

ch. 214, §9, 55 Stat. 256; amended Oct. 13, 1994, Pub. L. 103-354, title I, §§111, 112, 108 Stat. 3199, 3202, related to noninsured crop disaster assistance program. See section 7333 of this title.

§ 1520. Producer eligibility

Except as otherwise provided in this subchapter, a producer shall not be denied insurance under this subchapter if—

(1) for purposes of catastrophic risk protection coverage, the producer is a “person” (as defined by the Secretary); and

(2) for purposes of any other plan of insurance, the producer is 18 years of age and has a bona fide insurable interest in a crop as an owner-operator, landlord, tenant, or sharecropper.

(Feb. 16, 1938, ch. 30, title V, §520, as added Pub. L. 92-357, July 28, 1972, 86 Stat. 501; amended Pub. L. 103-354, title I, §113, Oct. 13, 1994, 108 Stat. 3203; Pub. L. 110-234, title XII, §12033(c)(2)(B), May 22, 2008, 122 Stat. 1405; Pub. L. 110-246, §4(a), title XII, §12033(c)(2)(B), June 18, 2008, 122 Stat. 1664, 2167.)

Editorial Notes

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

AMENDMENTS

2008—Pub. L. 110-246, §12033(c)(2)(B), substituted “this subchapter” for “this chapter” in two places in introductory provisions.

1994—Pub. L. 103-354 substituted “Producer eligibility” for “Persons under twenty-one years of age” in section catchline and amended text generally. Prior to amendment, text read as follows: “Notwithstanding any other provision of law, no person shall be denied insurance under this chapter solely on the ground that he is under twenty-one years of age if such person is (1) over eighteen years of age, and (2) has a bona fide insurable interest in a crop as an owner-operator, landlord, tenant or sharecropper: *Provided*, That any such person who enters into a Federal Crop Insurance contract shall be subject to the same legal liability and have the same legal rights with respect to such contract as any person over the age of twenty-one years.”

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of this title.

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103-354 effective Oct. 13, 1994, and applicable to provision of crop insurance under Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) beginning with 1995 crop year, with such Act, as in effect on the day before Oct. 13, 1994, to continue to apply with respect to 1994 crop year, see section 120 of Pub. L. 103-354, set out as a note under section 1502 of this title.

§ 1521. Ineligibility for catastrophic risk and non-insured assistance payments

If the Secretary determines that a person has knowingly adopted a material scheme or device

to obtain catastrophic risk, additional coverage, or noninsured assistance benefits under this subchapter to which the person is not entitled, has evaded this subchapter, or has acted with the purposes of evading this subchapter, the person shall be ineligible to receive all benefits applicable to the crop year for which the scheme or device was adopted.

(Feb. 16, 1938, ch. 30, title V, §521, as added Pub. L. 103-354, title I, §114, Oct. 13, 1994, 108 Stat. 3203; amended Pub. L. 110-234, title XII, §§12002(b)(2), 12033(c)(2)(B), May 22, 2008, 122 Stat. 1371, 1405; Pub. L. 110-246, §4(a), title XII, §§12002(b)(2), 12033(c)(2)(B), June 18, 2008, 122 Stat. 1664, 2133, 2167.)

Editorial Notes

CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

AMENDMENTS

2008—Pub. L. 110-246, §§12002(b)(2), 12033(c)(2)(B), substituted “this subchapter” for “this chapter” wherever appearing and struck out at end “The authority provided by this section shall be in addition to, and shall not supplant, the authority provided by section 1506(n) of this title.”

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of this title.

EFFECTIVE DATE

Section effective Oct. 13, 1994, and applicable to provision of crop insurance under Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) beginning with 1995 crop year, with such Act, as in effect on the day before Oct. 13, 1994, to continue to apply with respect to 1994 crop year, see section 120 of Pub. L. 103-354, set out as an Effective Date of 1994 Amendment note under section 1502 of this title.

§ 1522. Research and development

(a) Definition of policy

In this section, the term “policy” means a policy, plan of insurance, provision of a policy or plan of insurance, and related materials.

(b) Reimbursement of research, development, and maintenance costs

(1) Research and development payment

(A) In general

The Corporation shall provide a payment to an applicant for research and development costs in accordance with this subsection.

(B) Reimbursement

(i) In general

An applicant who submits a policy under section 1508(h) of this title shall be eligible for the reimbursement of reasonable research and development costs if the policy

is approved by the Board for sale to producers.

(ii) Reasonable costs

For the purpose of reimbursing research and development and maintenance costs under this section, costs of the applicant shall be considered reasonable costs if the costs are based on—

(I) for any employees or contracted personnel, wage rates equal to not more than 2 times the hourly wage rate plus benefits, as provided by the Bureau of Labor Statistics for the year in which such costs are incurred, calculated using the formula applied to an applicant by the Corporation in reviewing proposed project budgets under this section on October 1, 2016; and

(II) other actual documented costs incurred by the applicant.

(2) Advance payments

(A) In general

Subject to the other provisions of this paragraph, the Board may approve the request of an applicant for advance payment of a portion of reasonable research and development costs prior to submission and approval of the policy by the Board under section 1508(h) of this title.

(B) Procedures

The Board shall establish procedures for approving advance payment of reasonable research and development costs to applicants.

(C) Concept proposal

As a condition of eligibility for advance payments, an applicant shall submit a concept proposal for the policy that the applicant plans to submit to the Board under section 1508(h) of this title, consistent with procedures established by the Board for submissions under subparagraph (B), including—

(i) a summary of the qualifications of the applicant, including any prior concept proposals and submissions to the Board under section 1508(h) of this title and, if applicable, any work conducted under this section;

(ii) a projection of total research and development costs that the applicant expects to incur;

(iii) a description of the need for the policy, the marketability of and expected demand for the policy among affected producers, and the potential impact of the policy on producers and the crop insurance delivery system;

(iv) a summary of data sources available to demonstrate that the policy can reasonably be developed and actuarially appropriate rates established; and

(v) an identification of the risks the proposed policy will cover and an explanation of how the identified risks are insurable under this subchapter.

(D) Review

(i) Experts

If the requirements of subparagraph (B) and (C) are met, the Board may submit a

concept proposal described in subparagraph (C) to not less than 2 independent expert reviewers, whose services are appropriate for the type of concept proposal submitted, to assess the likelihood that the proposed policy being developed will result in a viable and marketable policy, as determined by the Board.

(ii) Timing

The time frames described in subparagraphs (C) and (D) of section 1508(h)(4) of this title shall apply to the review of concept proposals under this subparagraph.

(E) Approval

(i) In general

The Board may approve up to 50 percent of the projected total research and development costs to be paid in advance to an applicant, in accordance with the procedures developed by the Board for the making of the payments, if, after consideration of the reviewer reports described in subparagraph (D) and such other information as the Board determines appropriate, the Board determines that—

(I) the concept, in good faith, will likely result in a viable and marketable policy consistent with section 1508(h) of this title;

(II) at the sole discretion of the Board, the concept, if developed into a policy and approved by the Board, would provide crop insurance coverage—

(aa) in a significantly improved form;

(bb) to a crop or region not traditionally served by the Federal crop insurance program; or

(cc) in a form that addresses a recognized flaw or problem in the program;

(III) the applicant agrees to provide such reports as the Corporation determines are necessary to monitor the development effort;

(IV) the proposed budget and timetable are reasonable, as determined by the Board; and

(V) the concept proposal meets any other requirements that the Board determines appropriate.

(ii) Waiver

The Board may waive the 50-percent limitation and, upon request of the submitter after the submitter has begun research and development activities, the Board may approve an additional 25 percent advance payment to the submitter for research and development costs, if, at the sole discretion of the Board, the Board determines that—

(I) the intended policy or plan of insurance developed by the submitter will provide coverage for a region or crop that is underserved by the Federal crop insurance program, including specialty crops; and

(II) the submitter is making satisfactory progress towards developing a via-

ble and marketable policy or plan of insurance consistent with section 1508(h) of this title.

(F) Submission of policy

If the Board approves an advanced payment under subparagraph (E), the Board shall establish a date by which the applicant shall present a submission in compliance with section 1508(h) of this title (including the procedures implemented under that section) to the Board for approval.

(G) Final payment

(i) Approved policies

If a policy is submitted under subparagraph (F) and approved by the Board under section 1508(h) of this title and the procedures established by the Board (including procedures established under subparagraph (B)), the applicant shall be eligible for a payment of reasonable research and development costs in the same manner as policies reimbursed under paragraph (1)(B), less any payments made pursuant to subparagraph (E).

(ii) Policies not approved

If a policy is submitted under subparagraph (F) and is not approved by the Board under section 1508(h) of this title, the Corporation shall—

(I) not seek a refund of any payments made in accordance with this paragraph; and

(II) not make any further research and development cost payments associated with the submission of the policy under this paragraph.

(H) Policy not submitted

If an applicant receives an advance payment and fails to fulfill the obligation of the applicant to the Board by not submitting a completed submission without just cause and in accordance with the procedures established under subparagraph (B))¹, including notice and reasonable opportunity to respond, as determined by the Board, the applicant shall return to the Board the amount of the advance plus interest.

(I) Repeated submissions

The Board may prohibit advance payments to applicants who have submitted—

(i) a concept proposal or submission that did not result in a marketable product; or

(ii) a concept proposal or submission of poor quality.

(J) Continued eligibility

A determination that an applicant is not eligible for advance payments under this paragraph shall not prevent an applicant from reimbursement under paragraph (1)(B).

(K) Waiver for hemp

The Board may waive the viability and marketability requirements under this paragraph in the case of research and develop-

ment relating to a policy to insure the production of hemp.

(3) Marketability

(A) In general

Subject to subparagraph (B), the Corporation shall approve a reimbursement under paragraph (1) only after determining that the policy is marketable based on a reasonable marketing plan, as determined by the Board.

(B) Waiver for hemp

The Corporation may waive the marketability requirement under subparagraph (A) in the case of research and development relating to a policy to insure the production of hemp.

(4) Maintenance payments

(A) Requirement

The Corporation shall reimburse maintenance costs associated with the annual cost of underwriting for a policy described in paragraph (1).

(B) Duration

Payments with respect to maintenance costs may be provided for a period of not more than four reinsurance years subsequent to Board approval for payment under this subsection.

(C) Options for maintenance

On the expiration of the 4-year period described in subparagraph (B), the applicant responsible for maintenance of the policy may—

(i) maintain the policy and charge a fee to approved insurance providers that elect to sell the policy under this subsection; or

(ii) transfer responsibility for maintenance of the policy to the Corporation.

(D) Fee

(i) Amount

Subject to approval by the Board, the amount of the fee that is payable by an approved insurance provider that elects to sell the policy shall be an amount that is determined by the applicant maintaining the policy.

(ii) Approval

The Board shall approve the amount of a fee determined under clause (i) for maintenance of the policy unless the Board determines that the amount of the fee—

(I) is unreasonable in relation to the maintenance costs associated with the policy; or

(II) unnecessarily inhibits the use of the policy.

(iii) Review

After the Board approves the amount of a fee under clause (ii), the fee shall remain in effect and not be reviewed by the Board unless—

(I) the applicant petitions the Board for reconsideration of the fee;

(II) a substantial change is made to the policy, as determined by the Board; or

¹So in original. The second closing parenthesis probably should not appear.

(III) there is substantial evidence that the fee is inhibiting sales or use of the policy, as determined by the Board.

(5) Treatment of payment

Payments made under this subsection for a policy shall be considered as payment in full by the Corporation for the research and development conducted with regard to the policy and any property rights to the policy.

(6) Reimbursement amount

The Corporation shall determine the amount of the payment under this subsection for an approved policy based on the complexity of the policy and the size of the area in which the policy or material is expected to be sold.

(c) Research and development authority

(1) Authority

The Corporation may conduct activities or enter into contracts to carry out research and development to maintain or improve existing policies or develop new policies to—

(A) increase participation in States in which the Corporation determines that—

(i) there is traditionally, and continues to be, a low level of Federal crop insurance participation and availability; and

(ii) the State is underserved by the Federal crop insurance program;

(B) increase participation in areas that are underserved by the Federal crop insurance program; and

(C) increase participation by producers of underserved agricultural commodities, including specialty crops.

(2) Underserved agricultural commodities and areas

(A) Authority

The Corporation may conduct research and development or enter into contracts under procedures prescribed by the Corporation with qualified persons to carry out research and development for policies that promote the purposes of paragraph (1).

(B) Consultation

Before conducting research and development or entering into a contract under subparagraph (A), the Corporation shall consult with groups representing producers of agricultural commodities that would be served by the policies that are the subject of the research and development.

(3) Qualified persons

A person with experience in crop insurance or farm or ranch risk management (including a college or university, an approved insurance provider, and a trade or research organization), as determined by the Corporation, shall be eligible to enter into a contract with the Corporation under this subsection.

(4) Types of contracts

A contract under this subsection may provide for research and development regarding new or expanded policies, including policies based on adjusted gross income, cost-of-production, quality losses, and an intermediate

base program with a higher coverage and cost than catastrophic risk protection.

(5) Use of resulting policies

The Corporation may offer any policy developed under this subsection that is approved by the Board after expert review in accordance with section 1505(e) of this title.

(6) Research and development priorities

The Corporation shall establish as one of the highest research and development priorities of the Corporation the development of policies that increase participation by producers of underserved agricultural commodities, including sweet sorghum, biomass sorghum, rice, peanuts, sugarcane, alfalfa, pennycress, dedicated energy crops, and specialty crops.

(7) Whole farm diversified risk management insurance plan

(A) In general

Unless the Corporation approves a whole farm insurance plan, similar to the plan described in this paragraph, to be available to producers for the 2016 reinsurance year, the Corporation shall conduct activities or enter into contracts to carry out research and development to develop a whole farm risk management insurance plan, with a liability limitation of \$1,500,000, that allows a diversified crop or livestock producer the option to qualify for an indemnity if actual gross farm revenue is below 85 percent of the average gross farm revenue or the expected gross farm revenue that can reasonably be expected of the producer, as determined by the Corporation.

(B) Eligible producers

The Corporation shall permit producers (including direct-to-consumer marketers and producers servicing local and regional and farm identity-preserved markets) who produce multiple agricultural commodities, including specialty crops, industrial crops, livestock, and aquaculture products, to participate in the plan developed under subparagraph (A) in lieu of any other plan under this subchapter.

(C) Diversification

The Corporation may provide diversification-based additional coverage payment rates, premium discounts, or other enhanced benefits in recognition of the risk management benefits of crop and livestock diversification strategies for producers that—

(i) grow multiple crops; or

(ii) may have income from the production of livestock that uses a crop grown on the farm.

(D) Market readiness

The Corporation may include coverage for the value of any packing, packaging, or any other similar on-farm activity the Corporation determines to be the minimum required in order to remove the commodity from the field.

(E) Review of modifications to improve effectiveness**(i) In general**

Not later than 18 months after December 20, 2018—

(I) the Corporation shall hold stakeholder meetings to solicit producer and agent feedback; and

(II) the Board shall—

(aa) review procedures and paperwork requirements on agents and producers; and

(bb) modify procedures and requirements, as appropriate, to decrease burdens and increase flexibility and effectiveness.

(ii) Factors

In carrying out items (aa) and (bb) of subclause (i)(II), the Board shall consider—

(I) removing caps on nursery and livestock production;

(II) allowing a waiver to expand operations, especially for small and beginning farmers;

(III) minimizing paperwork for producers and agents;

(IV) implementing an option for producers with less than \$1,000,000 in gross revenue that requires significantly less paperwork and recordkeeping;

(V) developing and using alternative records such as time-stamped photographs or technology applications to document planting and production history;

(VI) treating the different growth stages of aquaculture species as separate crops to recognize the difference in perils at different phases of growth;

(VII) moderating the impacts of disaster years on historic revenue, such as—

(aa) using an average of the historic and projected revenue;

(bb) counting indemnities as historic revenue for loss years;

(cc) counting payments under section 7333 of this title as historic revenue for loss years; or

(dd) using an assigned yield floor similar to the limitation described in section 1508(g)(6)(A)(i) of this title, as determined by the Secretary;

(VIII) improving agent training and outreach to underserved regions and sectors such as small dairy farms; and

(IX) providing coverage and indemnification of insurable losses—

(aa) after the losses exceed the deductible; and

(bb) up to the maximum amount of total coverage.

(F) Beginning farmer or rancher defined

Notwithstanding section 1502(b)(3) of this title, with respect to plans described under this paragraph, the term “beginning farmer or rancher” means a farmer or rancher who has not actively operated and managed a farm or ranch with a bona fide insurable in-

terest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 10 crop years.

(8) Relation to limitations

A policy developed under this subsection may be prepared without regard to the limitations of this subchapter, including—

(A) the requirement concerning the levels of coverage and rates; and

(B) the requirement that the price level for each insured agricultural commodity must equal the expected market price for the agricultural commodity, as established by the Board.

(9) Tropical storm or hurricane insurance**(A) In general**

The Corporation shall carry out research and development, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out research and development, regarding a policy to insure crops (including tomatoes, peppers, and citrus) against losses due to a tropical storm or hurricane.

(B) Research and development

Research and development under subparagraph (A) shall—

(i) evaluate the effectiveness of risk management tools for a low frequency and catastrophic loss weather event; and

(ii) result in a policy that provides protection for at least 1 of the following:

(I) Production loss.

(II) Revenue loss.

(C) Report

Not later than 1 year after December 20, 2018, the Corporation 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 that describes—

(i) the results of the research and development carried out under this paragraph; and

(ii) any recommendations with respect to those results.

(10) Quality loss**(A) In general**

The Corporation shall carry out research and development, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out research and development, regarding the establishment of each of the following alternative methods of adjusting for quality losses:

(i) A method that does not impact the actual production history of a producer.

(ii) A method that provides that, in circumstances in which a producer has suffered a quality loss to the insured crop of the producer that is insufficient to trigger an indemnity payment, the producer may elect to exclude that quality loss from the actual production history of the producer.

(iii) 1 or more methods that combine the methods described in clauses (i) and (ii).

(B) Requirements

Notwithstanding subsections (g) and (m) of section 1508 of this title, any method devel-

oped under subparagraph (A) that is used by the Corporation shall be—

- (i) optional for a producer to use; and
- (ii) offered at an actuarially sound premium rate.

(C) Report

Not later than 1 year after December 20, 2018, the Corporation 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 that describes—

- (i) the results of the research and development carried out under subparagraph (A); and
- (ii) any recommendations with respect to those results.

(11) Citrus

(A) In general

The Corporation shall carry out research and development, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out research and development, regarding the insurance of citrus fruit commodities and commodity types, including research and development of—

- (i) improvements to 1 or more existing policies, including the whole-farm revenue protection pilot policy;
- (ii) alternative methods of insuring revenue for citrus fruit commodities and commodity types; and
- (iii) the development of new, or expansion of existing, revenue policies for citrus fruit commodities and commodity types.

(B) Report

Not later than 1 year after December 20, 2018, the Corporation 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 that describes—

- (i) the results of the research and development carried out under subparagraph (A); and
- (ii) any recommendations with respect to those results.

(12) Hops

(A) In general

The Corporation shall carry out research and development, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out research and development, regarding a policy to insure the production of hops or revenue derived from the production of hops.

(B) Report

Not later than 1 year after December 20, 2018, the Corporation 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 that describes—

- (i) the results of the research and development carried out under subparagraph (A); and
- (ii) any recommendations with respect to those results.

(13) Subsurface irrigation practices

(A) In general

The Corporation shall carry out research and development, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out research and development, regarding the creation of a separate practice for subsurface irrigation, including the establishment of a separate transitional yield within a county that is reflective of the average gain in productivity and yield associated with the installation of a subsurface irrigation system.

(B) Report

Not later than 18 months after December 20, 2018, the Corporation 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 that describes—

- (i) the results of the research and development carried out under subparagraph (A); and
- (ii) any recommendations with respect to those results.

(14) Grain sorghum

(A) In general

The Corporation shall carry out research and development, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out research and development—

- (i) regarding improvements to 1 or more policies to insure irrigated grain sorghum;
- (ii) regarding alternative methods for producers with not more than 4 years of production history to insure irrigated grain sorghum; and
- (iii) to assess, by county, the difference in the rate, average yield, and coverage level of grain sorghum policies compared to policies for other feed grains in that county.

(B) Report

Not later than 18 months after December 20, 2018, the Corporation 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 that describes—

- (i) the results of the research and development carried out under subparagraph (A); and
- (ii) any recommendations with respect to those results.

(15) Limited irrigation practices

(A) Authority

The Corporation shall—

- (i) consider expanding the availability of the limited irrigation insurance program to neighboring and similarly situated States (such as the States of Colorado and Nebraska), as determined by the Secretary;
- (ii) carry out research, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out research, on

the marketability of the existing limited irrigation insurance program; and

(iii) make recommendations on how to improve participation in that program.

(B) Research

In carrying out research under subparagraph (A), a qualified person shall—

(i) collaborate with researchers on the subjects of—

(I) reduced irrigation practices or limited irrigation practices; and

(II) expected yield reductions following the application of reduced irrigation;

(ii) collaborate with State and Federal officials responsible for the collection of water and the regulation of water use for the purpose of irrigation;

(iii) provide recommendations to encourage producers to carry out limited irrigation practices or reduced irrigation and water conservation practices; and

(iv) develop web-based applications that will streamline access to coverage for producers electing to conserve water use on irrigated crops.

(C) Report

Not later than 18 months after December 20, 2018, the Corporation 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 that describes—

(i) the results of the research carried out under subparagraphs (A) and (B);

(ii) any recommendations to encourage producers to carry out limited irrigation practices or reduced irrigation and water conservation practices; and

(iii) the actions taken by the Corporation to carry out the recommendations described in clause (ii).

(16) Insurable irrigation practices for rice

(A) In general

The Corporation shall carry out research and development, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out research and development, to include new and innovative irrigation practices under the current rice policy or the development of a distinct policy endorsement rated for rice produced using—

(i) alternate wetting and drying practices (also referred to as “intermittent flooding”); and

(ii) furrow irrigation practices.

(B) Report

Not later than 18 months after December 20, 2018, the Corporation 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 that describes—

(i) the results of the research and development carried out under paragraph (1); and

(ii) any recommendations with respect to those results.

(17) Greenhouse policy

(A) In general

(i) Research and development

The Corporation shall carry out research and development, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out research and development, regarding a policy to insure in a controlled environment such as a greenhouse—

(I) the production of floriculture, nursery, and bedding plants;

(II) the establishment of cuttings or tissue culture in a growing medium; or

(III) other similar production, as determined by the Secretary.

(ii) Availability of policy

Notwithstanding the last sentence of section 1508(a)(1) of this title, and section 1508(a)(2) of this title, the Corporation shall make a policy described in clause (i) available if the requirements of section 1508(h) of this title are met.

(B) Research and development described

Research and development described in subparagraph (A)(i) shall evaluate the effectiveness of policies for the production of plants in a controlled environment, including policies that—

(i) are based on the risk of—

(I) plant diseases introduced from the environment;

(II) contaminated cuttings, seedlings, or tissue culture; or

(III) Federal or State quarantine or destruction orders associated with the contaminated items described in subclause (II);

(ii) consider other causes of loss applicable to a controlled environment, such as a loss of electricity due to weather;

(iii) consider appropriate best practices to minimize the risk of loss;

(iv) consider whether to provide coverage for various types of plants under 1 policy or to provide coverage for 1 species or type of plant per policy;

(v) have streamlined reporting and paperwork requirements that take into account short propagation schedules, variable crop years, and the variety of plants that may be produced in a single facility; and

(vi) provide protection for revenue losses.

(C) Report

Not later than 2 years after December 20, 2018, the Corporation 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 that describes—

(i) the results of the research and development carried out under subparagraphs (A)(i) and (B); and

(ii) any recommendations with respect to those results.

(18) Local foods**(A) In general****(i) Feasibility study**

The Corporation shall carry out a study to determine the feasibility of, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out a study to determine the feasibility of, a policy to insure production—

(I) of floriculture, fruits, vegetables, poultry, livestock, or the products of floriculture, fruits, vegetables, poultry, or livestock; and

(II) that is targeted toward local consumers and markets.

(ii) Availability of policy

Notwithstanding the last sentence of section 1508(a)(1) of this title, and section 1508(a)(2) of this title, the Corporation shall make available a policy described in clause (i) if—

(I) the results of the feasibility study under clause (i) are viable; and

(II) the requirements of section 1508(h) of this title are met.

(B) Feasibility study described

The feasibility study described in subparagraph (A)(i) shall evaluate the effectiveness of policies for production targeted toward local consumers and markets, including policies that—

(i) consider small-scale production in various areas, including urban, suburban, and rural areas;

(ii) consider a variety of marketing strategies;

(iii) allow for production in soil and in alternative systems such as vertical systems, greenhouses, rooftops, or hydroponic systems;

(iv) consider the price premium when accounting for production or revenue losses;

(v) consider whether to provide coverage—

(I) for various types of production under 1 policy; and

(II) for 1 species or type of plant per policy; and

(vi) have streamlined reporting and paperwork requirements.

(C) Report

Not later than 2 years after December 20, 2018, the Corporation 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 that—

(i) examines whether a version of existing policies such as the whole-farm revenue protection insurance plan may be tailored to provide improved coverage for producers of local foods;

(ii) describes the results of the feasibility study carried out under subparagraph (A)(i); and

(iii) includes any recommendations with respect to those results.

(19) High-risk, highly productive batture land policy**(A) In general****(i) Research and development**

The Corporation shall carry out research and development, or offer to enter into 1 or more contracts with 1 or more qualified persons to carry out research and development, regarding a policy to insure producers of corn, cotton, and soybeans—

(I) with operations on highly productive batture land within the Lower Mississippi River Valley;

(II) that have a history of production of not less than 5 years; and

(III) that have been impacted by more frequent flooding over the past 10 years due to sedimentation or federally constructed engineering improvements.

(ii) Availability of policy

Notwithstanding the last sentence of section 1508(a)(1) of this title, and section 1508(a)(2) of this title, the Corporation shall make a policy described in clause (i) available if the requirements of section 1508(h) of this title are met.

(B) Research and development described

Research and development described in subparagraph (A)(i) shall evaluate the feasibility of less cost-prohibitive policies for batture-land producers in high risk areas, including policies that—

(i) consider premium rate adjustments;

(ii) consider automatic yield exclusion for consecutive-year losses; and

(iii) allow for flexibility of final plant dates and prevent plant regulations.

(C) Report

Not later than 2 years after December 20, 2018, the Corporation 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 that—

(i) examines whether a version of existing policies may be tailored to provide improved coverage for batture-land producers;

(ii) describes the results of the research and development carried out under subparagraphs (A) and (B); and

(iii) includes any recommendations with respect to those results.

(d) Partnerships for risk management development and implementation**(1) Purpose**

The purpose of this subsection is to authorize the Corporation to enter into partnerships with public and private entities for the purpose of either—

(A) increasing the availability of loss mitigation, financial, and other risk management tools for producers, with a priority given to risk management tools for producers of agricultural commodities covered by section 7333 of this title, specialty crops, and underserved agricultural commodities; or

(B) improving analysis tools and technology regarding compliance or identifying and using innovative compliance strategies.

(2) Authority

The Corporation may enter into partnerships with the National Institute of Food and Agriculture, the Agricultural Research Service, the National Oceanic Atmospheric Administration, and other appropriate public and private entities with demonstrated capabilities in developing and implementing risk management and marketing options for producers of specialty crops and underserved agricultural commodities.

(3) Objectives

The Corporation may enter into a partnership under paragraph (2)—

(A) to enhance the notice and timeliness of notice of weather conditions that could negatively affect crop yields, quality, and final product use in order to allow producers to take preventive actions to increase end product profitability and marketability and to reduce the possibility of crop insurance claims;

(B) to develop a multifaceted approach to pest management and fertilization to decrease inputs, decrease environmental exposure, and increase application efficiency;

(C) to develop or improve techniques for planning, breeding, planting, growing, maintaining, harvesting, storing, shipping, and marketing that will address quality and quantity challenges associated with year-to-year and regional variations;

(D) to clarify labor requirements and assist producers in complying with requirements to better meet the physically intense and time-compressed planting, tending, and harvesting requirements associated with the production of specialty crops and underserved agricultural commodities;

(E) to provide assistance to State foresters or equivalent officials for the prescribed use of burning on private forest land for the prevention, control, and suppression of fire;

(F) to provide producers with training and informational opportunities so that the producers will be better able to use financial management, farm financial benchmarking, crop insurance, marketing contracts, and other existing and emerging risk management tools;

(G) to improve analysis tools and technology regarding compliance or identifying and using innovative compliance strategies; and

(H) to develop other risk management tools to further increase economic and production stability.

(e) Funding

(1) Reimbursements

Of the amounts made available from the insurance fund established under section 1516(c) of this title, the Corporation may use to provide reimbursements under subsection (b) not more than \$7,500,000 for fiscal year 2008 and each subsequent fiscal year.

(2) Contracting

(A) Conducting and contracting for research and development

Of the amounts made available from the insurance fund established under section 1516(c) of this title, the Corporation may use to conduct research and development and carry out contracting and partnerships under subsections (c) and (d) not more than—

(i) \$12,500,000 for each of fiscal years 2008 through 2018; and

(ii) \$8,000,000 for fiscal year 2019 and each fiscal year thereafter.

(B) Underserved States

Of the amount made available under subparagraph (A) for a fiscal year, the Corporation shall use not more than \$5,000,000 for the fiscal year to conduct research and development and carry out contracting for research and development to carry out the purpose described in subsection (c)(1)(A).

(3) Unused funding

If the Corporation determines that the amount available under this section for a fiscal year is not needed for such purposes, the Corporation may use—

(A) not more than \$5,000,000 for each fiscal year to improve program integrity, including by—

(i) increasing compliance-related training;

(ii) improving analysis tools and technology regarding compliance;

(iii) use of information technology, as determined by the Corporation; and

(iv) identifying and using innovative compliance strategies; and

(B) any excess amounts to carry out other activities authorized under this section.

(Feb. 16, 1938, ch. 30, title V, § 522, as added Pub. L. 106–224, title I, § 131, June 20, 2000, 114 Stat. 379; amended Pub. L. 110–234, title VII, § 7511(c)(1), title XII, §§ 12022–12024, 12033(c)(2)(B), May 22, 2008, 122 Stat. 1267, 1382–1388, 1405; Pub. L. 110–246, § 4(a) title VII, § 7511(c)(1), title XII, §§ 12022–12024, 12033(c)(2)(B), June 18, 2008, 122 Stat. 1664, 2028, 2144–2150, 2167; Pub. L. 113–79, title XI, §§ 11010(b), 11022, 11023(b), 11024, 11027(b), 11028(b), Feb. 7, 2014, 128 Stat. 959, 969, 973, 974, 977; Pub. L. 115–334, title XI, §§ 11120(a), 11121–11123, Dec. 20, 2018, 132 Stat. 4926–4935.)

Editorial Notes

CODIFICATION

Pub. L. 110–234 and Pub. L. 110–246 made identical amendments to this section. The amendments by Pub. L. 110–234 were repealed by section 4(a) of Pub. L. 110–246.

AMENDMENTS

2018—Subsec. (b)(1)(B). Pub. L. 115–334, § 11120(a)(1), amended subpar. (B) generally. Prior to amendment, text read as follows: “An applicant who submits a policy under section 1508(h) of this title shall be eligible for the reimbursement of reasonable research and development costs directly related to the policy if the policy is approved by the Board for sale to producers.”

Subsec. (b)(2)(K). Pub. L. 115-334, §11121(1), added subpar. (K).

Subsec. (b)(3). Pub. L. 115-334, §11121(2), designated existing provisions as subpar. (A), inserted heading, substituted “Subject to subparagraph (B), the Corporation” for “The Corporation”, and added subpar. (B).

Subsec. (b)(4)(C). Pub. L. 115-334, §11120(a)(2)(A), substituted “applicant” for “approved insurance provider” in introductory provisions.

Subsec. (b)(4)(D)(i). Pub. L. 115-334, §11120(a)(2)(B)(i), substituted “determined by the applicant” for “determined by the approved insurance provider”.

Subsec. (b)(4)(D)(iii). Pub. L. 115-334, §11120(a)(2)(B)(ii), added cl. (iii).

Subsec. (c)(7) to (24). Pub. L. 115-334, §11122, redesignated par. (19) as (7) and added subpars. (E) and (F), redesignated par. (24) as (8), added pars. (9) to (19), and struck out former pars. (7) to (18) and (20) to (23) which related, respectively, to study of multiyear coverage, contract for revenue coverage plans, contract for cost of production policy, energy crop insurance policy, aquaculture insurance policy, poultry insurance policy, apiary policies, adjusted gross revenue policies for beginning producers, skiprow cropping practices, margin coverage for catfish, biomass and sweet sorghum energy crop insurance policies, study on swine catastrophic disease program, study on poultry catastrophic disease program, poultry business interruption insurance policy, study of food safety insurance, and alfalfa crop insurance policy.

Subsec. (e)(2)(A). Pub. L. 115-334, §11123, substituted “not more than—” and cl. (i) for “not more than \$12,500,000 for fiscal year 2008 and each subsequent fiscal year.” and added cl. (ii).

2014—Subsec. (b)(2)(E). Pub. L. 113-79, §11010(b), added subpar. (E) and struck out former subpar. (E) which related to Board approval of up to 50 percent of the projected total research and development costs to be paid in advance to an applicant.

Subsec. (b)(4)(A). Pub. L. 113-79, §11028(b)(1), substituted “paragraph (1)” for “paragraphs (1)”.

Subsec. (c). Pub. L. 113-79, §11022(a)(1), struck out “contracting” after “development” in heading.

Subsec. (c)(1). Pub. L. 113-79, §11022(a)(2), substituted “may conduct activities or enter into contracts to carry out research and development to maintain or improve existing policies or develop new policies to” for “may enter into contracts to carry out research and development to” in introductory provisions.

Subsec. (c)(2)(A). Pub. L. 113-79, §11022(a)(3)(A), inserted “conduct research and development or” after “The Corporation may”.

Subsec. (c)(2)(B). Pub. L. 113-79, §11022(a)(3)(B), inserted “conducting research and development or” after “Before”.

Subsec. (c)(5). Pub. L. 113-79, §11022(a)(4), inserted “after expert review in accordance with section 1505(e) of this title” after “approved by the Board”.

Subsec. (c)(6). Pub. L. 113-79, §11022(a)(5), substituted “policies that increase participation by producers of underserved agricultural commodities, including sweet sorghum, biomass sorghum, rice, peanuts, sugarcane, alfalfa, pennycress, dedicated energy crops, and specialty crops” for “a pasture, range, and forage program”.

Subsec. (c)(10) to (16). Pub. L. 113-79, §11023(b), redesignated pars. (11) to (17) as (10) to (16), respectively, and struck out former par. (10) which related to contracts for organic production coverage improvements.

Subsec. (c)(17) to (24). Pub. L. 113-79, §11023(b)(2), redesignated pars. (18) to (25) as (17) to (24), respectively. Former par. (17) redesignated (16).

Pub. L. 113-79, §11022(a)(7), added pars. (17) to (24).

Subsec. (c)(25). Pub. L. 113-79, §11022(a)(6), redesignated par. (17) as (25).

Subsec. (d)(1). Pub. L. 113-79, §11024(a), added par. (1) and struck out former par. (1). Text read as follows: “The purpose of this subsection is to authorize the Corporation to enter into partnerships with public and private entities for the purpose of increasing the avail-

ability of loss mitigation, financial, and other risk management tools for producers, with a priority given to risk management tools for producers of agricultural commodities covered by section 7333 of this title, specialty crops, and underserved agricultural commodities.”

Subsec. (d)(3)(F). Pub. L. 113-79, §11027(b), inserted “farm financial benchmarking,” after “financial management,”.

Subsec. (d)(3)(G), (H). Pub. L. 113-79, §11024(b), added subpar. (G) and redesignated former subpar. (G) as (H).

Subsec. (e)(1). Pub. L. 113-79, §11028(b)(2), inserted period at end.

Subsec. (e)(2)(A). Pub. L. 113-79, §11022(b)(1)(A), in heading, substituted “Conducting and contracting for research and development” for “Authority” and, in text, inserted “conduct research and development and” after “the Corporation may use to”.

Subsec. (e)(2)(B). Pub. L. 113-79, §11022(b)(1)(B), inserted “conduct research and development and” after “for the fiscal year to”.

Subsec. (e)(3). Pub. L. 113-79, §11022(b)(2), struck out “to provide either reimbursement payments or contract payments” after “available” in introductory provisions.

Subsec. (e)(4). Pub. L. 113-79, §11022(b)(3), struck out par. (4) which related to prohibited research and development by the Corporation.

2008—Subsec. (b)(1), (2). Pub. L. 110-246, §12022(a), added pars. (1) and (2) and struck out former pars. (1) and (2) which related to reimbursement for research and development costs directly related to a policy that was submitted to and approved by the Board under section 1508(h) of this title for reinsurance and, if applicable, offered for sale to producers, and reimbursement for research and development costs approved prior to June 20, 2000.

Subsec. (b)(2)(C)(v). Pub. L. 110-246, §12033(c)(2)(B), substituted “this subchapter” for “this chapter”.

Subsec. (b)(3). Pub. L. 110-246, §12022(b)(1), struck out “or (2)” after “paragraph (1)”.

Subsec. (b)(4)(A). Pub. L. 110-246, §12022(b)(2), struck out “and (2)” after “paragraphs (1)”.

Subsec. (c)(10) to (16). Pub. L. 110-246, §12023(2), added pars. (10) to (16). Former par. (10) redesignated (17).

Subsec. (c)(17). Pub. L. 110-246, §12033(c)(2)(B), substituted “this subchapter” for “this chapter” in introductory provisions.

Pub. L. 110-246, §12023(1), redesignated par. (10) as (17).

Subsec. (d)(2). Pub. L. 110-246, §7511(c)(1), substituted “the National Institute of Food and Agriculture” for “the Cooperative State Research, Education, and Extension Service”.

Subsec. (e)(1). Pub. L. 110-246, §12024(1), substituted “\$7,500,000 for fiscal year 2008 and each subsequent fiscal year” for “\$10,000,000 for each of fiscal years 2001 and 2002 and not more than \$15,000,000 for fiscal year 2003 and each subsequent fiscal year.”

Subsec. (e)(2)(A). Pub. L. 110-246, §12024(2), substituted “\$12,500,000 for fiscal year 2008” for “\$20,000,000 for each of fiscal years 2001 through 2003 and not more than \$25,000,000 for fiscal year 2004”.

Subsec. (e)(3). Pub. L. 110-246, §12024(3), substituted “the Corporation may use—” for “the Corporation may use the excess amount to carry out another function authorized under this section.” and added subpars. (A) and (B).

Subsec. (e)(4). Pub. L. 110-246, §12033(c)(2)(B), substituted “this subchapter” for “this chapter” in two places.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2018 AMENDMENT

Pub. L. 115-334, title XI, §11120(b), Dec. 20, 2018, 132 Stat. 4927, provided that:

“(1) IN GENERAL.—The amendments made by this section [amending this section] shall apply to reimbursement requests made on or after October 1, 2016.

“(2) RESUBMISSION OF DENIED REQUEST.—An applicant that was denied all or a portion of a reimbursement request under paragraph (1) of section 522(b) of the Federal Crop Insurance Act (7 U.S.C. 1522(b)) during the period between October 1, 2016, and the date of the enactment of this Act [Dec. 20, 2018] shall be given an opportunity to resubmit such request.”

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, except as otherwise provided, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of this title.

Pub. L. 110-234, title VII, § 7511(c), May 22, 2008, 122 Stat. 1267, and Pub. L. 110-246, § 4(a), title VII, § 7511(c), June 18, 2008, 122 Stat. 1664, 2028, provided that the amendments made by section 7511(c) are effective Oct. 1, 2009.

[Pub. L. 110-234 and Pub. L. 110-246 enacted identical provisions. Pub. L. 110-234 was repealed by section 4(a) of Pub. L. 110-246, set out as a note under section 8701 of this title.]

EFFECTIVE DATE

Section effective Oct. 1, 2000, see section 171(b)(1)(A) of Pub. L. 106-224, set out as an Effective Date of 2000 Amendment note under section 1501 of this title.

REIMBURSEMENT REGULATIONS

Pub. L. 107-20, title II, § 2103, July 24, 2001, 115 Stat. 165, provided that:

“(a) Not later than August 1, 2001, the Federal Crop Insurance Corporation shall promulgate final regulations to carry out section 522(b) of the Federal Crop Insurance Act (7 U.S.C. 522(b) [1522(b)]), 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’).

“(b) In carrying out this section, the Corporation shall use the authority provided under section 808 of title 5, United States Code.

“(c) The final regulations promulgated under subsection (a) shall take effect on the date of publication of the final regulations.”

§ 1523. Pilot programs

(a) General provisions

(1) Authority

Except as otherwise provided in this section, the Corporation may, at the sole discretion of the Corporation, conduct a pilot program submitted to and approved by the Board under section 1508(h) of this title, or that is developed under subsection (b) or section 1522 of this title, to evaluate whether a proposal or new risk management tool tested by the pilot program is suitable for the marketplace and addresses the needs of producers of agricultural commodities.

(2) Private coverage

Under this section, the Corporation shall not conduct any pilot program that provides insurance protection against a risk if insurance protection against the risk is generally available from private companies.

(3) Covered activities

The pilot programs described in paragraph (1) may include pilot programs providing insurance protection against losses involving—

(A) reduced forage on rangeland caused by drought or insect infestation;

(B) livestock poisoning and disease;

(C) destruction of bees due to the use of pesticides;

(D) unique special risks related to fruits, nuts, vegetables, and specialty crops in general, aquacultural species, and forest industry needs (including appreciation);

(E) after October 1, 2001, wild salmon, except that—

(i) any pilot program with regard to wild salmon may be carried out without regard to the limitations of this subchapter; and

(ii) the Corporation shall conduct all wild salmon programs under this subchapter so that, to the maximum extent practicable, all costs associated with conducting the programs are not expected to exceed \$1,000,000 for fiscal year 2002 and each subsequent fiscal year.

(4) Scope of pilot programs

The Corporation may—

(A) approve a pilot program under this section to be conducted on a regional, State, or national basis after considering the interests of affected producers and the interests of, and risks to, the Corporation;

(B) operate the pilot program, including any modifications of the pilot program, for a period of up to 4 years;

(C) extend the time period for the pilot program for additional periods, as determined appropriate by the Corporation; and

(D) provide pilot programs that would allow producers—

(i) to receive a reduced premium for using whole farm units or single crop units of insurance; and

(ii) to cross State and county boundaries to form insurable units.

(b) Livestock pilot programs

(1) Definition of livestock

In this subsection, the term “livestock” includes, but is not limited to, cattle, sheep, swine, goats, and poultry.

(2) Programs required

Subject to paragraph (7), the Corporation shall conduct two or more pilot programs to evaluate the effectiveness of risk management tools for livestock producers, including the use of futures and options contracts and policies and plans of insurance that protect the interests of livestock producers and that provide—

(A) livestock producers with reasonable protection from the financial risks of price or income fluctuations inherent in the production and marketing of livestock; or

(B) protection for production losses.

(3) Purpose of programs

To the maximum extent practicable, the Corporation shall evaluate the greatest number and variety of pilot programs described in paragraph (2) to determine which of the offered risk management tools are best suited to protect livestock producers from the financial risks associated with the production and marketing of livestock.