary of Agriculture may make a one-time grant to provide start-up funding to an agricultural producer who must diversify the agricultural operations of the producer in order to participate in a community-supported agricultural project.

(2) MAXIMUM AMOUNT OF GRANT.—The amount of a grant under this subsection shall not exceed $5,000.

(3) USE OF GRANTS.—An agricultural producer to whom a grant is made under this subsection shall use the grant to begin a new agricultural operation.

(4) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this subsection, there are authorized to be appropriated to the Secretary not more than $2,000,000 for each of fiscal years 2008 through 2013.

(d) MARKETING ASSISTANCE FOR COMMUNITY SUPPORTED AGRICULTURE PROJECTS.—The Secretary of Agriculture shall provide marketing assistance to a participating farmer who has received a lease or loan guarantee under section 1 that has not been terminated, to assist the farmer in marketing to community institutions, including schools, child care centers, and senior centers.

(e) DEFINITIONS.—In this section:

(1) COMMUNITY-SUPPORTED AGRICULTURAL PROJECT.—The term ''community-supported agricultural project'' means a contract under which a group of consumers, a nonprofit organization, or a public agency which represents consumers is obligated to purchase a specified amount of 1 or more agricultural products directly from 1 or more agricultural producers during a specific period.

(2) FARM VENDOR.—The term 'farm vendor' means a farmer, a member of the farmer's family, or employee of the farmer, who sells their products at a farmers market. The farm vendor must offer for sale at the market only the food or other items that are grown or produced by that farm.

(3) MARKETING ALLIANCE.—The term ''marketing alliance'' means a legally recognized entity, such as the National Farmers Market Coalition, from which growers and farmers market managers can obtain technical support on farmers market issues.

(4) MUNICIPALITY.—The term ''municipality'' includes any city, town, borough, county, parish, district, transportation district, assessment jurisdiction, or other public body, or any other political subdivision within the territorial limits of the United States, created by or pursuant to State law or the law of an Indian tribe or tribal organization, with the authority to impose a tax, charge, or fee.

(5) NONGOVERNMENTAL FARMING ASSOCIATION.—The term ''nongovernmental farming association'' means any of the following entities that has legal standing:

(A) A group of agricultural producers that operates as a marketing alliance.

(B) A cooperative association, each of whose owners and members is an agricultural producer.

(C) A group of 2 or more agricultural producers or farm vendors who sell an agricultural product through a common distribution channel.

(D) A nonprofit organization with expertise in farming.

(E) A network or association of agricultural producers.

(6) PARTICIPATING FARMER.—The term ''participating farmer'' means an agricultural producer who has made a binding commitment to participate in a community-supported agricultural project.

(7) STATE.—The term ''State'' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, Guam, and American Samoa.

(8) UNDER-SERVED COMMUNITY.—The term ''under-served community'' means an urban, rural, or tribal community which has—

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

(B) a high incidence of diet-related diseases, including obesity;

(C) a high rate of hunger or food insecurity; or

(D) severe or persistent poverty.

(f) REGULATIONS.—The Secretary of Agriculture shall prescribe such regulations as may be necessary to carry out this section.

[RURAL DEVELOPMENT TITLE]

Strike section 6013 and insert the following:

SEC. 6013. RURAL ENTREPRENEUR AND MICROENTERPRISE ASSISTANCE PROGRAM.

Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 364 (7 U.S.C. 2006f) the following:

''SEC. 365. RURAL ENTREPRENEUR AND MICROENTERPRISE ASSISTANCE PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) ECONOMICALLY DISADVANTAGED MICROENTREPRENEUR.—The term 'economically disadvantaged microentrepreneur' means an owner, majority owner, or developer of a microenterprise that has the ability to compete in the private sector but has been impaired because of diminished capital and credit opportunities, as compared to other microentrepreneurs in the industry involved.

''(2) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(3) INTERMEDIARY.—The term 'intermediary' means a nonprofit entity that has a demonstrated capacity to provide assistance—

''(A) to a microenterprise development organization; or

''(B) for a microenterprise development program.

''(4) LOW-INCOME INDIVIDUAL.—The term 'low-income individual' means an individual with an income (adjusted for family size) of not more than the greatest of—

''(A) 80 percent of median income of the non-metropolitan statistical area in which the individual resides;

''(B) 80 percent of the statewide non-metropolitan area median income; or

''(C) 80 percent of the national median income.

''(5) MICROCREDIT.—The term 'microcredit' means a business loan or loan guarantee of not more than $50,000 that is provided to a rural entrepreneur.

''(6) MICROENTERPRISE.—The term 'microenterprise' means—

''(A) a self-employed individual; or

''(B) a business entity with not more than 10 full-time-equivalent employees.

''(7) MICROENTERPRISE DEVELOPMENT ORGANIZATION.—The term 'microenterprise development organization' means a private, nonprofit entity that—

''(A) provides training and technical assistance to rural entrepreneurs;

''(B) facilitates access to capital or another service described in subsection (b) for rural entrepreneurs; and

''(C) has a demonstrated record of delivering services to economically disadvantaged microentrepreneurs, or an effective plan to develop a program to deliver microenterprise services to rural entrepreneurs effectively, as determined by the Secretary.

''(8) MICROENTERPRISE DEVELOPMENT PROGRAM.—The term 'microenterprise development program' means a program administered by an organization serving a rural area.

''(9) MICROENTREPRENEUR.—The term 'microentrepreneur' means the owner, operator, or developer of a microenterprise.

''(10) PROGRAM.—The term 'Program' means the rural entrepreneur and microenterprise program established under subsection (b)(1).

''(11) QUALIFIED ORGANIZATION.—The term 'qualified organization' means——

''(A) an intermediary;

''(B) a microenterprise development organization or microenterprise development program that—

''(i) has a demonstrated record of delivering microenterprise services to rural entrepreneurs; or

''(ii) has an effective plan to develop a program to deliver microenterprise services to rural entrepreneurs effectively, as determined by the Secretary; or

''(C) an Indian tribe, the tribal government of which certifies to the Secretary that no microenterprise development organization or microenterprise development program exists under the jurisdiction of the Indian tribe;

''(D) a group of 2 or more organizations or Indian tribes described in subparagraph (A) or (B) that agree to act jointly as a qualified organization under this section; or

''(E) for purposes of subsection (b), a public college or university.

''(12) RURAL CAPACITY-BUILDING SERVICE.—The term 'rural capacity-building service' means a service provided to an organization that—

''(A) is, or is in the process of becoming, a microenterprise development organization or microenterprise development program; and

''(B) serves rural areas for the purpose of enhancing the ability of the organization to provide training, technical assistance, and other related services to rural entrepreneurs.

''(13) RURAL ENTREPRENEUR.—The term 'rural entrepreneur' means a microentrepreneur, or prospective microentrepreneur—

''(A) the principal place of business of which is in a rural area; and

''(B) that is unable to obtain sufficient training, technical assistance, or microcredit elsewhere, as determined by the Secretary.

''(14) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting through the Rural Business and Cooperative Development Service.

''(15) TRIBAL GOVERNMENT.—The term 'tribal government' means the governing body of an Indian tribe.

''(b) RURAL ENTREPRENEURSHIP AND MICROENTERPRISE PROGRAM.—

''(1) ESTABLISHMENT.—The Secretary shall establish a rural entrepreneurship and microenterprise program.

''(2) PURPOSE.—The purpose of the Program shall be to provide low-income individuals and moderate-income individuals with—

''(A) the skills necessary to establish new microenterprises in rural areas; and

''(B) continuing technical and financial assistance as individuals and business starting or operating microenterprises.

''(3) GRANTS.—

''(A) IN GENERAL.—The Secretary may make a grant under the Program to a qualified organization or intermediary—

''(i) to provide training, operational support, or a rural capacity-building service to another qualified organization to assist the other organization in developing microenterprise training, technical assistance, market development assistance, and other related services, for microenterprise, with an emphasis on those that—

''(I) have 5 or fewer full-time equivalent employees;

''(II) serve low income individuals; or

''(III) serve areas that have lost population;

''(ii) to assist in researching and developing the best practices in delivering training, technical assistance, and microcredit to rural entrepreneurs; and

''(iii) to carry out such other projects and activities as the Secretary determines to be consistent with the purposes of this section.

''(B) SUBGRANTS.—Subject to such regulations as the Secretary may promulgate, a qualified organization that receives a grant under this paragraph may use the grant to provide assistance to other qualified organizations, such as small or emerging qualified organizations.

''(C) DIVERSITY.—In making grants under this paragraph, the Secretary shall ensure, to the maximum extent practicable, that grant recipients include qualified organizations—

''(i) of varying sizes; and

''(ii) that serve racially and ethnically diverse populations.

''(D) MATCHING REQUIREMENT.—

''(i) IN GENERAL.—As a condition of any grant made under this paragraph, the Secretary shall require the grantee to expend for the project involved, from non-Federal sources, not less than 25 percent of the total amount of the grant.

''(ii) FORM OF CONTRIBUTION.—The non-Federal share of the cost of a project described in clause (i) may be provided—

''(I) in cash (including through fees, grants (including community development block grants), and gifts); or

''(II) in-kind.

''(4) RURAL MICROLOAN PROGRAM.—

''(A) ESTABLISHMENT.—In carrying out the Program, the Secretary may carry out a rural microloan program.

''(B) PURPOSE.—The purpose of the rural microloan program shall be to provide technical and financial assistance to microenterprises in rural areas and rural entrepreneurs, with an emphasis on those that—

''(i) have 5 or fewer full-time equivalent employees;

''(ii) serve low income individuals; or

''(iii) serve areas that have lost population.

''(C) AUTHORITY OF SECRETARY.—In carrying out the rural microloan program, the Secretary may—

''(i) make loans to qualified organizations for the purpose of making short-term, fixed interest rate microloans to startup, newly established, and growing microenterprises in rural areas; and

''(ii) in conjunction with the loans, provide grants in accordance with subparagraph (E) to the qualified organizations for the purpose

of providing intensive marketing, management, and technical assistance to microenterprises in rural areas that are borrowers under this subsection.

''(D) LOAN DURATION; INTEREST RATES; CONDITIONS.—

''(i) LOAN DURATION.—A loan made by the Secretary under this paragraph shall be for a term not to exceed 20 years.

''(ii) APPLICABLE INTEREST RATES.—A loan made by the Secretary under this paragraph shall bear an annual interest rate of at least 1 percent.

''(E) GRANT AMOUNTS.—

''(i) IN GENERAL.—Except as otherwise provided in this section, each qualified organization that receives a loan under this paragraph shall be eligible to receive a grant to provide marketing, management, and technical assistance to microenterprises in rural areas that are borrowers or potential borrowers under this subsection.

''(ii) MAXIMUM AMOUNT OF GRANT FOR MICROENTERPRISE DEVELOPMENT ORGANIZATIONS.—The amount of the grant referred to in clause (i) shall be not more than 25 percent of the total outstanding balance of loans made by the microenterprise development organization under this paragraph as of the date of provision of the grant, except that for the first loan made to a microenterprise development organization, the Secretary may make a grant not to exceed 25 percent of the outstanding balance of the loan.

''(iii) MATCHING REQUIREMENT.—

''(I) IN GENERAL.—As a condition of any grant made to a qualified organization under this subparagraph, the Secretary shall require the organization to expend for the grant project involved, from non-Federal sources, not less than 15 percent of the total amount of the grant.

''(II) FORM OF NON-FEDERAL SHARE.—The non-Federal share of the cost of a project described in subclause (I) may be provided—

''(aa) in cash; or

''(bb) in-kind.

''(c) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of the assistance received by a qualified organization for a fiscal year under this section may be used to pay administrative expenses.

''(d) FUNDING.—

''(1) MANDATORY FUNDING.—

''(A) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $40,000,000 for each of fiscal years 2008 through 2012, to remain available until expended.

''(B) ALLOCATION OF FUNDS.—Of the amount made available by subparagraph (A) for each fiscal year—

''(i) not less than $24,000,000 shall be available for use in carrying out subsection (b)(3); and

''(ii) not less than $16,000,000 shall be available for use in carrying out subsection (b)(4), of which not more than $6,000,000 shall be used to support loans.

''(2) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts made available under paragraph (1), there are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.''.

In section 231(b)(5)(A) of the Agricultural Risk Protection Act of 2000, as proposed to be added by section 6027(b)(1) of the bill—

(1) strike ''10'' and insert ''15'';

(2) insert ''(i)'' after ''benefit'';

(3) strike ''or socially'' and insert '', (ii) socially''; and

(4) insert '', or (iii) an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b))'' before the period.

In section 6045(g)(1) of the Farm Security and Rural Investment Act of 2002, as proposed to be amended by section 6027(b) of the bill, strike ''$30,000,000'' and insert ''$50,000,000''.

[RESEARCH TITLE]

In section 7310, strike subsections (f) and (g) and insert the following:

(f) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available $25,000,000 for each of fiscal years 2008 through 2012.

In section 7411, strike subsections (g) and (h) that appear within quotation marks and insert the following:

''(g) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available $100,000,000 for each of fiscal years 2008 through 2012.''.

[ENERGY TITLE]

Strike section 9013.

At the end of title IX, add the following new section:

SEC. ___. VOLUNTARY RENEWABLE FUELS CERTIFICATION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture, in consultation with the Administrator of the Environmental Protection Agency, shall establish a program to certify biomass crops that meet sustainable growing standards designed to reduce greenhouse gases, protect wildlife habitat, and protect air, soil, and water quality.

(b) CERTIFICATION REQUIREMENTS.—To qualify for certification under the program established under subsection (a), a biomass crop shall be inspected and certified as meeting the standards adopted under subsection (c) by an inspector referred to in subsection (d).

(c) PRODUCTION STANDARDS.—The Secretary shall adopt standards for the certification of biomass crops under subsection (b) that provide measurement of a numerical reduction in greenhouse gases and soil and water pollutants, based upon the recommendations of an advisory committee jointly established by the Secretary and the Administrator.

(d) INSPECTORS.—The Secretary shall designate inspectors that the Secretary determines are qualified to certify biomass crops under this section to carry out inspections under subsection (b).

(e) DESIGNATION OF CERTIFIED PRODUCTS.—A product produced from a biomass crop that is certified under this section may be designated as having been produced from a certified biomass crop if the producer of the product verifies the product was produced from such crop and the verification includes a copy of the certification under subsection (b).

[HORTICULTURE TITLE]

At the end of subtitle C of title X, add the following new section:

SEC. ___. PESTICIDES.

(a) RECORDKEEPING AND REPORTING.—

(1) AMENDMENT.—Section 1491 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 136i–1) is amended to read as follows:

''SEC. 1491. PESTICIDE RECORDKEEPING.

''(a) REQUIREMENTS.—

''(1) IN GENERAL.—The Secretary of Agriculture, in consultation with the Administrator of the Environmental Protection Agency, shall require certified commercial applicators and private applicators of pesticides (whether for general use or restricted use) to maintain—

''(A) records comparable to records maintained by commercial applicators of pesticides, as required by the State in which the pesticide is used, or

''(B) if there is no State requirement for the maintenance of records, records that contain the product and chemical name, the registration number assigned to the pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act, amount, date and time of application, and location of application of each such pesticide used in agricultural production,

for a period of 20 years after the pesticide is used.

''(2) PROVISION OF RECORDS TO CERTAIN PERSONS.—Within 30 days of a pesticide application, a certified commercial applicator shall provide a copy of records maintained under paragraph (1) to the person for whom such application was provided.

''(3) PROVISION OF RECORDS TO SECRETARY.—Within 30 days of a pesticide application, a certified commercial applicator or private applicator shall provide a copy of records maintained under paragraph (1) to—

''(A) any State agency designated by the State for such purpose; and

''(B) the Secretary of Agriculture.

''(4) MAINTENANCE BY SECRETARY.—

''(A) REQUIREMENT.—Subject to subparagraph (B), the Secretary of Agriculture shall maintain records submitted to the Secretary under paragraph (3) for a period of at least 20 years after the pesticide is used.

''(B) EXCEPTION.—The Secretary of Agriculture is not required to maintain records pursuant to subparagraph (A) if the Secretary determines that the State in which the pesticide is used will maintain such records for a period of at least 20 years after such use.

''(b) ACCESS TO RECORDS.—

''(1) IN GENERAL.—Upon request, records maintained under subsection (a) shall be made available by applicators and by the Secretary of Agriculture to the following:

''(A) A Federal or State agency that deals with pesticide use or any health, occupational safety, or environmental issue related to the use of pesticides.

''(B) Health care professionals treating persons who reasonably believe that they have been exposed to pesticides.

''(C) Agricultural workers who reasonably believe they have been exposed to pesticides, their immediate family members, and their representatives.

''(D) Researchers conducting studies on pesticides, occupational safety or health, or environmental conditions.

''(2) AGENCIES.—In the case of Federal agencies, such access to records maintained under subsection (a) shall be through the Secretary of Agriculture, or the Secretary's designee. State agency requests for access to records maintained under subsection (a) shall be through the lead State agency so designated by the State.

''(3) HEALTH CARE PERSONNEL.—When a health professional determines that pesticide information maintained under this section is necessary to provide medical treatment or first aid to an individual who may have been exposed to pesticides for which the information is maintained, upon request applicators and the Secretary of Agriculture shall promptly provide applicable records maintained under subsection (a) and available label information to that health professional. In the case of an emergency, such records and information shall be provided immediately.

''(4) AGRICULTURAL WORKERS.—When an agricultural worker reasonably believes he or she has been exposed to pesticides, upon request applicators and the Secretary of Agriculture shall provide applicable records maintained under subsection (a) to such worker, the worker's family member, or the worker's representative within 5 business days of the request. In the case of an emergency, such records shall be provided immediately.

''(5) RESEARCHERS.—When a researcher is conducting a study on a pesticide, occupational safety or health, or environmental conditions, upon request applicators and the Secretary of Agriculture shall provide applicable records maintained under subsection (a) to such researcher within 30 days of the request.

''(c) ACCESS TO CONTACT INFORMATION.—Upon request, the person for whom a pesticide application was provided shall provide the name and contact information of the applicator to a health care professional described in subsection (b)(3) or an agricultural worker, family member, or representative described in subsection (b)(4).

''(d) SURVEYS AND ANALYSES.—Each Federal agency described in subsection (b)(1)(A) shall conduct surveys and record the data from individual applicators to facilitate statistical analysis for environmental and agronomic purposes, but in reports based on survey data the Federal agency shall not release data, including the location from which the data was derived, that would directly or indirectly reveal the identity of individual producers.

''(e) PENALTY.—The Secretary of Agriculture shall be responsible for the enforcement of subsections (a), (b), and (c). A violation of subsection (a) or (b) by an applicator, or a violation of subsection (c) by a person described in such subsection, shall—

''(1) in the case of the first offense, be subject to a fine of not more than $ 1,000; and

''(2) in the case of subsequent offenses, be subject to a fine of not less than $ 2,000 for each violation, except that the penalty shall be less than $1,000 if the Secretary determines that the applicator or person made a good faith effort to comply with such subsection.

''(f) FEDERAL OR STATE PROVISIONS.—The requirements of this section shall not affect provisions of other Federal or State laws.

''(g) SURVEYS AND REPORTS.—The Secretary of Agriculture and the Administrator of the Environmental Protection Agency shall survey the records maintained under subsection (a) to develop and maintain a database that is sufficient to enable the Secretary and the Administrator to publish comprehensive reports, at least on an annual basis, concerning agricultural and nonagricultural pesticide use. The Secretary and Administrator shall enter into a memorandum of understanding to define their respective responsibilities under this subsection in order to avoid duplication of effort. Such reports shall be transmitted to Congress not later than April 1 of each year.

''(h) REGULATIONS.—The Secretary of Agriculture and the Administrator of the Environmental Protection Agency shall promulgate revised regulations on their respective areas of responsibility implementing this section not later than 180 days after the enactment of the NOURISH Act of 2007.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on the date that is 180 days after the enactment of the NOURISH Act of 2007.

(b) INCLUSION OF LONG-TERM ADVERSE HEALTH EFFECTS IN LABELING.—Paragraph (2) of section 2(q) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136(q)) is amended—

(1) in subparagraph (C), by striking ''and'' at the end;

(2) in subparagraph (D)(iii), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(E) the pesticide is registered for an agricultural use and its labeling does not include information on long-term adverse health effects associated with exposure to the pesticide, such as cancer in individuals so exposed and their children, birth defects, adverse reproductive effects such as infertility or still births, and neurological damage.''.

(c) RESEARCH BY CDC.—

(1) INCREASED RISKS AMONG FARM WORKERS.—

(A) IN GENERAL.—The Director of the Centers for Disease Control and Prevention shall conduct or support research on increased risks of cancer or birth defects among farm workers who have occupational exposure to pesticide and their children.

(B) AUTHORIZATION OF APPROPRIATIONS.—To carry out this paragraph, there is authorized to be appropriated $5,000,000 for fiscal year 2008.

(2) BIOLOGICAL INDICATORS AND CLINICAL TESTS.—

(A) IN GENERAL.—The Director of the Centers for Disease Control and Prevention shall conduct or support research to identify objective biological indicators, and to develop new and additional inexpensive clinical tests, to enable clinicians to diagnose overexposure to pesticides.

(B) AUTHORIZATION OF APPROPRIATIONS.—To carry out this paragraph, there is authorized to be appropriated $5,000,000 for fiscal year 2008.

(d) RESEARCH BY USDA.—

(1) IN GENERAL.—The Secretary of Agriculture shall conduct or support research on alternatives to agricultural pesticides that have been associated with cancer, birth defects, adverse reproductive effects, or severe neurological disorders in animal studies or epidemiological research.

(2) AUTHORIZATION OF APPROPRIATIONS.—To carry out this subsection, there is authorized to be appropriated $5,000,000 for fiscal year 2008.

(e) RESEARCH BY EPA.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency shall conduct or support research to develop field level tests to determine when pesticide-treated fields are safe to reenter.

(2) AUTHORIZATION OF APPROPRIATIONS.—To carry out this subsection, there is authorized to be appropriated $7,500,000 for fiscal year 2008.

Section 10301(1) is amended by striking ''$22,000,000'' and inserting ''$25,000,000''.

Section 10303(f) is amended by striking the text and inserting the following: ''Of the funds of the Commodity Credit Corporation, the Secretary shall make available $50,000.000 for each of fiscal years 2008 through 2012 to carry out this section. Such funds shall remain available until expended.''.

Section 10102 is amended by striking subsection (b) and inserting the following new subsection:

(b) AVAILABILITY OF FUNDS.—Subsection (i) of section 101 of the Specialty Crops Competitiveness Act of 2004 is amended to read as follows:

''(i) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make grants under this section, using—

''(1) $110,000,000 in fiscal year 2008;

''(2) $115,000,000 in fiscal year 2009;

''(3) $120,000,000 in fiscal year 2010;

''(4) $125,000,000 in fiscal year 2011; and

''(5) $145,000,000 in fiscal year 2012.''.

In section 6(f)(1) of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005), as added by section 10404(b)(4) of the bill, strike ''Secretary of Agriculture use to carry out this section'' and all that follows and insert ''Secretary of Agriculture shall use to carry out this section $20,000,000 for each of fiscal years 2008 through 2012.''.

[MISCELLANEOUS TITLE]

At the end of subtitle A of title XI add the following new sections:

SEC. ___. SHARE OF RISK.

Section 508(k) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)) is amended by striking paragraph (3) and inserting the following:

''(3) SHARE OF RISK.—The reinsurance agreements of the Corporation with the reinsured companies shall require the reinsured companies to cede to the Corporation 30 percent of its cumulative underwriting gain or loss.''

SEC. ___. REIMBURSEMENT RATE.

Section 508(k)(4)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(A)) is amended by striking clause (ii) and inserting the following:

''(ii) for each of the 2008 and subsequent reinsurance years, 15 percent of the premium used to define loss ratio.''.

Subparagraph (D) of section 2501(a)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a)(2)), as added by section 11201(a)(1)(B)(ii) of the bill, is amended to read as follows:

''(D) ADDITIONAL CONTRACTING AUTHORITY.—Any agency of the Department of Agriculture may make grants and enter into contracts and cooperative agreements with a community-based organization that meets the definition of an eligible entity under subsection (e) in order to utilize the community-based organization to provide outreach and technical assistance.''.

Section 2501(a)(4)(A) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a)(4)(A)), as amended by section 11201(a)(1)(C)(i) of the bill, is amended by striking ''$15,000,000'' and inserting ''$35,000,000''.

At the end of subtitle C of title XI add the following new section:

SEC. ___. MORATORIUM ON FORECLOSURES.

(a) MORATORIUM.—The Secretary of Agriculture shall, except for the purposes referred to in subsection (c), immediately issue a moratorium on all current, pending, and future foreclosures, loan accelerations, and adverse actions, with respect to Department of Agriculture loans to any farm or ranch owned or operated by a socially disadvantaged farmer or ranchers (as defined in section 355(e)(2) of the Consolidated Farm and Rural Development Act). The Secretary shall waive the accrual of interest and offsets on all loans affected by this section for the full period of the moratorium or review shall issue write offs of accrued interest and may take such additional actions as recommended by the Commission established in subsection (b).

(a) SOCIALLY DISADVANTAGED FARMERS AND RANCHERS COMMISSION.—

(1) IN GENERAL.—The Secretary of shall establish in the Department of Agriculture a commission to be known as the ''USDA Socially Disadvantaged Farmers and Ranchers Commission'' (in this section referred to as the ''Commission'').

(2) DUTIES.—The Commission shall review all actions covered by the moratorium under subsection (a) to—

(A) determine whether Federal, State, or local government actions or inactions contributed to the conditions leading to foreclosure;

(B) determine whether the acceleration of foreclosure by the Department of Agriculture of loans on farm land owned by socially disadvantaged farmers and ranchers was in accordance with applicable laws or regulations;

(C) improve upon the credibility and accuracy of all Department of Agriculture programs land foreclosure process and procedures;

(D) recommend to the Secretary actions for the fair resolution of cases reviewed; and

(E) submit to the Committee on Agriculture and the Committee on Oversight and Government Reform of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry and the Committee on Government Reform and Homeland Security of the Senate a report on programmatic inefficiencies and possible remedies to address any land loss directly resulting from illegal or manifestly unfair acts of the Department of Agriculture.

Strike section 10202 and add at the end of title XI the following:

SEC. ___. MULTI-SPECIES FRUIT FLY RESEARCH AND STERILE FLY PRODUCTION.

(a) CONSTRUCTION.—The Secretary of Agriculture shall construct a warehouse and irradiation containment facility in Waimanalo, Hawaii, to support fruit fly rearing and sterilization activities.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated—

(1) $15,000,000 for the construction of a warehouse and irradiation containment facility pursuant to subsection (a); and

(2) $1,000,000 for fiscal year 2008 and each subsequent fiscal year for maintenance to the facilities constructed pursuant to this section.

Strike section 11305.

At the end of subtitle A of title XI add the following new section:

SEC. ___. PARITY FOR ORGANIC CROP ACRES PRICE ELECTIONS, DOLLAR AMOUNTS OF INSURANCE, AND PREMIUM DETERMINATION.

Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended by adding at the end the following new paragraph:

''(9) ORGANICS.—Notwithstanding any other provision of this title, the Secretary may not charge a premium, deductable, or other fee for an insurance policy or plan on crops that are certified organic or transitioning to organic production that is more than the premium, deductable, or other fee for an insurance policy or plan on crops that are not certified organic or transitioning to organic production.''.

At the end of subtitle C of title XI, add the following new sections:

SEC. ___. MCINTIRE-STENNIS COOPERATIVE FORESTRY ACT.

Section 2 of Public Law 87-788 (16 U.S.C. 582a–1) is amended—

(1) by inserting ''and 1890 Institutions,'' before ''and (b)''; and

(2) by adding at the end the following: ''In States that have both 1862 Institutions and 1890 Institutions eligible for and receiving funds under this Act, the institutions shall, to the maximum extent practicable, develop complementary plans for forestry research in the State. In this section, the terms '1862 Institutions' and '1890 Institutions' have the same meanings as in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601(2)).''.

SEC. ___. ANIMAL HEALTH AND DISEASE RESEARCH PROGRAM.

Section 1434(b) of the National Agriculture Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(b)) is amended by inserting after ''universities'' the following: ''(including 1890 Institutions (as defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601(2))).''.

SEC. ___. CHILDREN, YOUTH, AND FAMILIES EDUCATION AND RESEARCH NETWORK (CYFERNET) PROGRAM.

(a) IN GENERAL.— In carrying out the Children, Youth, and Families Education and Research Network Program under section 3(d) of the Smith-Lever Act (7 U.S.C. 343(d)), the Secretary shall include 1890 Institutions as eligible program applicants and participants.

(b) 1890 INSTITUTIONS DEFINED.—In this section, the term ''1890 Institutions'' has the meaning given the term in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601(2)).

SEC. ___. SOCIALLY DISADVANTAGED PRODUCERS ACCESS PROGRAM.

(a) ESTABLISHMENT; PURPOSE.—

(1) ESTABLISHMENT.—The Secretary of Agriculture shall establish and carry out, for each of fiscal years 2008 through 2013, a program to enhance the viability of minority and socially disadvantaged farmer and ranchers who own or operate agricultural operations by assisting such farmer and ranchers to reduce their risks, improve their access to markets, and better utilize the programs and services of the Department of Agriculture.

(2) IMPROVED ACCESS.—One of the purposes of the program shall be to ensure the viability and success of minority and socially disadvantaged farmers and ranchers by promoting the involvement of socially disadvantaged farmers and ranchers in the full range of services to ensure producer access to commodity, credit, risk management and disaster protection, conservation, marketing, nutrition, value-added, rural development, and other programs and services of the Department.

(3) ACCURATE REFLECTION OF CONTRIBUTIONS.—Another of the purposes of the program shall be to assure that the number and economic contributions of socially disadvantaged farmers and ranchers are accurately reflected in the census of agriculture.

(b) ELIGIBILITY.—

(1) IN GENERAL.—To be eligible to participate in programs made available under this title, a producer shall—

(A) be a socially disadvantaged farmer or rancher;

(B) be a producer who, as an owner, operator, landlord, tenant, sharecropper or enrolled member of an Indian tribe—

(i) shares in the risk of producing any crop or livestock; and

(ii) is entitled to share in the crop or livestock available for marketing from a farm (or would have shared had the crop or livestock been produced) or produces more than 50 percent of the food needed for family consumption;

(C) enter into a risk management and marker access contract with the Secretary to carry out the risk management and market access plan.

(2) DEFINITIONS.—In this section:

(A) SOCIALLY DISADVANTAGED.—The term ''socially disadvantaged'' means, with respect to a farmer or rancher, that the farmer or rancher is a member of a socially disadvantage group.

(B) SOCIALLY DISADVANTAGED GROUP DEFINED.—The term ''socially disadvantaged group'' means a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities.

(c) PRODUCER PAYMENT STRUCTURE.—

(1) PRODUCER DEVELOPMENT PAYMENTS.—The Secretary is authorized to provide direct payments to the producers defined under subsection (b) if risk management and market access plans are implemented within any fiscal year pursuant to a plan developed in a fiscal year prior to payment by the Secretary.

(2) ENROLLMENT PROCEDURE.—To enroll in this program, an eligible producer must—

(A) complete and maintain the practices in the qualification level in paragraph (3)(A)(i);

(B) describe the tier of the risk management and market access plan, and the particular risk management and market access practices to be implemented in accordance with this subsection; and

(C) identify the qualified technical assistance provider who will serve as a liaison to the Department and supply technical assistance to assure completion of the plan.

(3) PAYMENT STRUCTURE.—The Secretary shall make annual producer payments under this title for participation at 1 of the following levels for a period not to exceed a total of 7 years, as follows:

(A) USDA ACCESS PAYMENTS.—The qualification level payment shall be not more than $5,000 with up to $2,500 paid up front if, within the first year, the producer—

(i) files an IRS schedule F or a qualified substitute for enrolled members of Indian Tribes;

(ii) registers at the Farm Service Agency office as a farm or rancher, or informs the Secretary the reason for which registration was not allowed;

(iii) signs up for any crop insurance or NAP programs for which the producer is qualified, or provides a plan to achieve qualification or inform the Secretary if no plan or program exists for the form of production on the farm or ranch; and

(iv) receives technical assistance to be included in the Minority Farm Registry and complete the next Census of Agriculture.

The Secretary shall provide to the National Agriculture Statistics Service information sufficient for inclusion of each producer who qualifies under this section in the next census of agriculture.

(B) PROGRAM ACCESS PAYMENTS.—Program access payments shall at least $5000 and not more than $10,000 annually for up to 3 years if the producer provides, develops, and implements a plan to complete at least two of following practices in each year:

(i) a farm and home plan;

(ii) an estate plan;

(iii) a risk management plan, including accessing family health insurance;

(iv) a conservation plan;

(v) enters into a contract for purchase or sale of farm land;

(vi) acquires a computer, high-speed internet access, and software, and training in the use of these tools;

(vii) prepares a plan to transition to another crop or crops;

(viii) applies for at least one farm program of the Department; or

(ix) other practices as determined by the Secretary.

(C) MARKET ACCESS AND RISK PROTECTION PAYMENTS.—

(i) TIER ONE.—Market Access and Risk Protection Payments shall be at least $10,000 and not more than $25,000 annually for up to three years if the producer develops and implements at least two of the following practices in each year:

(I) Mentor another farmer.

(II) Seek nomination and election to a Conservation District Board or FSA County Committee.

(III) Meet standards for Good Agricultural Practices, Organic Certification or other market certifications.

(IV) Develop and implement a marketing plan or a business plan.

(V) Access liability or other expanded insurance, including revenue insurance.

(VI) Access farmers markets or improved marketing contracts.

(VII) Participate in farmers market nutrition, school food or other nutrition programs.

(VIII) Develop and implement plan to meet regulatory requirements, including labor, workers compensation, and pesticide health and safety standards, Livestock and Animal ID.

(IX) Seek irrigation and other production assistance, Land or waste management.

(X) Other practices as determined by the Secretary.

(iii) TIER TWO.—Market Access and Risk Protection Payments shall be not more than to $35,000 annually for up to three years if the producer completes at least two of the following practices in each year:

(I) Develop or participate in a cooperative or marketing association.

(II) Develop a value-added enterprise.

(III) Implements improve marketing strategies, including development of brands and innovative forms of marketing by web or other means.

(IV) Develop infrastructure or processing capacity.

(V) Enhance the participation of a cooperative or a group of farmers in nutrition and health programs.

(VI) Construct or improve housing for farmworkers.

(VII) Enter into direct contracts to secure adequate labor to meet production needs.

(VIII) Protect of land use and development rights.

(IX) Other practices as determined by the Secretary.

(d) TECHNICAL ASSISTANCE.—

(1) IN GENERAL.—For each of fiscal years 2008 through 2013, the Secretary shall provide technical assistance through qualified technical assistance providers to producers for the development and implementation of a risk management and market access plans at each tier.

(2) TECHNICAL ASSISTANCE PROVIDER.—In this section, the term ''technical assistance provider'' is an organization or educational institutions that qualifies as an eligible entity under section 2501(e)(5) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)(5)).

(3) QUALIFIED TECHNICAL ASSISTANCE PROVIDER.—In this section, the term ''qualified technical assistance provider'' means a technical assistance provider that has been recognized by the Risk Management Agency as qualified to provide the service in this program.

(4) LIMITATIONS.—A qualified technical service provider shall not receive payment for services in excess of—

(A) $2,000, for services under subsection (c)(3)(A);

(B) $3,000, for services under subsection (c)(3)(B); or

(C) $4,000, for services under subsection (c)(3)(C).

(f) DUTIES OF THE SECRETARY.—

(1) OFFICE OF SMALL FARMS COORDINATION.—The Secretary of Agriculture shall establish an office of Small Farm Coordination, which shall be led by the Small Farms Coordinator, who shall be a career employee.

(2) DUTIES.—The Secretary may delegate to the Small Farms Coordinator responsibility for the following:

(A) Administering the program established under subsection (a).

(B) Administering the activities established under Departmental Regulation 9700-1 issued on August 3, 2006, in coordination with any other office, agency, or mission area as deemed necessary by the Secretary to facilitate the implementation of the programs under this section, and other such duties as assigned to assure the Department best understands, meets, and prioritizes the needs of small, socially disadvantaged, and beginning and new entry farmers.

(C) Other duties deemed appropriate by the Secretary.

(3) OUTREACH.—The Secretary shall use not less than $1,000,000 annually from funding under this section to support consultation, training, and liaison activities with qualified technical assistance providers under subsection (b).

(4) STAFFING AND ADMINISTRATION.—The Secretary shall provide not less than 10 staff positions within the Office of Small Farms Coordination at headquarters in Washington and not less than 10 field staff for the Office as the Secretary deems necessary to implement this program, with additional field staff provided in States where the number of applicants exceeds 500 to conduct administration of this program.

(5) REGULATIONS.—Not later than 270 days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations to carry out this subsection.

(g) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available $80,000,000 to carry out this section for each of fiscal years 2008 through 2012.

At the end of title XI, insert the following new section:

SEC. ___. SENSE OF CONGRESS ON USE OF SAVINGS FOR DEFICIT REDUCTION.

It is the sense of the Congress that any budgetary savings created as a result of this Act will be used to reduce the Federal budget deficit and not used to offset other Federal spending.

Strike the title of the bill entitled ''PREVENTION OF TAX TREATY EXPLOITATION TO EVADE UNITED STATES TAXATION''.

The CHAIRMAN. Pursuant to House Resolution 574, the gentleman from Wisconsin (Mr. KIND) and the gentleman from Minnesota (Mr. PETERSON) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin.

Mr. KIND. Madam Chairman, I ask unanimous consent for purposes of this debate that the gentleman from Arizona (Mr. FLAKE) be allowed to control 10 minutes of my 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KIND. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, this farm bill is one of the most important pieces of legislation before this Congress in this session because it truly does affect us all.

□ 2100

It affects our family farmers. It affects consumers in America. It affects our wildlife and natural resources. It affects people who are hungry, both in this country and abroad, and it affects economic development opportunities in rural America but also in the developing world, and it affects my home State in Wisconsin, where agriculture is still the number one industry. I know, I have a 200-acre farm in western Wisconsin where we rotate corn and soybeans. I've got beef cattle on it from time to time.

But for too long farm policy has resulted in billions of dollars of subsidies going to a few, but very large and very wealthy entities who then gobble up family farms around them, drive up land values and make it virtually impossible for new beginning farmers to enter the business. These subsidies have distorted the marketplace, and they distort our trade policies. Too many farmers have planted for the government paycheck instead of the marketplace. This has got to change.

But instead of heeding the call for reasonable, justifiable reform in light of current market prices, the farm bill before us fails to even make token reforms under the Title I commodity programs. In fact, they still allow taxpayer-supported subsidies to go to individuals in this country with an adjusted gross income of $1 million. Over the next 5 years, there will be $26 billion in direct subsidy payments going out to commodity producers who are getting at or near record prices in the marketplace. And under these direct payments, the committee raises the cap from $40,000 to $60,000 and allows multiple entities on the same farm to collect the same type of subsidies. It also eliminates the cap with the loan deficiency program.

It's a missed opportunity. In fact, what we have before us today is a bipartisan, fair, reform amendment that takes light of the market conditions and offers reasonable and justifiable reforms under a very simple proposition: Let's give our family farmers help when they need it; let's not when they don't.

What we propose in our amendment would be phasing out these direct payments that were meant to be temporary in the 1996 farm bill, and now we're in the third farm bill, and they're increasing these subsidy payments and lifting the caps.

We also replace the current countercyclical program with a true safety net, a revenue-based safety net that even the corn growers have been working on as a replacement over the last few years.

We also place a tighter income limit at $250,000 adjusted gross, even slightly above the administration's own $200,000 limit that they recommend.

Plus, we call for long-overdue reform with the crop insurance program based on the good work that our friends Mr. COOPER and Mr. WAXMAN have been doing in this, and we all do this under justifiable market conditions, ending up with a farm bill at the end of the day that does not distort our market, nor our trade policies.

For too long family farmers have suffered due to the inequities of this farm bill, and with the savings that we use to reform the Title I programs, we make significant new investments in other priority areas. We have a $6 billion increase in funding under the nutrition title to deal with hunger in America.

We have a $3 billion increase of voluntary incentive conservation programs, when today three out of every four farmers applying for conservation funding assistance are turned away because of inadequacy of funds.

We have a $1.2 billion increase for specialty crops above what the committee did, and a healthy food program to combat the obesity epidemic which is ravishing our Nation.

We also have $1.1 billion in guaranteed funding out of the McGovern-Dole bill and $500 million for minority and disadvantaged farmers, $200 million increase for rural development to create economic job opportunities throughout rural America.

And at the end of the reform, we even have money for deficit reduction. How refreshing that we may have a bill coming out of this Congress that actually reforms enough to have some left over to reduce the massive budget deficits and prepare for the aging of our Nation.

What's really nice about this is it is all paid for. We don't have to go to the Ways and Means Committee or the Financial Services Committee to seek offsets in order to pay for these other priorities and still provide a safety net for our family farmers. This amendment gets us out of the box that my Republican friends find themselves in in not being able to support a tax increase to finance this farm bill.

And you guys are exactly right. If you had been pulling this on us while we were in the minority, we would be raising bloody hell as well, because if you lose the process in the place, you lose a sense of fairness, and if you don't have fairness at the end of the day, you can't get things done.

We're saying we don't have to go down that road. Let's make some commonsense reforms to find the offsets to deal with the other priorities while still maintaining a proper safety net so when the farmers are in trouble, if market prices plummet, there will be a safety net for them; but let's not do it when they don't need it, so we can go home and look the taxpayers in the eyes and justify exactly what we're doing here.

Madam Chairman, I reserve the balance of my time.

Mr. PETERSON of Minnesota. Madam Chairman, I ask unanimous consent that the gentleman from Virginia (Mr. GOODLATTE) be permitted to control half the time in opposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PETERSON of Minnesota. Madam Chairman, I am pleased to recognize the gentlelady from South Dakota, a great member of our committee, Ms. HERSETH SANDLIN, for 1 minute.

Ms. HERSETH SANDLIN. Madam Chairman, I thank the chairman for yielding.

I rise in strong opposition to this amendment because it eviscerates the safety net for my constituents and destroys the delicate balance achieved in the committee bill which reflects significant and meaningful reform and is supported by the broadest coalition of stakeholders.

I believe that the bill has been unfairly characterized by the gentleman from Wisconsin in a number of ways, but just as one example, how can there be no reform in the commodity title when in this bill, the committee bill, there's a 43 percent reduction in the commodity title and a 32.3 percent increase in the commodity title?

But if you don't believe me, consider who has endorsed this amendment offered by Mr. KIND and Mr. FLAKE: Club for Growth, long advocated to eliminate farm payment programs and destroy the safety net; and the Bush administration, who long opposed disaster assistance for farmers and ranchers devastated by natural disaster, long opposed the mandatory country of origin labeling program. Both Club for Growth and the Bush administration prioritize multinational corporations' international trading interests just like the administration is now supporting foreign companies who avoid paying U.S. taxes over my constituents.

I urge my colleagues to vote ''no'' on the amendment.

Mr. FLAKE. Madam Chairman, let me just say before yielding to the gentleman from Wisconsin, the drop in 40 percent that is claimed by the committee is actually taking credit for high prices of corn and other commodities. There's no cut at all. So this is not reform.

Madam Chairman, I yield 3 minutes to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Madam Chairman, I rise in support of this amendment for a number of reasons. Number one, it's high time we reform our agricultural programs which are Depression-era. This is a modest amendment from the original aggressive reforms. It puts in place the reforms that the USDA experts said that we ought to put in place for the safety net.

Let me just address what the safety net really is. Should we or should we not give million-dollar checks to farmers making $1 million? Should we have a farm program that helps the family farmer at a time when they're struggling? Should those payments go to farmers when they're making record high prices, when they're doing well? Or should these programs go to them when they're hurting? That's what this amendment does.

This amendment also pays for itself; no budget gimmicks, no timing shift, no tax increases. It actually reduces the deficit by $2 billion in 5 years and $14 billion over 10. It actually boosts conservation. It actually boosts nutrition.

Let me just address the payment limit. This bill right here says we will allow farmers to have aggregate program payments that are at least 12 times the poverty rate. Isn't that high enough? The average poverty rate for a family of four is $20,500. This amendment says let's allow the farm payment to a family of four be as high as a quarter of a million dollars. Yet the committee's bill says, no, that's not good enough. It has to be unlimited in some senses or a million-dollar AGI for others.

Madam Chairman, let's get our priorities straight. Lets have a farm bill that doesn't distort our trade posture in the international community. If we pass the base bill, it hurts us internationally to get better trade agreements and open markets for our farmers. If we pass the base bill, it hurts us from helping people in the developing world lift their lives out of poverty.

If you vote for the Kind-Flake amendment, you will help us internationally open markets to farmers, you will preserve a modern safety net that helps farmers when they need it and the family farmers when they need it, and you will save money for the taxpayer, you will put savings in nutrition, you will put savings in conservation, and you will help reduce the deficit.

This is a responsible amendment. It's a responsible bill. It is the right way forward, and this is what really, truly, needy family farms need. We don't need to be cutting checks in the seven-figure range for people with AGIs, adjusted gross incomes, of $1 million. We need to say 12 times the poverty rate's enough. That's what we need to say, and by voting for this amendment, that's what we are saying.

Help the family farmer, help conservation, help nutrition and reduce the deficit. Vote for this amendment.

Mr. GOODLATTE. Madam Chairman, I yield myself 3 minutes.

Madam Chairman, I'll say one good thing about this amendment offered by the gentleman from Wisconsin and the gentleman from Arizona: It doesn't raise taxes. But I'll say nothing else good about it because it rips the safety net out from under America's farmers and ranchers.

The House Agriculture Committee bill is the result of careful consideration. The committee reviewed many options and took the testimony of countless witnesses at hearings in Washington and in multiple States. The committee chose to maintain a safety net that has proven very effective since 2002, but it's done so with reform.

The committee included in the safety net the option for producers to choose a priority of the administration, a revenue-based, countercyclical program.

The committee also drastically modified rules related to payment limits and income levels for participation. No one with a 3-year average gross adjusted income over $1 million may participate in the commodity program. That is down from $2.5 million for producers with AGI between $500,000 and $1 million; 66⅔ percent of their income must come from agriculture. These are major changes from the 2002 farm bill.

Additionally, the committee has done away with the three-entity rule. Now producers can receive payments on only one business entity.

The committee made significant reforms. By cutting $16 billion over 5

years, a 40 percent cut, this amendment shatters the farm safety net. This amendment cuts the safety net provided by direct payments by about $11 billion over 5 years, or 42 percent.

The amendment cuts the most basic level of support for farmers and ranchers, the marketing assistance loan, by $2 billion over 5 years, according to the Congressional Budget Office.

The committee was able to make significant increases in conservation, nutrition, rural development, research, fruits and vegetables, and in other areas without ripping out the safety net from America's farmers and ranchers, but the Kind-Flake-Ryan-Blumenauer amendment makes increases in those areas at the expense of American farmers.

The committee's commitment to conservation is unquestionable. The committee-passed bill increases conservation spending by over $4 billion over the next 5 years. We added over $1.9 billion to environmental quality incentive programs, which helps farmers and ranchers comply with State, Federal and local environmental laws.

We also continued our commitment to highly erodible land, wetlands, grasslands and wildlife habitat by funding the Conservation Reserve Program, the Wetland Reserve Program, the Grasslands Reserve Program, and the Wildlife Habitat Incentive Program.

The committee increased the commitment to preserving working farms by increasing funding to the Farmland Ranchland Protection Program by almost 300 percent.

The committee also focused efforts to help producers such as specialty crop and livestock producers who do not participate in traditional commodity programs.

We took an unprecedented step of committing $150 million over the next 5 years to help clean up the rivers of the Chesapeake Bay.

We do not need this amendment. Oppose it.

Mr. KIND. Madam Chairman, may I inquire how much time I have remaining?

The CHAIRMAN. The gentleman from Wisconsin (Mr. KIND) has 4½ minutes remaining.

Mr. KIND. Madam Chairman, just to give you an indication of how effective the current safety net is, it was recently discovered there was $1.1 billion in subsidy payments that went out to farmers who had already passed away.

Now, I want to recognize for 2 minutes a champion of family farmers and an advocate for reasonable, justifiable reform, my friend from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Madam Chairman, I appreciate the gentleman's courtesy. I appreciate his leadership. Along with our friend from Arizona and from Wisconsin, we have before you a real opportunity to make a difference.

Now, my heart goes out to the committee. They had a tough job. They went, I think, as far as they could, given the dynamics they had. Some of the things they did I strongly support and, in fact, have worked for. Those good items are now all protected under our initiative. In fact, many of them are actually enhanced.

□ 2115

They are enhanced not by throwing money at it, but by actually having real reform; not talking about reform, not moving towards reform, but actually doing it. Our bipartisan amendment is paid for, and it does so by helping most farmers.

My State of Oregon is an example. Under this initiative, we will gain more than $140 million in every congressional district over the life of this effort. We do this not by new taxes and new programs; we change the dynamic. No longer will 80 percent of America's farmers and ranchers get little or nothing. No longer will we have, in this case, a sham, I'm sorry to say, payment limitation that will only affect one-tenth of a percent of America's farmers, those who are at $1 million, it will only save $45 million, which shows you that it doesn't have much impact.

I would say that any farmer who can't get their adjusted gross income under $1 million probably needs to look for a new CPA, not a new subsidy. We stop the lunacy in a time of record high corn prices. We are going to give them 10 more billion dollars. If we don't give them 10 more billion dollars in a time of record high corn prices, we are going to shred the safety net? I would argue, not. Have a real limit, help the budget, and, most important, help America's family farmers.

Pass this amendment.

Mr. PETERSON of Minnesota. Madam Chairman, I recognize Chairman ETHERIDGE for a unanimous consent request.

(Mr. ETHERIDGE asked and was given permission to revise and extend his remarks.)

Mr. ETHERIDGE. Madam Chairman, I rise in opposition to the Kind-Flake amendment.

The sponsors of this amendment like to argue that passage of the amendment would help pave the way for new trade agreements. That is naive thinking.

Our trade negotiators are engaged in WTO trade talks in a bid to open up foreign markets for U.S. agriculture products and reduce, if not eliminate, trade distorting foreign subsides. The cuts in the farm safety net that the Kind-Flake amendment impose are tantamount to unilateral disarmament.

During the Cold War, we would never have cut our military strength without first extracting similar if not greater reductions from the Soviets. We should do no less in today's trade negotiations.

Cutting our farm support will not lead to a WTO agreement. As the current negotiations have shown, any time the United States gives a little on its trade position, our trading partners ask us to give more.

Trying to create a farm bill that will please a WTO negotiator from another country is the wrong approach. The farm bill is for helping U.S. farmers.

Who supports the Kind-Flake amendment, groups who mistakenly believe that unilateral cuts will spark a trade deal.

Who opposes the Kind-Flake amendment, farm and commodity groups across the nation.

When it comes to farm policy, I am going to stand with the farmers. I urge my colleagues to oppose the Kind-Flake amendment.

Mr. PETERSON of Minnesota. Madam Chairman, I yield 1 minute to the distinguished gentleman from California (Mr. COSTA), a great member of our committee.

Mr. COSTA. Madam Chairman, I want to thank you and the ranking member and the members of the committee for the hard work on a bipartisan basis that really produced, I think, a good product.

Unfortunately, I have to rise against the Kind amendment, not because it does involve reform, but I think it involves reform in a way that uses a meat ax and does not provide transition for American farmers, something I think I know something about.

You see, I represent a third-generation farm family that has been farming in the San Joaquin Valley since the turn of the 19th, early 20th century. What this bill does, what this amendment does, if it were to be enacted, is not provide the level of nutrition or research and competitiveness for food safety and conservation that the underlying bill has, which is why I support the underlying bill, because it provides real reform. It provides nutrition. It provides the efforts to make American farmers more competitive on a global basis with global markets, provides reform in a host of areas.

Ladies and gentlemen, I urge that you vote for the underlying bill. Vote against the Kind amendment.

Mr. FLAKE. Madam Chairman, let me just say that the direct payments were never intended as a safety net. They were meant to wean farmers off of the dole. If our parents worked as hard as this committee in weaning their children, we would all still be living in our parents' basement. It doesn't work to continue and continue and continue on with this.

Madam Chairman, I yield 2 minutes to the gentleman from Washington (Mr. REICHERT).

Mr. REICHERT. Madam Chairman, I would like to thank our colleagues for their crusade in offering real reform for the American people. I am proud to be a part of this unique coalition of Members in support of this amendment.

Why is a Member representing a suburban area of Seattle taking such an interest in the farm bill? The farm bill isn't just for farmers. It's funded by and affects every one of us across America.

The underlying bill leaves American farmers and businesses open to challenges from the World Trade Organization. Trade is critical, crucial to our State and our farmers. One in three jobs in Washington State is linked to trade. This amendment is a critical

step to bringing us into trade compliance so that our farmers and businesses have access to markets around the world.

Currently, 19 congressional districts receive 50 percent of Federal farm subsidies; 348 congressional districts would benefit positively from this amendment. Every district in my State would benefit. The Washington Post referred to farm subsidies as Federal giveaways that cost all Americans but benefit few.

This amendment funds many other American priorities; $1.2 billion to promote healthy food choices, $3 billion more to conservation programs, and $1 billion more to support fruit and vegetable producers.

This amendment saves money, brings us closer to trade compliance. It does all this without raising taxes. In fact, it saves taxpayers $2 billion.

We can't continue business as usual. Our taxpayers deserve an equitable balance. The time is now for reform.

I urge my colleagues to support this critical amendment.

Mr. GOODLATTE. Madam Chairman, I yield 3 minutes to the gentleman from Oklahoma (Mr. LUCAS).

Mr. LUCAS. Madam Chairman, I rise in strong opposition to the Kind amendment.

This amendment, I believe, is a threat to producers, consumers and rural America. We must do everything we can to defeat this amendment. The amendment destroys the commodity title, in essence, as we know it.

I know it's not as strong as the language they started out with a few days ago, but it starts us down that trail. By cutting the direct payments by 42 percent, by completely revealing, in effect, the counter-cyclical program, this is completely unacceptable and would do more harm to production agriculture than anything I can think of.

We in agriculture understand that the commodity title is much more than just producers. It's about providing the American consumer with the highest quality, the safest supply of food and fiber in the history of the world.

We have done that. In fact, we in the United States have the most affordable food supply in the world. We Americans spend 10 percent of our disposable income on food, while other countries spend as much as 51 percent on their food.

This is no accident. This is because we have created sound agricultural policy over the last 75 years. We have had 10 good years of agriculture policy in particular. We need to continue to build on that. If we can't, well, if we gut the foundation that we have created in past farm bills, then ultimately not only will rural America suffer for this, the American consumer will suffer for this, with higher prices, instability in supply, and that role that we have occupied for a century as the grainery, the reserve food stock for the world, will be gone.

I think, I believe, my colleagues are sincere in what they do. But sometimes sincerity does not generate clear, thoughtful, practical policy. Reject their version of sincerity. Let's focus on the policy that has delivered so much to the American consumer and rural America.

Reject this amendment.

Mr. KIND. Madam Chairman, I yield 1 minute to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Madam Chairman, 5 years ago, when we passed the Freedom to Farm Act, we were promised that it would clean up the subsidy programs that really dated back to the era of the Depression. It didn't. In fact, in many ways it made matters worse. I don't think we can wait another 5 years before we have fundamental reform.

The fact is that back in the 1930s, 25 percent of our population lived on farms. Today it's less than 2 percent. Today, corn, cotton, wheat, rice and soybeans count for 90 percent of our government commodity payments, and yet it leaves fruits and vegetables, which represent two-thirds of farm sales, ineligible for support. The largest farms that comprise only 3 percent of the total farms get the vast majority of crop subsidies today.

It just seems to me that it's time for fundamental reform that more fairly distributes the benefits of this program to all of America's deserving farms and families. That's why I support the Kind amendment.

Mr. PETERSON of Minnesota. Madam Chairman, I yield 1 minute to the gentleman from Colorado (Mr. SALAZAR), one of our great new members of the committee.

Mr. SALAZAR. I thank the gentleman for yielding.

Madam Chairman, I rise today in opposition to the Kind amendment and in opposition to any amendment trying to destroy the farm bill.

My family still farms the same land that my ancestors settled back 150 years ago. As one of only a few ranchers and farmers in Congress, I know a thing or two about agriculture. The farm bill provides a much-deserved safety net for our farmers, but it also provides a much-needed safety net for American citizens.

On this bumper sticker it says ''Not everyone farms, but everyone eats.'' The Kind amendment will make it even more difficult for our Nation's farmers and ranchers to stay in business, forcing us to rely on foreign production to feed our growing Nation. Do you really want to rely on other countries to produce our food? Look at the trouble we have gotten into for relying on other countries for the oil that we need. I, for one, would not want to buy or feed my children food harvested in China.

I ask my colleagues to vote against the Kind amendment. Please keep America safe and sound.

Mr. FLAKE. Madam Chairman, may I inquire as to the time remaining?

The CHAIRMAN. The gentleman from Arizona has 4½ minutes remaining.

Mr. FLAKE. Madam Chairman, I yield 1½ minutes to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. I thank the gentleman for yielding.

Madam Chairman, I rise tonight as one who typically comes to this floor to champion the cause of fiscal conservatism. But tonight, perhaps more importantly, I come here as the grandson of a farmer. I come here as the son of a farmer. I come here as one who grew up working on the family farm.

I have looked at the work of Mr. FLAKE and Mr. KIND, and I believe that this amendment is the one that is best for agriculture, and I think it is the one that is best for taxpayers. I don't like everything in this amendment. There is a lot I don't like about it. But I have got to ask myself, does it take me in a direction I want to go or does it take me in a direction I don't want to go? I think this work takes me in the direction I want to go, because it provides real reform. If you have got a program that's costing taxpayers $20 billion a year, maybe you need some reform.

If 10 percent of the recipients are receiving 33 percent of the egg, maybe you need some reform. If most of the subsidies are going to commercial farmers that have average incomes above $200,000, maybe you need some real reform.

Very importantly, for the agriculture producers in the Fifth District of Texas, our future is in exports. We want to export good Texas beef, and I'm afraid the committee bill is going to hurt trade. It will hurt trade.

We need to support this alternative.

Mr. GOODLATTE. Madam Chairman, I yield 1 minute to the gentlewoman from Colorado (Mrs. MUSGRAVE).

Mrs. MUSGRAVE. I thank the gentleman for yielding the time.

Madam Chairman, I stand in strong opposition to the Kind-Flake amendment.

We are looking at a time where we have concerns about trade. We have to realize that cutting direct payments raids our most WTO-compliant and nondistorting mechanism that stabilizes the United States agriculture and rural economies. These direct payments are decoupled from production.

Some people don't know this, but they do not encourage overproduction. This amendment would weaken us in our position in trade negotiations through a unilateral disarmament on agriculture policy.

I really believe that this threatens the long-term viability and competitiveness of U.S. agriculture in a global marketplace still characterized by subsidized foreign competition and continued trade barriers. In rural America, this would reduce our land values, our tax base, and cause potential disruptions and collateral for our farm loans.

Immediately, we would see farm equity disappear. The Americans have expectations of a safe, affordable food supply. Oppose the Kind-Flake amendment.

Mr. KIND. Madam Chairman, I yield 1 minute to an advocate of much-overdue reform of the crop insurance program, the gentleman from Tennessee, my good friend, Mr. COOPER.

Mr. COOPER. I thank the gentleman.

Madam Chairman, for anyone interested in reforming crop insurance, there are two ways to do it tonight. This way through comprehensive agriculture reform, the Kind amendment, is probably the best way to do it. But there will be another way to do it later on. We need to reform crop insurance.

Everyone who has studied it realizes it. The question is when. I suggest the time is now, because there are literally billions of dollars of corporate welfare we can and must be saving starting tonight. These 16 companies, there are only 16 companies, made $2.8 billion, at taxpayer expense, profit in the last 5 years. It's an outrageous system once you look into it.

The GAO and others discovered that 40 cents of every dollar that is supposed to go to the farmer, in fact, goes to the insurance middleman. This is not right. We need to get more money to the farmers, not less. Let's reform the crop insurance system. The Kind amendment is the right way to do it. Another way to do it will be the Cooper amendment.

Support the Kind amendment.

□ 2130

Mr. PETERSON of Minnesota. Madam Chairman, I am pleased to recognize the distinguished gentleman from Florida (Mr. MAHONEY), one of our great new members of the committee, for 1 minute.

Mr. MAHONEY of Florida. Madam Chairman, as a freshman Member of this Congress and someone who until this past January had never held political office, I came to Washington determined to change the culture of this august body. I believed that we could work together and, in doing so, put the interests of the American people over the political interests of party or the special interests of powerful lobbyists.

Just a few days ago at a press conference, I proudly stood and thanked my Republican colleagues in supporting a bill that clearly was a victory for American agriculture. It was a victory for our growers and ranchers; it was a victory for the people of Okeechobee, Lake Placid, Moore Haven, and Clewiston, Florida. This morning I awoke and found out that my Republican colleagues had changed their minds because the President of the United States again wanted to play politics. This is not about a tax increase. This is about politics.

As a businessman who, for 30 years, ran businesses around the globe, I am incensed that my colleagues would hurt the American farmer by lying to the American people and call closing a tax loophole for foreign companies and giving them an unfair advantage over our own businesses a tax increase. But silly me, why should I have been surprised? They are the party of special interests, Halliburton, Big Oil, and now they are the party of big foreign corporations.

Mr. GOODLATTE. Madam Chairman, I yield myself 30 seconds to tell the gentleman from Florida this is the party of American jobs, of American investment, of American workers. And we are going to protect that by not supporting tax increases that will cause a disincentive for investment in this country, that will cost jobs, that will involve the violation of American treaties, and will cause retaliation in foreign countries where we will face increased taxes on American investment there as well. This is a tax increase, pure and simple, and that is why we will not turn our backs on the American people and their jobs.

At this time, I yield 1½ minutes to the gentleman from Texas (Mr. NEUGEBAUER).

(Mr. NEUGEBAUER asked and was given permission to revise and extend his remarks.)

Mr. NEUGEBAUER. Madam Chairman, I rise tonight in strong opposition to the Kind amendment. The Kind amendment may be kind to someone, but it is not to American farm families.

You see, what is happening in America today is that we have already asked American farm families to make a reduction. Mr. KIND wants to reduce farm payments 40 percent. Well, that is on top of the 50 percent that they have already been reduced.

For America to be competitive in the global marketplace, farmers and ranchers all across America have had to get larger. To be competing in this global economy, the efficiencies of running $150,000 farm machinery across small acreages is no longer feasible. And yet what Mr. KIND and his friends want to do is to make American agriculture not competitive.

You see, to be competitive in this world, you have to find economic efficiencies, and these efficiencies have meant that many producers have had to get larger. And as they are trying to compete in a global marketplace where in many cases they are locked out because of trade restraints in these other countries, now we want to say to the American ranchers and farmers: Don't be efficient. Don't be competitive in this global marketplace. We want to take away the ability for you to be sustained in a global marketplace.

That is not good policy for any business. We don't do that in any other area of our government today. We don't say to American companies, why don't you all get small and inefficient? We don't tell them to do that. We say, get strong and efficient. And yet the Kind amendment wants to say to American farmers don't be efficient.

I urge members not to support the Kind amendment.

Madam Chairman, I rise in strong opposition to the Kind amendment. This amendment will reduce the safety net for U.S. farmers and result in a less secure and more expensive food supply for Americans.

There has been a lot of discussion about the need for "reform" in farm programs. I suggest the so-called reformers out there get better acquainted with the facts:

First, the portion of spending in the 2007 Farm Bill that goes to farm commodity programs has declined by half, to 14 percent of the spending in the bill. In the 2002 Farm Bill, the share of spending for commodities was 28 percent.

Second, in 2002, commodity programs were projected to cost $94 billion over 5 years. As the 2002 Farm Bill comes to a close, actual spending will come in $21 billion less.

Finally, because spending has been lower and is projected to stay low, the cost projection for the next 10 years for farm commodity programs is down nearly $60 billion compared to 2002.

Farm programs have worked as intended, providing support when prices are low and pulling back when prices are high, as most currently are. Maintaining the farm safety net has a reasonable cost.

Farm programs are the only area in H.R. 2419 in which spending is down. On top of these reductions, the Ag Committee took the additional step of reforming farm program payment policies and crop Insurance.

The Kind amendment doesn't save any money. It simply puts what it cuts from farm programs into expanding other spending.

A final reason for not cutting these programs off: maintaining U.S. leverage in trade negotiations.

U.S. farmers' and ranchers' exports are currently shut out of markets around the world. Without a significant market access agreement in the WTO Doha round negotiations, U.S. producers will continue to be at a disadvantage. The only leverage our negotiators have to gain new market access is to offer to change farm programs.

If Congress unilaterally reduces farm programs through the Kind amendment, our negotiators' efforts to gain market access are completely undercut and will be ineffective.

Support U.S. farmers and consumers and oppose the Kind amendment.

Mr. FLAKE. I yield 1 minute to the gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. The Kind-Flake Fairness in Farm and Food Policy amendment is one of the most remarkable developments in this Congress in years. This is real bipartisan reform in a major area of our government, agriculture.

As a Republican I have been astonished with the absolute fixation my own party has had on the Depression-era price-guarantee program. As an observer of Democrats, I have been astonished with their willingness to support a big-business-favored program.

The Kind-Flake substitute brings us into the modern age. It helps farmers, it helps consumers, it helps taxpayers. I am so proud to have the opportunity to speak in favor of it.

This bipartisan amendment would replace depression-era price guarantees with a modern revenue-based safety net developed by Department of Agriculture (USDA) experts that better protects family farmers from declines in crop prices and crop yields.

The bill also reforms our government-subsidized crop insurance program to fairly share the costs and risks of this program with crop insurance agents and companies, and gradually reduce direct payments.

The amendment invests some of these savings in new conservation, nutrition and specialty crop and minority farmer priorities.

The remaining savings are dedicated to deficit reduction of $2 billion over five years, and at least $10 billion over 10 years.

A unique coalition of members and advocacy groups from both sides of the aisle have united to advocate for these reforms to commodity programs to make them more equitable and geared toward family farms instead of a very few large and wealthy entities.

The bottom line is, we need new farm and food policies, and we have it in this Kind/Flake fairness in Form & Food Policy Amendment.

I urge my colleagues to support this Fairness Amendment.

Mr. PETERSON of Minnesota. Madam Chairman, I recognize myself for 1 minute.

This so-called reform bill, we just got the CBO score. First of all, it changes the payment limits based on the 2002 bill. So, the effect of this bill is to have no limitation on payments at all, number one.

We are writing a 10-year baseline, not a 5-year bill. This bill cuts conservation 37½ percent below our baseline over 10 years. It actually takes less out of crop insurance by 13.5 percent compared to our bill over 10 years. And this is what happens when people aren't on the Agriculture Committee and get involved in this very complex area. If this is a reform bill, if this is freedom to farm, we would have a heck of a mess in farm country.

So we just got this score. We wish we could have got this out earlier. We got it about 2 hours ago, and I just want people to know what this bill actually does. It does not do what some people have been saying.

I yield back the balance of my time.

The CHAIRMAN. The gentleman's time has expired.

Mr. FLAKE. Madam Chairman, may I inquire as to the time remaining?

The CHAIRMAN. The gentleman has 2 minutes remaining.

Mr. FLAKE. I yield 30 seconds to the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. I thank the gentleman from Arizona. I support his amendment because it does bring both fairness to the American farmer and also to the American taxpayer, and it does so by dispelling certain myths that are out there.

This program started in 1933 as an emergency program that was supposed to be temporary. Well, 70, 80 years later and this temporary program is still with us. It started out as a program that was supposed to be for the small farmers, like we have in the State of New Jersey still, actually, and yet we find that three-quarters of the farmers are getting 10 percent of the program. The small farmers are just getting a slice of it. It is supposed to be going out for the small farmers and the farmers who are only making a small income, to help the family farm, yet we see that the average income of these farmers for the large sales are making $199,000.

This amendment helps to dispel the myth to make sure that we get a program that actually helps the family farmer and helps the American taxpayer at the same time. I support the amendment of the gentleman from Arizona.

Mr. GOODLATTE. Madam Chairman, I am pleased to yield 1 minute to the gentleman from Texas (Mr. CONAWAY).

Mr. CONAWAY. I thank Mr. GOODLATTE for yielding.

The subcommittee rejected this bill's predecessor on a 0–18 vote. There were no hearings on this activity. We have already heard the chairman say that the unintended consequences just of the scoring of this has not been done.

This speaks to the fallacy of coming to this body tonight with a policy that is as broad and important for America as farm policy and to try to fix it with 20 minutes of debate on each side. It is just nonsense. This did not go through any hearings. We had field hearings, we had committee hearings, we had testimony from experts, we had testimony from producers throughout this process. And while that may have come to a result they don't like, it at least came to a result that has broad support.

This process that they are bringing to us tonight should be subjected to the same scrutiny, to the same opportunity to look at what it does and what it does not do that all of the farm bill that we are looking at tonight does. They have not done that, and they have a lot of unintended consequences, and I urge my colleagues to oppose the Kind amendment.

Mr. FLAKE. Madam Chairman, may I ask the time remaining?

The CHAIRMAN. The gentleman has 1 minute remaining.

Mr. FLAKE. Let me just pay tribute first to the gentleman from Wisconsin (Mr. KIND) for the hard work in bringing this amendment and being the lead sponsor to the floor.

It strikes me that the committee in this case, as the saying goes, is traipsing down a flower-strewn path unpricked by the thorns of reason.

We are running headlong, whether we like it or not, into international trade agreements that will not coexist with the status quo bill. We cannot move forward and maintain the access we have to world markets or increase access to other world markets with this bill. We simply can't. Nor can we maintain the fiscal burden carrying this forward.

We need a real reform bill, a reform bill that really looks out for family farms, as opposed to protecting those who are gobbling up family farms. That is what this reform bill is all about.

Members of this body have wanted an opportunity to vote for a bill that doesn't increase taxes, that has real reform. This is that chance. This is the amendment. This is the chance to actually do that.

We need real reform, reform that allows us to go forward, that allows the American farmer to actually become independent and independently competitive globally. The status quo bill, the committee bill, just doesn't do that. It doesn't cut direct payments. As much as we have heard that tonight, it doesn't. High prices have done that. There is no cut in direct payments at all here. Only prices have done that.

I urge support of this amendment.

Mr. PETERSON of Minnesota. Madam Chairman, I am pleased to recognize my good friend, the distinguished member from Arkansas (Mr. BERRY) for 1 minute.

Mr. BERRY. I thank the gentleman from Minnesota. I can't say enough good things about the wonderful work he has done as chairman of this committee. He can be forever proud of the way he has brought the real bill together.

It is an interesting thing that the people that have risen in support of the Kind amendment, which I oppose, none of them serve on the committee. None of them have recognized that the committee bill passed by unanimous consent out of the committee. That, in and of itself, is enough for us to support the committee bill.

The only reason for a farm bill and to have farm and food policy is to ensure adequate production and processing capacity so that the American people have enough to eat and clothes on their back. The committee bill does this; the Kind amendment destroys that safety net that has made that possible.

Mr. PETERSON of Minnesota. Madam Chairman, I am pleased to recognize the gentlelady from Kansas (Mrs. BOYDA), one of our new members of the committee, a great Member of the House, for 1 minute.

Mrs. BOYDA of Kansas. I thank the chairman for all the hard work that has gone into this bill.

I rise in opposition to the Kind amendment. I believe, actually, that they are doing it with the best of intentions, but what will happen to independent and small farmers in Kansas is not a good thing, and I will not be able to support it.

But, Madam Chairman, I would also like to talk today about something that I have been speaking about in Kansas for now 4 years, and that is closing the loopholes on these corporations that move offshore just to avoid taxes. The people in Kansas certainly are not happy that this has been allowed to go on for year after year. And I am proud to work on the farm bill, what I thought was a very bipartisan group, and I get to kill two birds with one stone, hopefully, and that is to bring home a farm policy that is going to be a very good thing for our country and for Kansas farmers, and we get to

finally close a loophole that should have been closed years and years ago.

The bottom line is we can't borrow and spend. We have to pay for the things that we want. It is a bipartisan bill, it is not a tax increase, and I ask my colleagues to support our farm bill.

Mr. PETERSON of Minnesota. Madam Chairman, I am pleased to recognize the gentleman from Ohio (Mr. SPACE), one of our other new Members, and a great member of the committee, for 1 minute.

Mr. SPACE. Madam Chairman, I rise today in opposition to the Kind amendment, and I do so on behalf of the farmers of Ohio's 18th Congressional District. They are a very diverse bunch, but one thing they all have in common is that they are small, family-run operations.

They asked for several things in this farm bill: conservation, energy, and a safety net. This bill as it has come out of committee provides those things that will allow those farmers to continue to do business. Those farmers operate on extremely narrow margins, and without a safety net that mitigates their risks, they can no longer do business.

Madam Chairman, the people of this country are already experiencing increased rates for gasoline, for utilities, for health care. The last thing that we can afford in this country is to see a spike in the price of food.

Madam Chairman, I rise once again in opposition to the Kind amendment and in favor of the bill as it has come out of the committee.

□ 2145

Mr. GOODLATTE. Madam Chairman, we have no further speakers on the legislation. I yield back.

Mr. PETERSON of Minnesota. Madam Chairman, I'm pleased to recognize for 1 minute my good friend and neighbor from Minnesota, a new member of our committee, Mr. WALZ.

Mr. WALZ of Minnesota. I thank the chairman and my good friend for the work he's done, and I thank the distinguished gentleman from Virginia, the ranking member for making the experience in the Ag Committee as rewarding as it's been.

I rise in opposition to my good friend from Wisconsin's piece of legislation. It's well meaning, but I believe it does not address the needs of my district. The people of the First District of Minnesota, I think, can probably lay claim to one of the richest agricultural pieces of land in the entire world. We lead in production of soybeans, near the top in corn production, turkeys and pork.

This is a bill that is supported. I had 14 hearings throughout my district with universal acceptance of making sure the safety net is maintained, improving our conservation programs and strengthening rural America.

When I hear about record high prices, the people of this Chamber and the people of America need to know the price of corn has dropped 25 percent in the last month. Farmers know it won't always remain that way.

When I need advice on the farm bill, I go to a couple of good farmers in my district, Kevin Papp, president of the Minnesota Farm Bureau, and Doug Peterson, president of Minnesota's Farmers Union. I don't need to go to the ideologues at the Cato Institute or Club for Growth to know what's good for rural America.

I oppose this amendment and support the chairman's mark.

Mr. PETERSON of Minnesota. Madam Chairman, I am pleased to recognize the gentleman from North Dakota (Mr. POMEROY) for 1 minute.

Mr. POMEROY. I was really surprised to hear my colleague, Mr. FLAKE, say, in talking about his bill, that farmers participating in the farm program are something like grown children living in the parents' basement. What a complete affront to the hardworking family farmers producing our Nation's food all across this country.

It also shows a profound ignorance in just what's involved in family farming, tremendous capital exposed every year you put that crop and risks you can't control, price collapse, crop failure. And the only thing that's going to keep family farmers as our backbone for U.S. food production is a farm program that helps allay these risks.

What do we want for our future, vast corporate-style ag production or family farmers producing the abundant food, the high quality, the low cost we've come to enjoy in our food supply in this country?

I know what the people back home represent. They want family farms, and that's why they want this farm bill.

Vote ''no'' on Kind; ''yes'' on the farm bill.

Mr. KIND. Madam Chairman, I yield myself the remainder of the time.

Madam Chairman, change in this place is very difficult. In fact, sometimes the toughest thing to accomplish is changing the status quo.

But the fundamental fact is that when you've got two-thirds of the subsidy program in this farm bill going to just 30 congressional districts who are well represented on the committee, I think it's unrealistic to expect that that committee's going to produce a policy statement that embraces reform and new ideas. I should know. I used to serve on the committee. And I'm not being critical. That's just a fact. They have their districts to represent as we have districts to represent as well.

My district takes a hit under this reform bill. But sometimes it takes a group of well-intentioned individuals to move the cause of reform forward, and that's what we're trying to do tonight.

Mr. HOLT. Madam Chairman, I acknowledge and do not disparage the work of the committee. Let us consider, though, how much better we can do—for consumers, for the Northeast, for New Jersey, for specialty crop growers, for small farmers, for nutrition programs, for our common environment.

By shifting from obsolete programs the Kind amendment provides an additional $1.2 billion above the committee bill for fruit and vegetable growers—tripling the Farmer Market Promotion Program, making $500 million mandatory for Specialty Crop Research, making $150 million mandatory for Community Food Projects, and providing hundreds of millions of dollars for community supported agriculture, and the School Fresh Fruit and Vegetable Program.

I want to emphasize that the Kind amendment would provide $3 billion more than the committee bill to conservation programs.

Support for the Kind amendment is broad and diverse including environmental and conservation groups, nutrition groups and groups that serve low-income Americans, specialty crop and organic farmers, and taxpayer groups. This is a sensible amendment. Indeed, the proposal by Mr. Kind, the gentleman from Wisconsin, is a remarkable, admirable legislative reform. I urge my colleagues to support it.

Mr. BISHOP of Georgia. Madam Chairman, I rise today in opposition to the Kind-Flake amendment, and in support of H.R. 2419, the Farm, Nutrition, and Bioenergy Act of 2007.

Madam Chairman, the Kind-Flake amendment is nothing more than a veiled attempt at pulling the rug out from underneath of this nation's hardworking family farmers and those in the rural South who till the land of our nation to provide us with a safe, healthy, and robust food supply—often with little or no profit for themselves.

Increasingly, we are relying on our farmers on many fronts—namely, to clothe, feed and, now, fuel our nation. The Kind-Flake amendment would divert us from reaching that goal by discouraging domestic crop production, dismantling our hope for energy innovation and independence, and increasing the trade deficit with countries that threaten our economic competitiveness.

Indeed, the Kind-Flake proposal would take away the farm safety net and put U.S. farmers and ranchers in unfair competition against heavily subsidized foreign producers, many of whom are protected by much higher import tariffs than those imposed by the United States.

In recent months, we have heard horrific accounts of how agricultural products are grown and how food is manufactured abroad, especially in China, whose rapidly growing, already behemoth-sized economy now imports $2.26 billion worth of food into this country each year. Do we really want to reduce the incentive for our domestic producers to grow their own, and rely more from these foreign countries with proven histories of lax food safety standards and tendencies to include poisonous additives into their products? I surely hope not.

Furthermore, in lowering the AGI limitation to $250,000, the Kind-Flake proposal is not drawn narrowly, as its supporters claim, but instead casts a wide net—it would eliminate over 38,000 current recipients from being covered by a farm safety net.

The Kind-Flake proposal also misrepresents itself by touting its revenue-based counter cyclical payments as revolutionary, and as a superior alternative to the traditional counter-cyclical program. This completely ignores the fact that the Agricultural Committee's markup includes a revenue based counter-cyclical payment option!

In the Agricultural Committee's proposal the producer gets to choose whether or not the current payment system or a revenue-based system is right for their unique operation. This allows individual producers to decide on their own what is best for their operation.

Kind-Flake also cuts direct payments and, quite foolishly, assumes that by cutting direct payments, landowners will lower the price of rented land. In reality, cutting Direct Payments would leave farmers who rent land in a terrible lurch. It is highly unlikely that landowners will feel sympathetic to a producer and compelled to lower land rental rates.

Much of this debate is focused on cost—that agricultural subsidies are out of control, are disproportionate to the agricultural industry's value to United States GDP, but let's focus on the facts: U.S. farm policy today costs less than one half of one percent of the total federal budget and comprises just 13 percent of the total U.S. Department of Agriculture budget. I believe that proportionately small cost is well worth what is returned to the American people in terms of a safe, affordable and robust food supply, a base on which to become energy independent, 20 percent of this nation's jobs, and $3.5 trillion in economic activity.

My colleagues offering this amendment today are misguided about rural interests, about rural America, and about the overall cost of a bill that is expected to keep U.S. farm policy costs low and be good for taxpayers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. KIND).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. KIND. Madam Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Wisconsin will be postponed.

AMENDMENTS EN BLOC OFFERED BY MR. PETERSON OF MINNESOTA

Mr. PETERSON of Minnesota. Madam Chairman, pursuant to House Resolution 574, I offer amendments en bloc, including germane modifications. The amendments are at the desk.

The CHAIRMAN. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Amendments en bloc consisting of amendments No. 4 by Mr. LUCAS, No. 8 by Mr. HASTINGS of Florida, No. 9 by Mr. ARCURI of New York, No. 10 by Mr. WELCH of Vermont, No. 14 by Ms. EDDIE BERNICE JOHNSON of Texas, No. 17 by Mr. LATHAM, No. 22 by Mr. WU, No. 23 by Mr. CLAY, as modified; No. 24 by Mr. ISRAEL, No. 26 by Ms. BORDALLO, No. 28 by Mr. EMANUEL, No. 30 by Mr. HODES and No. 31 by Mr. SHULER printed in part B of House Report 110–261 offered by Mr. PETERSON of Minnesota:

AMENDMENT NO. 4 OFFERED BY MR. LUCAS

The text of the amendment is as follows:

At the end of subtitle A of title XI, insert the following new section:

SEC. 11013. LIVESTOCK ASSISTANCE.

Notwithstanding any other provision of law, the purchase of a Non-insured Assistance Program policy shall not be a requirement to receive any Federal livestock disaster assistance.

AMENDMENT NO. 8 OFFERED BY MR. HASTINGS OF FLORIDA

The text of the amendment is as follows:

At the end of title XI add the following new section:

SEC. ___. POLLINATOR PROTECTION.

(a) SHORT TITLE.—This section may be cited as the ''Pollinator Protection Act of 2007''.

(b) FINDINGS.—Congress finds that—

(1) many of the crops that humans and livestock consume rely on pollinators for healthy growth;

(2) pollination by honey and native bees adds more than $18,000,000,000 annually to the value of United States crops;

(3) ⅓ of the food supply of the United States depends on bee pollination, which makes the management and protection of pollinators an issue of paramount importance to the security of the United States food supply system;

(4) colony collapse disorder is the name that has been given to the latest die-off of honey bee colonies, exacerbating the continual decline of pollinators in North America;

(5) honey bee colonies in more than 23 states have been affected by colony collapse disorder;

(6) if the current rate of decline continues, the United States will be forced to rely more heavily on imported foods, which will destabilize the food security of the United States through adverse affects on the availability, price, and quality of the many fruits, vegetables, and other products that depend on animal pollination; and

(7) enhanced funding for research on honey bees, native bees, parasites, pathogens, toxins, and other environmental factors affecting bees and pollination of cultivated and wild plants will result in methods of response to colony collapse disorder and other factors causing the decline of pollinators in North America.

(c) AUTHORIZATIONS OF APPROPRIATIONS.—

(1) AGRICULTURAL RESEARCH SERVICE.—There is authorized to be appropriated to the Secretary of Agriculture, acting through the Agricultural Research Service—

(A) $3,000,000 for each of fiscal years 2008 through 2012, to be used for new personnel, facilities improvement, and additional research at Department of Agriculture Bee Research Laboratories;

(B) $2,500,000 for each of fiscal years 2008 and 2009, to be used for research on honey and native bee physiology, insect pathology, insect chemical ecology, and honey and native bee toxicology at other Department of Agriculture facilities in New York, Florida, California, Utah, and Texas; and

(C) $1,750,000 for each of fiscal years 2008 through 2010, to be used for an area-wide research program to identify causes and solutions for colony collapse disorder in affected States.

(2) COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE.—There is authorized to be appropriated to the Secretary of Agriculture, acting through the Cooperative State Research, Education, and Extension Service, $10,000,000 for each of fiscal years 2008 through 2012 to be used to fund Department of Agriculture extension and research grants to investigate—

(A) honey bee biology, immunology, and ecology;

(B) honey bee genomics;

(C) honey bee bioinformatics;

(D) native bee crop pollination and habitat conservation;

(E) native bee taxonomy and ecology;

(F) pollination biology;

(G) sublethal effects of insecticides, herbicides, and fungicides on honey bees, native pollinators, and other beneficial insects;

(H) the effects of genetically-modified crops, including the interaction of genetically-modified crops with honey bees and other native pollinators; and

(I) honey, bumble, and other native bee parasites and pathogens and effects on other native pollinators.

(3) ANIMAL AND PLANT HEALTH INSPECTION SERVICE.—There is authorized to be appropriated to the Secretary of Agriculture, acting through the Animal and Plant Health Inspection Service, $2,250,000 for each of fiscal years 2008 through 2012 to conduct a nationwide honey bee pest and pathogen surveillance program.

(d) ANNUAL REPORTS.—The Secretary of Agriculture, acting through the Agricultural Research Service and the Cooperative State Research, Education, and Extension Service, shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the status and progress of bee research projects that are carried out by the Secretary.

(e) GIVING POLLINATOR HABITAT AND PROTECTION A PRIORITY IN CONSERVATION PROGRAMS.—Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) is amended by adding at the end the following new subsection:

''(c) NATIVE AND MANAGED POLLINATORS.—In carrying out any conservation program administered by the Secretary, except the farmland protection program, the Secretary shall establish a priority and provide incentives for—

''(1) increasing habitat for native and managed pollinators, especially native habitat; and

''(2) establishing cropping systems, integrated pest management regimes, and other practices to protect native and managed pollinators.''.

AMENDMENT NO. 9 OFFERED BY MR. ARCURI

The text of the amendment is as follows:

At the end of subtitle D of title I, add the following new section:

SEC. 2410. ADJUSTMENT OF CLASS I MILK PRICE MOVER TO REFLECT ENERGY AND ANIMAL FEED COST INCREASES.

It is the sense of Congress that the Secretary of Agriculture should use existing authority when determining the Class I milk price mover to take into account the increased cost of production, including energy and feed.

AMENDMENT NO. 10 OFFERED BY MR. WELCH OF VERMONT

The text of the amendment is as follows:

Section 4303 is further amended by striking paragraph (2) and inserting the following:

(2) in paragraph (3)(A)—

(A) in the matter preceding clause (i) by striking ''paragraph (1)(B)'' and inserting ''paragraph (1)'';

(B) in clause (iii) by striking ''and'' at the end;

(C) in clause (iv) by striking the period at the end and inserting ''; and''; and

(D) by adding at the end the following:

''(v) encourage plans for implementation that include locally grown foods, where geographically available, in accordance with section 9(j).''.

AMENDMENT NO. 14 OFFERED BY MS. EDDIE BERNICE JOHNSON OF TEXAS

The text of the amendment is as follows:

At the end of subtitle B of title VII, insert the following:

SEC. 7234. EMPHASIS OF HUMAN NUTRITION INITIATIVE.

Section 1424(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(b)) is amended—

(1) in paragraph (1), by striking ''and,'';

(2) in paragraph (2), by striking the comma and inserting ''; and''; and

(3) by adding at the end the following:

''(3) proposals that examine the efficacy of current agriculture policies in promoting the health and welfare of economically disadvantaged populations,''.

AMENDMENT NO. 17 OFFERED BY MR. LATHAM

The text of the amendment is as follows:

In section 6008—

(1) insert ''(a) AUTHORIZATION OF APPROPRIATIONS.—'' before ''Section''; and

(2) add at the end the following:

(b) ADDITIONAL PRIORITY IN AWARDING GRANTS.—Section 306E(c) of such Act (7 U.S.C. 1926e(c)) is amended by inserting '', and to an applicant that has substantial expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water. The ability of an applicant to provide matching funds shall not be taken into account in determining any priority in awarding grants under this section. The payment by a grantee of audit fees, business insurance, salary, wages, employee benefits, printing costs, postage costs, and legal fees associated with providing the assistance described in paragraph (1) shall be considered the provision of matching funds by the grantee for purposes of this section'' before the period.

AMENDMENT NO. 22 OFFERED BY MR. WU

The text of the amendment is as follows:

Page 603, line 18, insert after ''economies'' the following: ''or universities with fields of study capable of developing renewable energy technology or policy''.

Page 604, line 7, insert after ''economy'' the following: '', or at a university with fields of study capable of developing renewable energy technology or policy (including agriculture-related studies, chemistry, environmental sciences, bioengineering, biochemistry, natural resources, and public policy),''.

AMENDMENT NO. 23 OFFERED BY MR. CLAY

The text of the amendment is as follows:

In subtitle B of title X, insert after section 10103 the following new section 10103A (and amend the tables of content accordingly):

SEC. 10103A ADDITIONAL SECTION 32 FUNDS TO PROVIDE GRANTS FOR THE PURCHASE AND OPERATION OF URBAN GARDENS GROWING ORGANIC FRUITS AND VEGETABLES FOR THE LOCAL POPULATION.

(a) GRANTS.—The Secretary of Agriculture may make grants to eligible entities to assist in purchasing and operating organic gardens or greenhouses in urban areas for growing fruits and vegetables. In making such grants, the Secretary will ensure such fruits and vegetables are sold to local grocery stores.

(b) LIMITATIONS.—Grants provided to any eligible entity under this section may not exceed $25,000 for any given year.

(c) ELIGIBLE ENTITIES.—

(1) INDIVIDUALS.—An individual shall be eligible to receive a grant under subsection (a) if the individual is a resident of the neighborhood in which the urban garden or greenhouse is located, or will be located.

(2) COOPERATIVES.—A cooperative shall be eligible to receive a grant under subsection (a) if every individual member or owner of the cooperative is a resident of the neighborhood in which the urban garden or greenhouse is located, or will be located.

(d) SELECTION OF ELIGIBLE ENTITIES.—The Secretary shall develop criteria for the selection of eligible entities to receive grants under this section.

(e) FUNDING.—The Secretary shall award such grants using, of the funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), $20,000,000 in fiscal year 2008 and each fiscal year thereafter.

AMENDMENT NO. 24 OFFERED BY MR. ISRAEL

The text of the amendment is as follows:

At the end of title XI add the following new sections:

SEC. ___. PROHIBITION ON USE OF LIVE ANIMALS FOR MARKETING MEDICAL DEVICES; FINES UNDER THE ANIMAL WELFARE ACT.

(a) PROHIBITION ON USE OF ANIMALS FOR MARKETING OF MEDICAL DEVICES.—The Animal Welfare Act (7 U.S.C. 2131 et seq.) is amended by inserting after section 17 the following new section:

''PROHIBITION ON USE OF LIVE ANIMALS FOR MARKETING MEDICAL DEVICES

''SEC. 18. (a) IN GENERAL.—No person may use a live animal to—

''(1) demonstrate a medical device or product to a sales representative for the purpose of marketing such medical device or product;

''(2) train a sales representative to use a medical device or product;

''(3) demonstrate a medical device or product in a workshop or training session for the purpose of marketing a medical device or product; or

''(4) create a multimedia recording (including a video recording) for the purpose of marketing a medical device or product.

''(b) EXCEPTION.—Subsection (a) shall not apply to the training of medical personnel for a purpose other than marketing a medical device or product.

''(c) DEVICE DEFINED.—In this section, the term 'device' has the meaning given the term in section 201(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(h)).''.

(b) FINES FOR VIOLATIONS OF THE ANIMAL WELFARE ACT.—Section 19(b) of the Animal Welfare Act (7 U.S.C. 2149(b)) is amended—

(1) in the first sentence by striking ''not more than $2,500 for each such violation'' and inserting ''not more than $10,000 for each such violation''; and

(2) by striking the second sentence and inserting the following: ''Each violation, each day during which a violation continues, and, in the case of a violation with respect to animals, each animal that is the subject of such a violation shall be a separate offense.''.

(c) REPORTS ON ACTIVITIES UNDER THE ANIMAL WELFARE ACT.—The Animal Welfare Act (7 U.S.C. 2131 et seq.) is further amended by striking section 25 and inserting the following new section:

''ANNUAL REPORT

''SEC. 25. Not later than March 1 of each year, the Secretary shall submit to Congress a report containing—

''(1) an identification of all research facilities, exhibitors, and other persons and establishments licensed by the Secretary under section 3 and section 12;

''(2) an identification of all research facilities, intermediate handlers, carriers, and exhibitors registered under section 6;

''(3) the nature and place of all investigations and inspections conducted by the Secretary under section 16, and all reports received by the Secretary under section 13;

''(4) recommendations for legislation to improve the administration of this Act or any provisions of this Act; and

''(5) recommendations and conclusions concerning the aircraft environment as it relates to the carriage of live animals in air transportation.''.

SEC. ___. PROTECTION OF PETS.

(a) SHORT TITLE.—This section may be cited as the ''Pet Safety and Protection Act of 2007''.

(b) RESEARCH FACILITIES.—Section 7 of the Animal Welfare Act (7 U.S.C. 2137) is amended to read as follows:

''SEC. 7. SOURCES OF DOGS AND CATS FOR RESEARCH FACILITIES.

''(a) DEFINITION OF PERSON.—In this section, the term 'person' means any individual, partnership, firm, joint stock company, corporation, association, trust, estate, pound, shelter, or other legal entity.

''(b) USE OF DOGS AND CATS.—No research facility or Federal research facility may use a dog or cat for research or educational purposes if the dog or cat was obtained from a person other than a person described in subsection (d).

''(c) SELLING, DONATING, OR OFFERING DOGS AND CATS.—No person, other than a person described in subsection (d), may sell, donate, or offer a dog or cat to any research facility or Federal research facility.

''(d) PERMISSIBLE SOURCES.—A person from whom a research facility or a Federal research facility may obtain a dog or cat for research or educational purposes under subsection (b), and a person who may sell, donate, or offer a dog or cat to a research facility or a Federal research facility under subsection (c), shall be—

''(1) a dealer licensed under section 3 that has bred and raised the dog or cat;

''(2) a publicly owned and operated pound or shelter that—

''(A) is registered with the Secretary;

''(B) is in compliance with section 28(a)(1) and with the requirements for dealers in subsections (b) and (c) of section 28; and

''(C) obtained the dog or cat from its legal owner, other than a pound or shelter;

''(3) a person that is donating the dog or cat and that—

''(A) bred and raised the dog or cat; or

''(B) owned the dog or cat for not less than 1 year immediately preceding the donation;

''(4) a research facility licensed by the Secretary; and

''(5) a Federal research facility licensed by the Secretary.

''(e) PENALTIES.—

''(1) IN GENERAL.—A person that violates this section shall be fined $1,000 for each violation.

''(2) ADDITIONAL PENALTY.—A penalty under this subsection shall be in addition to any other applicable penalty.

''(f) NO REQUIRED SALE OR DONATION.—Nothing in this section requires a pound or shelter to sell, donate, or offer a dog or cat to a research facility or Federal research facility.''.

(c) FEDERAL RESEARCH FACILITIES.—Section 8 of the Animal Welfare Act (7 U.S.C. 2138) is amended—

(1) by striking ''Sec. 8. No department'' and inserting the following:

''SEC. 8. FEDERAL RESEARCH FACILITIES.

''Except as provided in section 7, no department'';

(2) by striking ''research or experimentation or''; and

(3) by striking ''such purposes'' and inserting ''that purpose''.

(d) CERTIFICATION.—Section 28(b)(1) of the Animal Welfare Act (7 U.S.C. 2158(b)(1)) is amended by striking ''individual or entity'' and inserting ''research facility or Federal research facility''.

(e) EFFECTIVE DATE.—The amendments made by subsections (b), (c), and (d) take effect on the date that is 90 days after the date of the enactment of this Act.

AMENDMENT NO. 26 OFFERED BY MS. BORDALLO

The text of the amendment is as follows:

After section 7233, insert the following new section (and conform the table of contents accordingly):

SEC. 7234. GRANTS TO UPGRADE AGRICULTURE AND FOOD SCIENCES FACILITIES AT INSULAR AREA LAND-GRANT INSTITUTIONS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by inserting after section 1447A the following:

''SEC. 1447B. GRANTS TO UPGRADE AGRICULTURE AND FOOD SCIENCES FACILITIES AND EQUIPMENT AT INSULAR AREA LAND-GRANT INSTITUTIONS.

''(a) PURPOSE.—It is declared to be the intent of Congress to assist the land grant institutions in the insular areas in efforts to acquire, alter, or repair facilities or relevant equipment necessary for conducting agricultural research.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the purposes of carrying out the provisions of this section $8,000,000 for each of fiscal years 2008 through 2012.

''(c) METHOD OF AWARDING GRANTS.—Grants awarded pursuant to this section shall be made in such amounts and under such terms and conditions as the Secretary shall determine necessary for carrying out the purposes of this section.

''(d) REGULATIONS.—The Secretary may promulgate such rules and regulations as the Secretary may consider necessary to carry out the provisions of this section.''.

AMENDMENT NO. 28 OFFERED BY MR. EMANUEL

The text of the amendment is as follows:

At the end of subtitle E of title I, add the following new section:

SEC. 1512. PREVENTION OF DECEASED PERSONS RECEIVING PAYMENTS UNDER FARM COMMODITY PROGRAMS.

(a) IDENTIFICATION OF ERRONEOUS PAYMENTS MADE TO DECEASED PERSONS.—The Secretary of Agriculture shall—

(1) undertake a study to identify any estate of a deceased person that continued to receive payments under this title for more than two crop years after the death of the person; and

(2) submit a report containing the results of the study to Congress.

(b) NOTIFICATION.—The Secretary shall issue regulations that specify deadlines by which a legal entity must notify the Secretary of any change in ownership of such entity, including the death of a person with a direct or indirect ownership interest in the entity, that may affect the entity's eligibility to receive payments or other benefits under this title. The Secretary may deny the issuance of such payments or benefits to an entity that fails to comply with such regulations.

(c) RECOUPMENT.—If the Secretary determines that the estate of a deceased person failed to timely notify the Farm Service Agency of the death, the Secretary shall recoup the erroneous payments made on behalf of the deceased person. The Secretary shall withhold payments that would otherwise be made under this title to farming operations in which the deceased person was actively engaged in farming before death until the funds have been recouped.

(d) COORDINATION.—The Secretary shall, twice a year, reconcile individual tax identification numbers with the Internal Revenue Service for recipients of payments under this title to determine recipients' living status.

AMENDMENT NO. 30 OFFERED BY MR. HODES

The text of the amendment is as follows:

At the end of title IX add the following new section:

SEC. ___. COMMUNITY WOOD ENERGY PROGRAM.

(a) FINDINGS.— Congress finds that—

(1) the United States' over-reliance on fossil fuel energy has placed undue strain on the nation by compromising our economy and national security;

(2) the United States' over-reliance on fossil fuel energy has also created new strains on our natural systems, including carbon emissions that contribute to climate change;

(3) transportation of energy, such as heating oil, adds to carbon emissions associated with meeting our community energy needs and therefore further feeds climate change;

(4) it is in the national interest to conserve energy and support adoption of new local, sustainable, efficient, and carbon neutral energy sources, such as wood energy, for community energy needs;

(5) communities can save as much as 50 percent over natural gas, 80 percent over propane, 80 percent over electric heat, and 50 percent over oil heat by switching to wood energy for heating schools and other public buildings;

(6) in fast growing communities of all sizes across the United States, municipal and country-owned forest land is playing an essential role in meeting many public needs and could also be used to help support sustainable forestry and local wood energy applications; and

(7) the rapidly expanding base of private forest land owners nationwide includes many individuals with no experience in forest stewardship who could be given technical assistance to provide locally sourced wood supply through sustainable forest management for local wood energy applications.

(b) PURPOSE.—The purpose of this section is to provide grants for community wood energy systems that are intended to—

(1) meet community energy needs with reduced carbon intensity versus fossil fuel systems;

(2) promote energy conservation and development of new renewable energy sources;

(3) aid local budgets by reducing municipal and county energy costs;

(4) increase utilization of low value wood supplies and waste, thereby strengthening the forest products economy for the benefit of forest workers and private forest land owners; and

(5) increase awareness of energy conservation and consumption and the multiple-use values of forests among community members, especially young people.

(c) GRANT PROGRAM.—The Secretary of Agriculture, acting through the Forest Service, shall establish a program to be known as the Community Wood Energy Program to provide grants to State and local governments to acquire community wood energy systems for public buildings and to implement a community wood energy plan.

(d) USE IN PUBLIC BUILDINGS.—A State or local government receiving a grant under subsection (c) shall use a community wood energy system acquired in whole or in part with the use of grant funds for primary use in a public facility owned by such State or local government.

(e) LIMITATION.—A community wood energy system acquired with grant funds provided under subsection (c) shall not exceed an output of—

(1) 50,000,000 BTU per hour for heating; and

(2) 2 megawatts for electric power production.

(f) COMMUNITY WOOD ENERGY PLAN.—Within 18 months of receiving assistance under this section, communities shall utilize the technical assistance of the State forester to create a community wood energy plan identifying how local forests can be accessed in a sustainable manner to help meet the wood supply needs of systems purchased under this section.

(g) MATCHING FUNDS.—A State or local government receiving a grant under subsection (c) shall contribute an amount of non-Federal funds towards the acquisition of community wood energy systems that is at least equal to the amount of grant funds received by such State or local government.

(h) COMMUNITY WOOD ENERGY SYSTEM DEFINED.—The term ''community wood energy system'' includes single facility central heating, district heating, combined heat and energy systems, and other related biomass energy systems that service schools, town halls, libraries, and other public buildings.

(i) APPROPRIATION.— There are authorized to be appropriated such sums as may be necessary to carry out this section.

AMENDMENT NO. 31 OFFERED BY MR. SHULER

The text of the amendment is as follows:

In section 404 of the Agricultural Credit Act of 1978, as added by section 8102, insert after subsection (c) the following new subsection (and redesignate subsequent subsections):

''(d) INSECT AND DISEASE THREATS.—Notwithstanding subsection (c)(1), non-industrial private forest lands are eligible under this section if the Secretary determines that the lands are under an imminent threat of loss or damage by insect or disease and immediate action would help to avoid the loss or damage.

MODIFICATION TO AMENDMENT NO. 23 OFFERED BY MR. CLAY

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to part B amendment No. 23 printed in House Report 110–261 offered by Mr. CLAY:

The amendment is modified to read as follows:

In subtitle B of title X, insert after section 10103 the following new section 10103A (and amend the tables of content accordingly):

SEC. 10103A. ADDITIONAL SECTION 32 FUNDS TO PROVIDE GRANTS FOR THE PURCHASE AND OPERATION OF URBAN GARDENS GROWING ORGANIC FRUITS AND VEGETABLES FOR THE LOCAL POPULATION.

(a) GRANTS.—The Secretary of Agriculture may make grants to eligible entities to assist in purchasing and operating organic gardens or greenhouses in urban areas for growing fruits and vegetables. In making such grants, the Secretary will ensure such fruits and vegetables are sold to local grocery stores.

(b) LIMITATIONS.—Grants provided to any eligible entity under this section may not exceed $25,000 for any given year.

(c) ELIGIBLE ENTITIES.—

(1) INDIVIDUALS.—An individual shall be eligible to receive a grant under subsection (a) if the individual is a resident of the neighborhood in which the urban garden or greenhouse is located, or will be located.

(2) COOPERATIVES.—A cooperative shall be eligible to receive a grant under subsection (a) if every individual member or owner of the cooperative is a resident of the neighborhood in which the urban garden or greenhouse is located, or will be located.

(d) SELECTION OF ELIGIBLE ENTITIES.—The Secretary shall develop criteria for the selection of eligible entities to receive grants under this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000 for fiscal year 2008 and for each fiscal year thereafter.

Mr. PETERSON of Minnesota (during the reading). Madam Chairman, I ask unanimous consent that the reading of the modification be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. Pursuant to House Resolution 574, the gentleman from Minnesota (Mr. PETERSON) and the gentleman from Virginia (Mr. GOODLATTE) each will control 10 minutes.

The Chair recognizes the gentleman from Minnesota.

Mr. PETERSON of Minnesota. Madam Chairman, this amendment includes a number of amendments that have been worked out with the minority, and they are amendments that we were not able to get into the manager's amendment, so I would yield to the ranking member for his take on these amendments.

Mr. GOODLATTE. If the gentleman would repeat his request.

Mr. PETERSON of Minnesota. I was explaining that these en bloc amendments have been agreed to between yourself and myself and the members of the committee and we recommend their adoption.

Mr. GOODLATTE. That is correct.

Mr. PETERSON of Minnesota. We have a colloquy that I would like to do during this time if it's okay with the ranking member.

Mr. GOODLATTE. We will reserve the balance of the time that has been yielded to us and we certainly have no objection to you yielding to others.

The CHAIRMAN. Does the gentleman from Virginia seek to claim the time in opposition?

Mr. GOODLATTE. I'm not seeking time in opposition. I support the amendment.

Mr. PETERSON of Minnesota. I yield to the gentlelady from California.

Ms. LEE. Madam Chairman, I rise this evening to enter into a colloquy with the gentleman from Minnesota (Mr. PETERSON), our distinguished chair of the Agriculture Committee.

And first, let me just thank the gentleman for his hard work on the farm bill reauthorization and his dedication to moving our Nation forward in the area of agriculture, nutrition, conservation and energy.

I want to applaud his efforts to accommodate the various caucuses and coalitions across the country and in Congress, including the Congressional Black Caucus, the Congressional Progressive Caucus, the California delegation and the Hunger Caucus.

Madam Chairman, I come to the floor today to raise the important issue of concern to me and members of the Congressional Black Caucus regarding the lifetime ban of eligibility of food stamps for formerly incarcerated persons who were convicted of drug offenses.

It makes no sense to single out this group. Most recent figures show that nearly 213,000 State inmates were released in 2005 after serving a sentence for a drug crime, and most recent Federal data shows that 24,400 Federal inmates were released in 2002. After they serve their time, they reenter society looking to improve themselves and their lives. The task of finding a job for formerly incarcerated individuals is often difficult and a daunting task. This effort is even more difficult if they want to go back to school, be it for their GED or college degree. In these instances, they are unable to access many of the resources available to others, including food stamps.

The inequity to this group couldn't be clearer. Drug offenses account for more than 50 percent of the crimes committed by Federal prisoners and more than 20 percent of State prisoners, most of whom are nonviolent offenders. With factors such as poverty and lack of access to educational resources, coupled with the lack of sufficient legal resources, this issue disproportionately affects the African American community.

In 1996, the Congress, in an overzealous attempt to appear tough on crime, included in the Welfare Reform bill a provision that excluded formerly incarcerated persons from receiving food stamp benefits for life. This is a lifetime ban if they have ever been convicted of a drug crime.

So Madam Chair, that is why I offered an amendment to the rule to H.R. 2419 to strike this ban. Although the amendment was not made in order, I strongly believe that this is an unfair and unjust policy which must be addressed.

In the words of Dr. Martin Luther King, Jr., he said ''An injustice anywhere is a threat to justice everywhere.''

Madam Chairman, this policy has created a slippery slope, one that can be used to cherry-pick certain segments of the population who can eat, basically, while others must scrape and scramble for the basics.

Once someone has served their debt to society, they should be able to have access to the minimum amount of food vital to their survival while they get their lives together.

So I hope that I can work together with the distinguished Chair of the Ag Committee to ensure that this grave inequity is corrected.

Mr. PETERSON of Minnesota. I want to assure the gentlewoman from California I agree with her on the point and appreciate her intention in raising this issue. And I want to assure the gentlewoman that, as the bill moves forward, we will be mindful of this issue and work with her and her staff to accommodate this provision.

Ms. LEE. Madam Chairman, let me take this opportunity to thank the gentleman for his attention to this issue, and I look forward to working with him to ensure that it is addressed. And I want to congratulate him on putting together the coalition for this bill.

Mr. PETERSON of Minnesota. I yield to the gentleman from Illinois.

Mr. DAVIS of Illinois. I want to thank the gentleman for yielding and also want to thank the chairman of the Agriculture Committee for his response displaying sensitivity and recognition of a tremendous injustice, as well as a great need that exists in our society.

Many of those individuals who have been convicted of drug offenses should have been in hospitals and health clinics, should have been receiving treatment, as opposed to incarceration and conviction.

So, Madam Chairman, I too commend you for your sensitivity, willingness to work on this issue, and commend the gentlewoman from California for bringing it to the floor.

Mr. PETERSON of Minnesota. Madam Chairman, I recognize the gentlelady from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Madam Chairman, I rise to engage the fine gentleman from Minnesota (Mr. PETERSON) in a colloquy on unfair practices in the poultry and meat packing industries, and want to commend him for this incredibly visionary piece of legislation. It is a real credit to him, to his dogged work and expertise over so many years in this Congress as well as in the private sector.

The current contracted system of meat and poultry production often maneuvers farmers who do the actual work of raising and feeding billions of animals into subservient positions in today's marketplace and legal system. Poultry has become one of the most vertically integrated industries in our country, with four firms controlling nearly 60 percent of the broilers raised and sold.

Poultry, despite the worrisome rise of camphylobacter and salmonella through safety recalls, remains outside the normal oversight by USDA, even though GIPSA has oversight over beef and pork.

□ 2200

The Department of Agriculture has no real power to stop unfair practices in this industry. It surely has no mediation authority. Poultry contracts often are presented to farmers as take-it-or-leave-it contracts. In many cases farmers do not even see the actual contract until after they have gone to the bank. Farmers are not encouraged to negotiate contract terms that protect their interests, such as hedging against animal deaths and environmental cleanup costs, assuring accurate weights and measures and fair feed and input pricing, or gaining a fair share of the value of the nitrogen-rich manure produced by the animals themselves.

As the gentleman from Minnesota moves forward on the farm bill conference, I would urge him to give the USDA the full authority to protect against unfair practices in the poultry industry and to protect farmers' legal rights.

Please give farmers legal standing in court. Provide them with transparency in pricing, as well as technical assistance with fair contracts. Assure weights and measures. Help them hedge against animal deaths and environmental cleanups. Provide for legal and safe working conditions for chicken catchers who are their primary workforce. Bring honor to this industry with contracting fairness to farmers and their workers.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. PETERSON of Minnesota. Madam Chairman, I ask unanimous consent for an additional 2 minutes on this amendment.

The CHAIRMAN. Does the gentleman's request provide for each side to have an additional 2 minutes?

Mr. PETERSON of Minnesota. Yes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PETERSON of Minnesota. Madam Chairman, I want to thank Ms. KAPTUR for bringing up this issue.

As chairman of the Agriculture Committee and representative of the largest turkey-producing industry in the United States, I share your concern and interest in making sure that we are not putting poultry farmers at a disadvantage. We have worked hard on the committee to have an open process, and earlier this year the Subcommittee on Livestock held a hearing on issues similar to this one.

Now as we continue to move forward in the farm bill process, we will keep this issue in mind and look forward to working with the gentlewoman to address her concerns in the conference committee.

Madam Chairman, I would like to yield 1 minute to the gentleman from Illinois, who has one of the amendments included in the en bloc amendment.

Mr. EMANUEL. Madam Chairman, I would like to thank my colleague from Minnesota for yielding.

The other day there was a story in the newspaper about dead farmers who were still collecting benefits up to about $1 billion. This amendment would cut down on that type of fraud and bring real accountability to the system.

I am from Chicago. In Chicago we kind of appreciate the ability of dead people to do spectacular things, but this would even bring an alderman to blush. A billion dollars to dead farmers still getting government benefits. I think a Chicago alderman would be jealous of this type of benefit.

So after that report, a number of us put in an amendment to bring the type of accountability to the Department of Agriculture for the type of benefits that are applied and should only be applied to farmers who are farming, obviously, their farm and working, but not to dead farmers and to people who should not be receiving what they estimate is close to $1 billion.

So I want to thank the chairman for allowing me to offer this to track down the fraudulent payments that have gone on in the Department of Agriculture and eliminate the type of waste, fraud, and abuse that exist.

Mr. PETERSON of Minnesota. Madam Chairman, I urge adoption of the amendment.

Ms. HERSETH SANDLIN. Madam Chairman, I rise today to support this amendment offered by my colleague and friend from Oklahoma. This amendment is critical to deliver on the promise that we made to American livestock producers this past May. After more than a year of effort—and despite several veto threats from the President—we were successful in passing much-needed disaster assistance through this Chamber and enacted into law.

Then, several months after the bill's passage, the Secretary of Agriculture decided that a certain phrase in the bill effectively denies aid to all livestock producers that did not participate in the Non-Insured Crop Disaster Assistance Program or the crop insurance pilot program for rangeland. I assure my colleagues that this was not the intention of Congress and, regardless of the accuracy of USDA's legal interpretation, we need to fix it.

I have worked with Agriculture Committee leadership to find a solution to this problem and I am pleased this amendment was made in order. I also have shared this problem with the leadership of the Appropriations Committee to ensure that this year's Agriculture Appropriations bill contains language to address this as well, and I am pleased to report that it does. Using this dual-track approach, I am confident that we can solve this problem in time to prevent any delays in delivering this much-needed assistance to American producers.

This amendment will enable us to deliver on the promise we have made to deserving and distressed ranchers across this country, and I urge my colleagues to support it.

Ms. EDDIE BERNICE JOHNSON of Texas. Madam Chairman, I thank you for consideration of my amendment to H.R. 2419, the Farm, Nutrition, and Bioenergy Act of 2007.

My amendment focuses on Title VII, which is the Research Title of the legislation.

Specifically, the amendment adds a section to the end of ''Subtitle B,'' which contains provisions pertaining to the National Agricultural Research, Extension, and Teaching Policy Act of 1977.

The 1977 Act contains Section 1424, authorizing the ''Human Nutrition Intervention and Health Promotion Research Program.''

This is the nutrition research arm of the Department of Agriculture. The program authorizes the Agriculture Secretary to award research grants for human nutrition intervention and health promotion.

The 1977 Act describes the ''Emphasis of the Initiative.'' It goes on to say that research projects should emphasize:

Coordinated, longitudinal research assessments of nutritional status; and

''The implementation of unified, innovative intervention strategies to identify and solve problems of nutritional inadequacy and contribute to the maintenance of health, well-being, performance, and productivity of individuals, thereby reducing the need of the individuals to use the health care system and social programs of the United States.''

Madam Chairman, my amendment would add one additional point regarding the emphasis of the nutrition research initiative.

Emphasis should also be placed on research proposals that examine the efficacy of current agriculture policies in promoting the health and welfare of economically disadvantaged populations.

The working poor suffer disproportionately from obesity and its related disorders: diabetes, cardiovascular disease, joint problems, and others.

Nutrition research should include matters relating to public health. My amendment specifies that the scope of human nutrition research include grant proposals that study the effectiveness of current agriculture policies in promoting the health of individuals living in poverty.

These groups stand to benefit the most from nutrition research.

Taxpayer dollars should be invested wisely, Madam Chairman. An investment in analyzing how well the Federal Government's agriculture policies enable Americans to live healthy lives and make good nutrition choices is money well spent.

This amendment directs a sharper focus on nutrition research to help the economically disadvantaged.

I thank the Chairman for his acceptance of my amendment and urge my colleagues to support it also.

Mr. PETERSON of Minnesota. Madam Chairman, I yield back the balance of my time.

Mr. GOODLATTE. Madam Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendments en bloc offered by the gentleman from Minnesota (Mr. PETERSON).

The amendments en bloc were agreed to.

AMENDMENT NO. 2 OFFERED BY MR. FRANK OF MASSACHUSETTS

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in part B of House Report 110–261.

Mr. FRANK of Massachusetts. Madam Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. FRANK of Massachusetts:

Strike sections 5031, 5032, 5033, 5035, and 5036.

The CHAIRMAN. Pursuant to House Resolution 574, the gentleman from Massachusetts (Mr. FRANK) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Madam Chairman I yield myself 2 minutes.

This bill as presented significantly expands the ability of the Farm Credit System to operate in nonfarm contexts in two ways; first of all, in terms of the membership that would be required to be farm credit providers, and, secondly, in terms of the transactions in which they engage. And I think that would be

an error. And I believe that it is a mistake to allow an expansion into the banking system by entities that aren't banks. We have a particular exemption in the Farm Credit System for agricultural lending, and it was meant to be lending by and to agricultural commodities. This bill goes beyond it.

Now, I want to say, and I have had conversations with the chairman of the Agriculture Committee, Members have said that especially with the interest in alternative energy, there have been problems in getting loans from banks. I must say that, and I talked to my colleague the ranking Republican, no one has brought this to our attention. Had this been brought to our attention on the Financial Services Committee, we would have responded. And I want to say now, and I talked to the chairman of the Agriculture Committee, I am prepared to have, I think we should have in the fall, joint hearings of our two committees, the Committee on Agriculture and the Committee on Financial Services, to listen to people's concerns here. And if it is documented that there have been problems with the availability of loans for the purpose of alternative energy for agriculture, then, yes, I would agree that something is appropriate. My problem is that this bill as it now stands goes beyond that in several ways. It weakens the restrictions in terms of stock ownership as to who gets involved.

Now, another issue that has been raised was allowing an increase in the town size, from 2,500 to 6,000. My reaction to that was favorable, but we were never able, as we were willing, to negotiate out some limitations and some expansions.

Madam Chairman, I reserve the balance of my time.

Mr. HOLDEN. Madam Chairman, I rise to claim the time in opposition.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes.

Mr. HOLDEN. Madam Chairman, I yield 2½ minutes of my time to the gentleman from Virginia (Mr. GOODLATTE), and I ask unanimous consent that he be allowed to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HOLDEN. Madam Chairman, I rise in opposition to the gentleman from Massachusetts' amendment.

What we tried to do in the subcommittee, Mr. LUCAS and I, was try to see that access to credit was readily available in rural America, particularly in the agriculture sector. We tried to find a way to form a compromise between a Farm Credit System and the banking industry. We held hearings and brought them together, and we found out we had managed to anger both sides; so maybe we had a pretty good compromise.

The Farm Credit System in the HORIZONS project wanted to expand rural housing from 2,500 to 50,000. They wanted to expand on agriculture lending to agriculture-related businesses, a great diversion from where they are limited right now. And we thought that was too far, but we wanted to make sure there was access to credit in rural America, and we think we came up with a pretty good compromise.

In increasing the rural housing from 2,500 to 6,000, we are, all of us, not only in this committee, but this Congress, anxious to try to find ways to use renewable energy sources, and we believe that in this industry there is going to be a lack of credit. As the chairman of the full committee has said during this debate, he has noticed that in his home State of Minnesota. So we thought extending the credit to energy-related agriculture lending through the Farm Credit System was reasonable and responsible and something that was a good compromise.

So, Madam Chairman, we feel in the committee that we have come up with a pretty good compromise, something that is going to reflect the conditions in rural America, and something that we believe that is in the best interest of rural America and the agriculture community.

Madam Chairman, I reserve the balance of my time.

Mr. GOODLATTE. Madam Chairman, I yield myself such time as I may consume.

Just to reiterate the point made by the gentleman from Pennsylvania, the Farm Credit System is a very important thing for rural America. It provides credit to America's farmers and ranchers and is a necessary and serious challenge to get that credit sometimes. There have been times when business has been bad in rural America, and the Farm Credit System has been there to stand up in good times and bad.

I appreciate the concerns raised by my friends in the banking community. We want to make sure that there is fair treatment, given that these are two different types of systems that operate, and we have listened to them very carefully. We have held hearings. And as the gentleman from Pennsylvania says, we worked very hard to come up with something we thought was fair.

We did basically three things: One related to housing, one related to lending in the energy area, and one dealing with cooperatives. All of these things are simply looking to modernize the Farm Credit System to deal with the fact that rural America and farming have changed substantially from the last time there was any major address of this issue back in the 1970s.

The rural population limit for home mortgages, as the gentleman from Pennsylvania pointed out, is 2,500 population. It has not been updated since 1971, and since then, over 700 communities have grown to the point where they are not considered rural under the farm credit definition, where you could get a farm credit loan in the past and now, because of the increased population, you can't. So people who have been doing business with farm credit sometimes for generations are no longer able to do that. The law does not change the limitation on moderately priced homes, owner-occupied, single-family homes.

We are simply trying to extend this to recognize that the population of the country is growing, and, therefore, there ought to be recognition of that. They asked for a very substantial increase, and we thought that was well beyond what was contemplated by being able to lend in rural areas.

Secondly, with regard to energy, there is no doubt that when times are good, there are financial resources available, credit from a wide array of sources. But as the ethanol boom started in this country, there was not money available from some sources; so farm credit stepped up to the plate.

In order for them to step up to the plate when the risk is higher, they need to be able to have a viable system throughout, and I urge my colleagues to oppose the amendment.

Mr. FRANK of Massachusetts. Madam Chairman, I yield 2 minutes to the gentleman from Alabama, the senior Republican on the Financial Affairs Committee.

Mr. BACHUS. Madam Chairman, the Farm Credit System does fulfill a valuable service to the farmers of America, and we have no argument with that. But we all need to recognize that the Farm Credit System is a government-sponsored entity. It has the benefits and privileges of a government-sponsored entity, and the taxpayers underwrite its operation.

Now, traditionally they have made what we call farm loans, agricultural loans. There is much concern in the private lending market, independent bankers, small-town bankers, credit unions and thrifts that this role has been expanding. In fact, over half the loans made by the Farm Credit System are to farmers or corporations valued at over $1 million.

□ 2215

Where they were making agricultural loans, agricultural mortgages, now they're lending money to Cargill, ADM, Jack-in-the-Box, and retail businesses.

This amendment is simply our way of saying that when you begin to compete with small-town bankers, with thrifts, with credit unions, it is a contact sport. And we need to take a step back and look at it. But at this time, we don't believe that any expansion, in fact, I'd like to submit for the RECORD a letter by Michael Reyna, who is the immediate past chairman and CEO of the Farm Credit Administration, in which he says that the pressure was always there to make off-farm loans, and he submits this letter in support of our amendment.

STATEMENT ON THE FRANK/BACHUS AMENDEMENT (#10) SUBMITTED BY FORMER FARM CREDIT ADMINISTRATION (FCA) CHAIRMAN AND CEO MICHAEL M. REYNA (2000–2004)

Man's best friend, protector, and hunting partner, the dog, holds a special place in the heart of rural America. The Farm Credit System (System) plays a very special role in rural America, too. Congress established the System, the Nation's oldest government sponsored enterprise (GSE), to achieve a very special public policy goal: a dependable source of credit for agriculture and rural America.

(21) Typically, GSEs are established, structured, and intended to improve the efficiency and effectiveness of the economic marketplace; a mechanism to free up capital for new loans. And, as their name implies, GSEs are chartered by the government and are given tax breaks and authority to issue government backed debt obligations, among other special advantages, to achieve their public policy goal.

Unlike other GSEs, the System—with its special government breaks and authorities—directly competes as a retail lender against its private sector counterparts, namely banks and other financial institutions. Competition is a contact sport, but fair is fair and it's not hard to understand why many private sector lenders bristle when it comes to directly competing against a public sector lender with special tax breaks and a cheaper source of funds.

Striking a delicate balance, Congress wrote, and has amended, the Farm Credit Act with an eye towards focusing the public benefits of this GSE by limiting the types of loans that the System can make as well as where and to whom these loans can be made. Unsatisfied with the wisdom of Congress, the System has applied relentless pressure in recent years on its regulator, the Farm Credit Administration (FCA), to grant ever broader lending authority and even to issue ''no action letters'' essentially giving System lenders a ''free pass'' to disobey the law. As the immediate past Chairman of the FCA (2000 to 2004), I have directly experienced the System's pressure to get the FCA to give the System what it wants.

''Private sector lenders are well aware of these efforts, and the System's lending abuses are well-documented. And, notwithstanding the public relations campaign relative to its young, beginning, and small farmer lending efforts, the bulk of the System's public benefit goes to commercial agriculture—those farmers with retail sales in excess of one million dollars annually. This fact alone suggests a thorough review of whether the System is achieving its public policy purpose is in order, particularly given that agricultural concentration has increased as the number of commercially viable farms in America continues to decline.

Rather than submitting a ''secret'' wish list of regulatory changes it wants the FCA to make behind closed doors through ''notational votes,'' the System is now seemingly seeking to broaden its lending authority directly from Congress, through the Farm Bill (H.R. 2419). Seemingly, because when it comes to legislation, the devil is in the details. A review of the proposed language raises legitimate concerns about exactly what authorities are being broadened and by how much. Without greater specificity, the ambiguity will leave much to the System's regulator to sort out. Would the three-member FCA Board be a lapdog or a watchdog on these issues? Given its close ties to the System, is there really any doubt how the decisions would turn out?

The System's proposed changes to the Farm Credit Act are an outgrowth of its HORIZONS Project, a multi-year effort designed to justify an expansion of the System's off-farm lending powers. And, therein lies its primary flaw—the System's efforts are more about the System's growth and profitability rather than the credit needs of agriculture and rural America. When it comes to commercial agriculture, competition among lenders is healthy and credit is available and affordable. Consequently, there is no public policy rationale to broaden the System's lending authority in this area, let alone expand its lending authority beyond agriculture either. In other words, ''That dog don't hunt.''

Private-sector lenders now provide ample home-mortgage credit in towns with population between 2,500 and 6,000, often by selling those mortgages to the System's fellow GSEs, Fannie Mae and Freddie Mac. Not only is there not a mortgage credit shortage in this population range, but authorizing the System to lend in communities larger than 2,500 will distract it from financing moderately-priced rural housing where it is most needed.

Rather than responding to the System's relentless desire to finance corporate agriculture, Congress should undertake a comprehensive examination of the System's future role in financing agriculture and rural America. Only after such a detailed review should the Congress consider any expansion of the System's off-farm lending authority. Therefore, the House of Representatives should drop the HORIZONS provisions now in the Farm Bill by voting for the Frank/Bachus amendment #10.

Mr. FRANK of Massachusetts. Madam Chairman, may I inquire as to how much time is remaining.

The CHAIRMAN. The gentleman from Massachusetts and the gentleman from Pennsylvania each have 1 minute.

Mr. FRANK of Massachusetts. Madam Chairman, I yield myself my remaining minute.

I know my friends have said they sought a compromise. The only problem is they had a unique motion here, it was the unilateral compromise, they compromised with themselves. And they did a pretty good job of compromising with themselves, but I think we need to compromise with each other.

There are two committees here that have concerns: one about the integrity of the banking system and not having non-banks get into the banking system. This House is aware of that because we dealt with a similar issue with regard to industrial loan corporations.

What we are saying here, the gentleman from Alabama and I, is we were not previously told about a problem of a lack of availability of credit from the banking system for alternative energy. If that exists, it needs to be remedied. And as I've said, I've spoken to the chairman of the full committee; I've spoken to my ranking member on our committee. We're prepared to have joint hearings and be available for people to document to us what the nature of the problem is, and then respond, whether it's an increase in size, or what. But I do think the history shows that we should be very careful about who gets into the banking industry and who doesn't. The banking system ought to be preserved very carefully.

Mr. HOLDEN. Madam Chairman, I thank my friend for his comments. And I just want to assure him that we can count votes as well.

Madam Chairman, I yield the balance of my time to our friend from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. Madam Chairman, I serve on both Agriculture and Financial Services, so I can look at this with a very jaundiced eye. And I think what we have to do is make a decision in this move based upon what the lay of the land is. First, we're talking about renewable energy and ethanol. Where is that going to take place? It's going to take place in the rural communities where the products, where the crops are that will make renewable energy.

This proposal is tied very tight, and I think that farm credit deserves to have an opportunity to compete in this new burgeoning industry. The businesses that are made eligible are ones that process or handle farm products that are directly used in renewable energy. This is very tight. I do not believe that the farm credit needs to be denied this opportunity. I do not think it blurs jurisdictional lines. We should not close the door on an industry, an opportunity for farm credit to provide a service that is not directly competitive with our bankers.

Mr. GILLMOR. Madam Chairman, I rise today in strong support of the Frank-Bachus amendment to H.R. 2419. This vast expansion of the Farm Credit System is unnecessary and unwise. American businesses today enjoy the best financial services marketplace in the world. There are opportunities for credit at every turn. The current Farm Credit System was set up in a different era to offer all the products and services of a financial institution to farmers and farm-related small businesses.

A government sponsored enterprise for over 90 years, the Farm Credit System remains the only GSE with direct lending authority. In towns of 2,500 people or less, this system is able to compete directly with other lenders, but with major advantages given to them by their government-sponsored status. The historical justification for this special GSE status has been to focus the system on farmers and companies that provide farm related services. The expansion which the Farm Bill currently seeks would dramatically alter the mission of the Farm Credit System and detract from its mission of helping farmers. There is no need for the expansion of this government entity and there is no vacuum to be filled.

Regardless of whether or not you disagree with the policy of the expansion of the Farm Credit System, you can disagree with the process used here to legislate. In a July letter to the Speaker, the Chairman and Ranking Member of the Financial Services Committee asked for a sequential referral, yet were denied. While the Committee on Agriculture clearly has jurisdiction over the Farm Credit System, the Committee on Financial Services has jurisdiction over all extensions of credit and a referral was justified.

In a recent letter written by the former regulator of the Farm Credit System, Michael Reyna, we see an objective analysis of this expansion. As Mr. Reyna mentions, the Farm

Credit System is seeking an expansion of their powers to move beyond their historical focus. ''Therein lies its primary flaw—the System's efforts are more about the System's growth and profitability rather than the credit needs of agriculture and rural America. When it comes to commercial agriculture, competition among lenders is healthy and credit is available and affordable.''

Let's not fix what isn't broken. Let's keep our government-sponsored lending operations tied to their original purpose and let's support the Frank-Bachus amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. FRANK).

The amendment was agreed to.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will now resume on the amendment printed in part B of the House Report 110–261, on which further proceedings were postponed.

AMENDMENT NO. 1 OFFERED BY MR. KIND

The CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Wisconsin (Mr. KIND) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 117, noes 309, not voting 11, as follows:

[Roll No. 747]

AYES—117

Allen
Andrews
Baird
Baldwin
Bean
Biggert
Bishop (NY)
Blumenauer
Bordallo
Campbell (CA)
Cannon
Cantor
Capuano
Castle
Chabot
Chandler
Cooper
Crowley
Davis (CA)
Davis (IL)
DeFazio
DeGette
Dent
Dingell
Doggett
Dreier
Duncan
Ehlers
Ellison
Emanuel
Eshoo
Fattah
Ferguson
Flake
Fossella
Frank (MA)
Frelinghuysen
Garrett (NJ)
Gerlach
Gilchrest
Harman
Heller
Hensarling
Hodes
Holt
Inslee
Israel
Jackson (IL)
Keller
Kind
King (NY)
Kirk
Knollenberg
Lamborn
Lee
LoBiondo
Lofgren, Zoe
Lowey
Maloney (NY)
Markey
McCarthy (NY)
McDermott
McGovern
McKeon
McNulty
Meeks (NY)
Michaud
Miller (FL)
Miller, Gary
Miller, George
Mitchell
Moore (WI)
Moran (VA)
Murphy (CT)
Olver
Pallone
Pascrell
Paul
Payne
Petri
Price (GA)
Ramstad
Rangel
Reichert
Rohrabacher
Roskam
Royce
Ryan (WI)
Sánchez, Linda T.
Sanchez, Loretta
Saxton
Schakowsky
Schiff
Schwartz
Sensenbrenner
Serrano
Sestak
Shays
Sherman
Smith (NJ)
Smith (WA)
Stark
Tancredo
Tauscher
Tierney
Towns
Udall (NM)
Waters
Watt
Waxman
Weiner
Welch (VT)
Wolf
Wu
Wynn
Yarmuth
Young (FL)

NOES—309

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Altmire
Arcuri
Baca
Bachmann
Bachus
Baker
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Becerra
Berkley
Berman
Berry
Bilbray
Bilirakis
Bishop (GA)
Bishop (UT)
Blackburn
Blunt
Boehner
Bonner
Bono
Boozman
Boren
Boswell
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (PA)
Brady (TX)
Braley (IA)
Broun (GA)
Brown (SC)
Brown, Corrine
Buchanan
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp (MI)
Capito
Capps
Cardoza
Carnahan
Carney
Carson
Carter
Castor
Christensen
Clay
Clyburn
Coble
Cohen
Cole (OK)
Conaway
Conyers
Costa
Costello
Courtney
Cramer
Crenshaw
Cuellar
Culberson
Cummings
Davis (AL)
Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
Delahunt
DeLauro
Diaz-Balart, L.
Diaz-Balart, M.
Dicks
Donnelly
Doolittle
Doyle
Drake
Edwards
Ellsworth
Emerson
Engel
English (PA)
Etheridge
Everett
Faleomavaega
Fallin
Farr
Feeney
Filner
Forbes
Fortenberry
Foxx
Franks (AZ)
Gallegly
Giffords
Gillibrand
Gillmor
Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hall (TX)
Hare
Hastings (FL)
Hastings (WA)
Hayes
Herger
Herseth Sandlin
Higgins
Hill
Hinchey
Hinojosa
Hirono
Hobson
Hoekstra
Holden
Honda
Hooley
Hoyer
Hulshof
Inglis (SC)
Issa
Jackson-Lee (TX)
Jefferson
Jindal
Johnson (GA)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Jordan
Kagen
Kanjorski
Kaptur
Kildee
Kilpatrick
King (IA)
Kingston
Klein (FL)
Kline (MN)
Kucinich
Kuhl (NY)
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Loebsack
Lucas
Lungren, Daniel E.
Lynch
Mack
Mahoney (FL)
Manzullo
Marchant
Marshall
Matheson
Matsui
McCarthy (CA)
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McHenry
McHugh
McIntyre
McMorris Rodgers
McNerney
Meek (FL)
Melancon
Mica
Miller (MI)
Miller (NC)
Mollohan
Moore (KS)
Moran (KS)
Murphy, Patrick
Murphy, Tim
Murtha
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Norton
Nunes
Oberstar
Obey
Ortiz
Pastor
Pearce
Pence
Perlmutter
Peterson (MN)
Peterson (PA)
Pickering
Pitts
Platts
Poe
Pomeroy
Porter
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Regula
Rehberg
Renzi
Reyes
Reynolds
Rodriguez
Rogers (AL)
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Salazar
Sali
Sarbanes
Schmidt
Scott (GA)
Scott (VA)
Sessions
Shadegg
Shea-Porter
Shimkus
Shuler
Shuster
Simpson
Sires
Skelton
Slaughter
Smith (NE)
Smith (TX)
Snyder
Solis
Souder
Space
Spratt
Stearns
Stupak
Sullivan
Sutton
Tanner
Taylor
Terry
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Turner
Udall (CO)
Upton
Van Hollen
Velázquez
Visclosky
Walberg
Walden (OR)
Walsh (NY)
Walz (MN)
Wamp
Wasserman Schultz
Watson
Weldon (FL)
Weller
Westmoreland
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (OH)
Wilson (SC)
Woolsey

NOT VOTING—11

Brown-Waite, Ginny
Clarke
Cleaver
Cubin
Davis, Jo Ann
Fortuño
Hastert
Hunter
Kennedy
LaHood
Young (AK)

□ 2241

Mr. BARTLETT of Maryland and Mr. FRANKS of Arizona changed their vote from ''aye'' to ''no.''

Ms. LORETTA SANCHEZ of California, Ms. ZOE LOFGREN of California, Mr. SHERMAN and Mr. WYNN changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. PETERSON of Minnesota. Madam Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mrs. BOYDA of Kansas) having assumed the chair, Mrs. TAUSCHER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 2419) to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes, had come to no resolution thereon.

DARFUR: THE GENOCIDE CONTINUES

(Mr. MCGOVERN asked and was given permission to address the House for 1 minute.)

Mr. MCGOVERN. Madam Speaker, 3 years ago the House declared the situation in Darfur a genocide. Since then thousands of people have been killed and 2.5 million displaced. And the situation on the ground grows worse. Attacks against humanitarian workers and African Union peacekeepers are increasing.

I was in eastern Chad in April. Over a quarter of a million Darfur refugees live in camps along the Chad-Sudan border. I talked with many of these men, women, and children. I heard about family members slaughtered; villages burned; children who perished from heat, exhaustion, and hunger in the desperate walk to find safe refuge. I was there when the violence of Darfur spilled over into Chad. Janjaweed militias attacked two Chad villages, overnight 8,000 people displaced. I watched the U.N. and NGOs provide emergency food, water, shelter, and medical care in the middle of nowhere under a blistering sun.

I say to my colleagues, enough is enough. I say to my colleagues, never again. The time to end the killing in Darfur is now.