minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, this great and powerful Nation of ours is about to respond. We will respond mightily. We will respond, not just against the terrorists themselves, but against those who harbor and protect them.

□ 1015

The Taliban of Afghanistan is at the very top of the list. As we prepare to deal with them, we have to remember the civilians of that country. We must be careful to minimize the impact on the innocent people of Afghanistan.

Mr. Speaker, I am a veteran. I know that sometimes innocent people die in war, but in the case of Afghanistan, perhaps more than any other, we will be at war with the terrorist organizations and with the government that aids and abets them, not with the people.

The people of Afghanistan are victims too. They have been brutalized by the Taliban, by the communists who were there before them. They have not known peace for decades. Millions have starved and become refugees. We will need to help those surrounding countries that will be impacted by the refugees. We need to communicate to the people of Afghanistan, reach out to them and let them know that we are their friends, and that once Osama bin Laden and the Taliban are gone, and they will be gone, we want to be a friend and ally to the people of Afghanistan.

FARM SECURITY ACT OF 2001

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 248 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 248

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed two hours equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture. After general debate the bill shall be considered for amendment under the five-minute rule. In lieu of the amendments recommended by the Committees on Agriculture and International Relations now printed in the bill, it shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule an amendment in the nature of a substitute consisting of the text printed in part A of the report of the Committee on Rules accompanying this resolution, modified by the amendment printed in part B of the report. That amendment in the nature of a substitute shall be considered as read. All points of order against that amendment in the nature of a substitute are waived. No amendment to that amendment in the nature of a substitute shall be in order except those printed before October 3, 2001, in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII and except pro forma amendments for the purpose of debate. Each amendment so printed may be offered only by the Member who caused it to be printed or his designee and shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Washington (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Washington. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. HALL), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

(Mr. HASTINGS of Washington asked and was given permission to revise and extend his remarks.)

Mr. HASTINGS of Washington. Mr. Speaker, H. Res. 248 is a modified open rule providing for the consideration of H.R. 2646, the Farm Security Act of 2001. The rule provides two hours of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture. The rule waives all points of order against consideration of the bill.

The rule further provides that in lieu of the amendments recommended by the chairman of the Committee on Agriculture and the Committee on International Relations now printed in the bill, it shall be in order to consider, as an original bill for the purpose of amendment under the 5-minute rule, an amendment in the nature of a substitute consisting of the printed text in part A of the Committee on Rules report accompanying the resolution, modified by the amendment printed in part B of the report. The rule waives all points of order against the amendment in the nature of a substitute and provides that it be shall be considered as read.

The rule further makes in order only those amendments that have been preprinted in the CONGRESSIONAL RECORD before October 3, 2001, and provides that each such amendment may be offered only by the amendment who caused it to be printed or a designee and shall be considered as read. Finally, the rules provides one motion to recommit with or without instructions.

Mr. Speaker, H.R. 2646 provides $73.5 billion over the next 10 years to overhaul the 1996 farm bill. It reauthorizes a Food for Progress Program, which finances food grants to developing countries that are committed to democracy and free market system at $100 million per year through 2001. I am especially pleased that this bill reauthorizes the Market Access program, which helps producers, including many tree fruit growers in Central Washington, in my district, promote exports abroad and increases that funding by $110 million per year to $200 million annually.

The MAP funds have proven to be an effective means of assisting producers not normally provided for the federal farm legislation. Cherries, apples, grapes, dry peas, hops and lentils are just a few of the commodities in my district that benefit from this important program.

Mr. Speaker, H.R. 2646 is a balanced bill providing support for American agricultural through commodity assistance, conservation programs, nutrition programs, enhanced international trade, rural development, forestry initiatives, and a host of other important provisions.

The bill was reported by the Committee on Agriculture by a voice vote and is broadly supported by members of that Committee and our colleagues in the whole House. In order to permit Members seeking to improve the bill to the fullest extent possible, an opportunity was given to offer amendments. The Committee on Rules is pleased to report the modified open rule requested by the chairman and ranking minority member of the Committee on Agriculture.

Accordingly, Mr. Speaker, I urge my colleagues to support both the rule and the underlying bill, H.R. 2646.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I want to thank the gentleman from Washington (Mr. HASTINGS) for yielding me the time.

This is a modified open rule. It will allow for the consideration of a bill which funds farm price supports, conservation programs, domestic nutrition programs, and international food assistance over the next 10 years.

As my colleague from Washington has described, this rule provides 2 hours of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture.

This allows germane amendments under the 5-minute rule. This is the normal amending process in the House. The rule requires that all amendments must be preprinted in the CONGRESSIONAL RECORD.

Mr. Speaker, there is no human need more basic than food. Ensuring that our citizens are fed is one of the most important duties of government. This bill establishes the basic framework of government support for farmers to maintain a stable, affordable source of good food for Americans. The bill also

authorizes programs providing food for needy people in the United States and around the world.

I want to thank the Committee on Agriculture, the gentleman from Texas (Chairman COMBEST) and his staff for their diligent work in putting together this farm bill, as well as ranking minority member, the gentleman from Texas (Mr. STENHOLM). Members of the committee put a lot of energy and effort into this bill, including attending field hearings around the country. The result is a fair process and a bipartisan bill with support on both sides of the aisle.

The bill includes many compromises. The committee has done a good job in striking a balance between the different interests represented in this country and in this House.

I am glad that the bill includes necessary improvements to the Food Stamp Program and the Emergency Food Assistance Program, which is our Nation's first line of defense against hunger. These programs are especially important in times of increasing unemployment.

Additionally, the legislation includes the Bill Emerson-Mickey Leland Hunger Fellows Program, and this is a fitting tribute for our two late colleagues, and it honors their legacy by training leaders in the fight against hunger.

Thanks to the gentleman from Texas (Chairman COMBEST) and the Committee on International Relations, the gentleman from Illinois (Chairman HYDE), the bill authorizes the George McGovern-Robert Dole International Food for Education and Child Nutrition Program, sometimes called the Global Schools Lunch program, and this will be a vital weapon in our arsenal in the worldwide fight against ignorance and disease.

However, I am concerned about the potential gap in funding between the current Global School Lunch program and the authorized program created under this bill. Later, I am hoping to engage Chairman COMBEST in a colloquy on this matter.

I also plan to offer an uncontroversial amendment which will give more flexibility in the management of the Food for Peace program. This was requested by the U.S. AID and the World Food Programme.

Mr. Speaker, our world has changed since September 11, and it is necessary to look at major legislation such as this in light of our new security concerns, and among those concerns are the hunger and the poverty and the misery around the world that, if ignored, can become breeding grounds for violence and hatred.

I have seen the effect of our food aid in dozens of countries, but nowhere more clearly than in North Korea. Five years ago, people would run when they saw Americans. That was before bags of American grain began reaching schools and orphanages there, helping to alleviate the crushing famine.

Today, there are 15 million of those U.S. AID ''handshake'' bags being used over and over, delivering the message that the American people are not the enemies of the Korean people, and that message is getting through, and the evidence is the way ordinary North Koreans now break into smiles at the sight of Americans.

As my colleagues know, I think we should send a lot more food aid to the more than 800 million hungry people in our world, and we should do it because it saves their lives and gives them hope. We should do it because it helps our farmers and instills goodwill towards Americans, and we should do it because we should not let terrible conditions fester and become even bigger problems for our Nation.

The food assistance programs authorized by this bill give the President additional tools in showing our allies, new and old, that we are in a war with terrorists and not the downtrodden people of any Nation.

Mr. Speaker, I support the rule on the underlying bill.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Texas (Mr. COMBEST), the distinguished chairman of the Committee on Agriculture.

Mr. COMBEST. Mr. Speaker, I thank the gentleman for yielding the time, and I just want to rise in support of this rule.

I want to thank the gentleman from Washington (Mr. HASTINGS), the gentleman from Ohio (Mr. HALL) and others on the Committee on Rules for a very open process there in granting this rule.

As mentioned, the rule does provide the opportunity for Members to offer a wide variety of amendments. Some of those, I am sure, will create some extended discussion. That is, however, part of the process.

It is a good rule, and I particularly would again like to thank the Committee on Rules for granting the rule that was requested by the gentleman from Texas (Mr. STENHOLM) and myself.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

As I mentioned, I am pleased that the Committee on Agriculture and the Committee on International Relations have included provisions in the bill that would establish what is commonly known as the Global School Lunch program. This exports some of the best we have to offer, American food and compassion to developing countries around the world. The global food for education initiative currently operated by the Agriculture Department has worthy goals of feeding hungry children, promoting education, especially among girls, and assisting American farmers.

It was inspired by former Senators George McGovern and Bob Dole. It was announced at the G–8 summit last July, and it has broad bipartisan support. Authorization of the program is now part of the farm bill due to the exemplary work of the gentleman from Texas (Chairman COMBEST), the gentleman from Illinois (Chairman HYDE) and the ranking minority members, the gentleman from Texas (Mr. STENHOLM) and the gentleman from California (Mr. LANTOS).

I am concerned, however, that there is a possible gap between the end of the existing funding and the beginning of the appropriated funding for this bill.

Mr. Speaker, I will yield to the gentleman from Texas (Mr. COMBEST) for the purpose of engaging in a colloquy about this concern. I have also a note that the gentleman from Illinois (Mr. HYDE) wanted to be here to discuss this matter but is chairing an important hearing on terrorism.

So, is it the hope and understanding of the gentleman from Texas (Mr. COMBEST) that the Secretary of Agriculture should continue to operate the Global Food for Education initiative until such time as the International Food for Education and Child Nutrition Program is established?

Mr. COMBEST. Mr. Speaker, will the gentleman yield?

Mr. HALL of Ohio. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Speaker, I thank the gentleman for yielding and want to assure him that I support the provisions of the McGovern-Dole International Food for Education Program contained in the bill in hopes that they and the rest of the bill will be enacted quickly.

□ 1030

I want to state that I agree that the current program should be continued so that there will not be a gap in the important work that is being done. The gentleman from Texas (Mr. STENHOLM) and I have requested that the General Accounting Office review the current Global Food for Education Initiative, and we expect that review to be completed in a few months. I will be happy to work with the gentleman to examine that GAO recommendation.

Mr. HALL of Ohio. Reclaiming my time, Mr. Speaker, I appreciate the gentleman's assurances and hope we can work together to ensure that the recommendations to improve the program will be implemented.

Mr. COMBEST. If the gentleman will continue to yield, I would certainly agree and again look forward to receiving the report. While I am concerned that this and any other new program achieve the goal set out for it, I share the concern of my colleague from Ohio that the needs of hungry children should not go unmet, especially when the United States is able to produce food in such abundance. I appreciate his intent and look forward to working with him on this program in the future.

Mr. HALL of Ohio. Reclaiming my time once again, I want to thank the

chairman, and I also want to thank my colleagues, the gentleman from Massachusetts (Mr. MCGOVERN) and the gentlewoman from Missouri (Mrs. EMERSON), who have worked tirelessly on this important piece of legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Committee on Rules.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me this time.

At the beginning of this Congress, the Speaker of the House, the gentleman from Illinois (Mr. HASTERT), said that he believed it important that on most of the issues we face we proceed under what he calls regular order, and that is exactly what we are doing here. We have basically an open amendment process. We call this a modified open rule because it offers just the slightest restriction, but under the structure that we have, every germane amendment will be able to be made in order.

I know there are some who have demonstrated some concern about that as we proceed with consideration of this farm bill. I believe that it is the most appropriate way for us to proceed. So I hope that my colleagues, Mr. Speaker, will join in strong support of this rule and allow us to move ahead with consideration of a wide range of issues.

I know there are some issues that they would like to have brought up under this structure that we have, but that would have required a waiver. We chose not to provide that waiver, and there are other mechanisms that exist in the institution where they will be able to address those concerns.

So I would simply like to say that I urge my colleagues to support this rule, and I thank the gentleman from Washington (Mr. HASTINGS) and the gentleman from Ohio (Mr. HALL) for their management of this effort. We are going to proceed in a bipartisan way with what will be a free and rigorous and interesting open debate on consideration of the farm bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. STENHOLM), who is the ranking member on the Committee on Agriculture.

Mr. STENHOLM. Mr. Speaker, I rise to support the rule. As we have heard, it is essentially a fair rule; and I am grateful to my chairman, the gentleman from Texas (Mr. COMBEST), for requesting such a fair rule. I hope the entire House appreciates the fairness of the action of the request of the House Committee on Agriculture.

This rule restores a tradition of full and fair debate that always used to take place when farm bills came to the floor. While I feel the committee bill is a reasonable consensus product, I know that many of my colleagues believe it can be improved, and I very much look forward to the discussion before us. As a participant in its development, I believe that our debate will provide an excellent opportunity for all of our colleagues and for the American people to see the wisdom of the committee's work.

The open rule has become too rare in the debates we have had in the House in recent years. In the Committee on Agriculture we never considered having this bill considered on the floor in a restrictive way. Anticipating an open rule, we knew that every decision we made, every effort designed to set budgetary priorities would be subject to the full scrutiny of every Member of the House.

I fully believe that anticipation of an open floor debate helped us to build a better bill in committee. As a result, it has the support of a broad diversity of interests. And while the support of the agricultural community for our bill is gratifying, the validation of others is particularly rewarding.

Mr. Speaker, I very much look forward to our debate in the days ahead and I hope my colleagues will observe the benefits from this open and fair process.

Mr. Speaker, the bill reforms our foreign programs in a way that will prevent any future need for the billions of dollars of emergency spending that have been required in recent years. It greatly expands USDA's conservation programs. And I reemphasize that: an 80 percent increase in the conservation title in this bill. It reauthorizes and improves the food stamp program, and I am gratified for the support of the hunger community on this bill and in recognizing the significance of those things that we did in the nutrition component. It renews our emphasis on the importance of rural economic development, particularly water and agricultural research.

Mr. Speaker, this bill has been scored by the Congressional Budget Office, and its 10-year score is within the limit of the funds that were included within the budget resolution. Congress anticipated the need for farm policy reform; and its passage, I believe, is the fiscally responsible thing to do.

Though I strongly support this rule, Mr. Speaker, I wish to make moment of the state of affairs that has become apparent since budgetary reestimates were released in August. Although it is the case that the budget anticipated farm bill spending, the availability of the funds was made on a contingent basis. For fiscal years 2003 through 2011, funds are made available to provide for a bill from the Committee on Agriculture if the chairman of the Committee on the Budget makes an allocation subject to the condition.

Mr. Speaker, as my colleagues are well aware, and as my friend from South Carolina has clearly shown to all Members, only in the most technical sense can it be regarded that the conditions of the money in this bill has been met. Our budget is busted. The budget resolution is irrelevant. There is no on budget surplus. We are into Social Security and Medicare spending and we are on our way to a unified budget deficit, all as a result of the economy and of September 11.

Mr. Speaker, as we debate this rule and the farm bill, we must be thinking clearly about our budget responsibilities. Passage of this bill was anticipated in the budget and is crucial to forestall the need for Congress to continually provide emergency spending. However, we cannot avoid the fact that its passage and all other spending bills we have recently considered and that will remain to be considered take us deeper and deeper into Social Security revenue.

Mr. Speaker, I take this opportunity to appeal to my colleagues in a bipartisan way and to the administration to now develop a new budget. We need to unite on our budget now so that we do not make those mistakes today, with all good intentions, that will not be in the best interest of our country 10 years from today.

I believe the bill that we bring before the House today from the agriculture perspective meets all of that criteria; and therefore, I urge the support of the rule and of the bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Speaker, I want to express my appreciation to the chairman for producing this bill. I think the bill contains many good things. It reauthorizes the food stamp program, does a very good job on that; it provides a great deal of authorization for appropriate research in agriculture; and does many good things for the agricultural community across the country.

However, there is one glaring problem with the underlying bill and the rule that governs it. The underlying bill makes inadequate provision for the dairy industry. Specifically, the inadequate provision is the failure of the bill to recognize the need for dairy compacts, particularly in the East and Southeastern parts of the United States where the dairy industry is in great peril. This rule does not provide the opportunity for a debate on that issue, and that is a major defect in the rule.

Over and over again the leadership of this House has promised that there would be an opportunity to debate the issue of dairy compacts and that there would be an opportunity to have a vote one way or the other and allow the House to express its will on the issue of dairy compacts. This bill fails to do that and the rule fails to make in order such an amendment. This is a glaring deficiency.

Why are we concerned about that? We are concerned about it because the dairy industry is an important part of the agricultural industry in this country. Without the opportunity for dairy

compacts, a major portion of that dairy industry, that which exists principally in the eastern part of the country, both north and south, is in grave danger of perishing. If we lose the dairy industry, we lose an important part of our communities all across New England and the middle Atlantic States.

So the rule should be corrected. A debate on the dairy compacts ought to be authorized. We ought to have an opportunity to discuss this very critical issue. Without that, the rule is grossly deficient.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, while I do not have much problem with the rule, and I actually compliment the committee, I am concerned that this bill continues to provide protection for some of our antiquated, outmoded, and unneeded subsidies, especially in the sugar program, where 1 percent of 17 farms will receive 58 percent of the subsidy. That is one reason why I am asking people and urging support for the Miller-Miller amendment when it comes to the floor.

Mr. HALL of Ohio. Mr. Speaker, I yield back the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Pursuant to House Resolution 248 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2646.

□ 1041

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011, with Mr. LAHOOD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) each will control 1 hour.

The Chair recognizes the gentleman from Texas (Mr. COMBEST).

Mr. COMBEST. Mr. Chairman, I yield myself such time as I may consume.

(Mr. COMBEST asked and was given permission to revise and extend his remarks.)

Mr. COMBEST. Mr. Chairman, I want to begin by thanking my colleague, the gentleman from Texas (Mr. STENHOLM), for his great efforts in arriving at a very bipartisan, very well-thought-out bill.

I also want to thank the 51 members of the House Committee on Agriculture for the dedication and the time that they have put in to see us arrive today at the product that we bring before the House. This has been long in coming. And I would be remiss if I did not thank the staff, minority and majority staff, for the tireless, long, long nights, weeks, and months, that they have put into this process. We could not have done it without them.

Mr. Chairman, it is with great pride that I rise today to bring before the House H.R. 2646, the Farm Security Act of 2001. This bill represents comprehensive agricultural legislation, making important changes to all segments of our food and agricultural industries; and I look forward to today's debate. Most importantly, this bill provides a proactive market-oriented solution to the critical economic crisis that has been eroding the financial footing of our Nation's farmers and rural communities for the past 4 years. Just as important, this bill will prevent the need for further ad hoc assistance for farmers in the future.

Mr. Chairman, our committee has taken a very deliberate approach to crafting this farm bill. Over the past 2 years, the House Committee on Agriculture held some 47 hearings. We have traveled to all regions of the country to listen to the needs and the concerns of hardworking people from the farming and agri-business community. We have asked all farm and interest groups to provide very specific ideas on how they would improve current agricultural policy, which we received from them. And, most importantly, we have worked in a very open and bipartisan way to craft this bill, which enjoys an unprecedented level of support among the agricultural sector.

□ 1045

Mr. Chairman, the key factor of this bill's success in committee, and its outcome today, is balance. In addition to addressing just about every issue under the jurisdiction of the Committee on Agriculture, H.R. 2646 represents a bipartisan balance between several important issues, including: a safety net for America's farmers; unmet soil and water conservation needs; foreign trade and promotion program requirements; agricultural credit programs for America's farmers, ranchers and rural areas; important agricultural research initiatives; rural development programs that affect thousands of rural communities across the country; and the list goes on and on.

I mention this in order to make the point that there is not a single program or issue addressed by this farm bill that could not be further improved with additional resources.

However, as I stated, the bill represents balance and it represents a bipartisan balance that the Committee on Agriculture crafted based on the input that we received from America's farmers and ranchers, soil and water conservationists, agribusiness, private food aid organizations, and many others.

The economic crisis that farmers have been facing since 1998 is not of their own making. Rather, it is a result of large macroeconomic factors like increased supply resulting from favorable world-wide weather trends, tightening demand resulting from slow economic growth rates, and a strong U.S. dollar pushing our products out of competition and driving prices down on the world market. What is more, in the last 2 years farmers have been further squeezed by high energy prices which have dramatically increased their input costs.

All of these are just reasons why Congress has acted to provide relief in the last 4 years; but more importantly, these are reasons why we need to act today and establish a more stable farmer policy for the future.

H.R. 2646 establishes the critical safety net that our farmers and the entire agricultural sector need to help this important sector of our economy grow and prosper and create wealth for the future.

H.R. 2646 also represents a fiscally responsible approach to providing the assistance farmers need. The $73.5 billion in additional spending in H.R. 2646 was fully contemplated by the budget resolution. The average $12 billion per year that would be spent on commodity supports in this bill pales in comparison to the average $23.3 billion that has been spent over the last 4 years.

H.R. 2646 will provide our Nation's farmers with the footing they need to compete in the world marketplace. It is fully consistent with our obligations under the Uruguay Round Agreement on Agriculture as enforced by the WTO. In fact, there is a specific provision in this bill which authorizes the Secretary of Agriculture to make adjustments in expenditure levels in order to ensure compliance with our trade treaty obligations. Therefore, it is not only consistent, but complementary, to a proactive trade policy that will seek to level the international playing field and open new markets to our products for the future.

H.R. 2646 also has an unprecedented level of support among the agricultural community. The bill is supported by virtually all farm groups, agribusiness and industry groups, many conservation groups, rural advocates, towns and communities.

H.R. 2646 is a bipartisan and balanced way to address the needs of America's agriculture sector. I look forward to completing action on this very important legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of this bill, and I want to begin by expressing my appreciation to the gentleman from Texas (Mr. COMBEST) for

his leadership in bringing us to this point today, and to our colleagues on both sides of the aisle who have participated in the many hours, weeks, months, yes, years in the development of this recommendation that we bring to the full House today.

The policies contained in the bill represent a truly balanced consensus approach that reflects well on the process by which it was designed. While there remain amendments to be considered, the product before us represents a true bipartisan consensus, and I believe it has broad support.

Mr. Chairman, the process for developing this bill and the one in which the 1996 farm bill was enacted are as different as night and day. The 1996 farm bill was a philosophical document written by the House leadership. There were no public hearings, no process for the Committee on Agriculture to build a consensus, and little optimism for its success. Many of us who voted for it did so because we had no other choice.

Mr. Chairman, I will not be the first to say that the 1996 farm bill is an utter failure. It has failed our farmers. This failure was so obvious to everyone involved that Congress and the White House have repeatedly in this and each of the previous 3 years poured out billions of unbudgeted additional dollars in the form of direct payments to farmers.

Mr. Chairman, much has been said about how difficult times have been for producers in those years. This point cannot be overstated, but it was the taxpayers of America who were most widely disserved as the emergency payments were spent without any repair being made to the underlying program. These payments were clear evidence that the 1996 farm bill was not working. Today's farm bill gives the House an opportunity to meet its responsibility to farmers, ranchers, and to the American taxpayers.

Congress included sufficient funds in this year's budget to ensure the Committee on Agriculture had the tools to develop a farm policy that helps farmers when crop revenues are low, while providing the predictability for government expenditures that taxpayers deserve, and the predictability that our bankers are demanding.

With all of its strength, Mr. Chairman, this bill is being considered under fiscal conditions that all of us had hoped to avoid. If there were any consensus in the Congress about budgetary matters as this year began, it was that we wanted to leave behind the era of deficit spending. To further that effort, many of us asked to be included in the process of developing our government's budget for fiscal year 2002 and beyond. The rhetoric that prevailed led us to believe that the budget was going to be developed in an inclusive, bipartisan manner.

The Blue Dogs, in particular, were prepared to bring to the table a plan that would have allowed for a tax cut, for an increase in defense spending, for solutions for Social Security and Medicare problems, and for increases in programs for agriculture, education, veterans, and health care.

At the same time, our proposal would have led to reduction in the Government's debt, and it provided a cushion sufficient to guard against unforeseen circumstances pushing us back into deficit spending.

Mr. Chairman, our expectations for bipartisanship were not met; and whatever its other flaws, the Congressional budget clearly failed to prepare for the circumstances we now face. As a result, we are moving forward today with essentially no budget. Once again we will be adding to our Nation's debt.

Mr. Chairman, for all practical purposes, we have no budget. We are approaching major spending decisions without a plan. In the confusion, however, there is an opportunity to develop this unity budget; and if my colleagues need a model for the development of a new budget, they need to look no further than the process used for developing the bill which we present today.

The American people are asking us to be unified, and now more than ever we have a clear obligation to the taxpayers of this Nation to make the best of our resources. In that spirit, I urge our leadership and the administration to begin the process of developing a new budget so that discipline and some kind of rationale can guide our fiscal decision-making.

Mr. Chairman, H.R. 2646 is a good bill. It is good for America's farmers while providing predictability for our taxpayers. It would fit within the budget I have just described. It greatly expands USDA's conservation programs while extending and improving the food stamp program. In addition, it renews our emphasis on the importance of rural development and agricultural research.

In closing, I would like to once again thank the gentleman from Texas (Mr. COMBEST) for his leadership and skill in developing a consensus product. I urge all of my colleagues to vote for passage of this bill.

Mr. Chairman, I reserve the balance of my time.

Mr. COMBEST. Mr. Chairman, I yield 7 minutes to the gentleman from Oklahoma (Mr. LUCAS), the chairman of the Subcommittee on Conservation, Credit, Rural Development and Research.

Mr. LUCAS of Oklahoma. Mr. Chairman, I rise to urge my colleagues to support H.R. 2646 and its conservation title, what might accurately be described by some as the greenest ever.

American farmers and ranchers are the original conservationists of this country. We are the people the farm bill is intended to help. The farm bill's purpose is to assist in providing us with the tools to competitively produce food and fiber in the domestic and world markets.

Furthermore, Congress encourages producers to do so in an environmentally friendly manner, while continuing to provide the American consumer with the cheapest, safest and most reliable food supply in the history of the world.

After listening to 23 organizations and coalitions testify at three subcommittee hearings, and in an effort to accommodate the American producer and the environment, I laid out a plan in my own conservation bill to help producers and the American public by providing sound assistance to U.S. producers.

It is critical to remember that not just one time but many times numerous groups asked us to place more money than we were able to place in every single existing program, and in most new programs.

On the committee, both Republican and Democrat members worked to find a balanced bill so we would not have to come back to Congress and ask for ad hoc disaster bills year after year. We have found that balance in the manager's amendment to H.R. 2646.

The centerpiece of the conservation title is the Environmental Quality Incentives Program, EQIP. Farmers and ranchers have to deal with a number of State and Federal environmental rules, regulations and laws; and many just want to be even better stewards of the land.

The current program is only $200 million per year. The livestock coalition testified before us this year and asked for $2.5 billion per year. H.R. 2646 provides producers with $1.285 billion per year. Fifty percent of the money goes to crop producers and 50 percent goes to livestock producers. This is the exact requirement under current laws. This is the most important working-lands provision in the conservation title. Crop and fruit and vegetable producers are counting on this program to help them with all types of conservation efforts.

The problem with EQIP was that there were priority areas that determined how and where the money was to be spent. If a producer was in an area that fell outside of these priority areas, chances were slim to none that they could receive Federal help. By reforming priority areas and allowing each contract to be considered on its own merit, I believe that we provided more money in the program that will help Congress assist all producers fairly and not penalize someone simply because their county is outside a designated priority area.

The bill provides a maximum of $50,000 per year or $200,000 total over 10 years for all EQIP contracts. Some people want to ignore large animal feeding operations and contract growers. It would be hard for Congress to reach a desired environmental result if we ignore the needs of some producers. The payment limitation will ensure that the money is spread out fairly between small, medium, and large operations. As a matter of fact, the bill even changes EQIP contracts so that smaller producers can sign up for 1- to 10-

year contracts. Plus, they can be paid in the same year in which they sign the contract. Both of these provisions were taken from my bill to help small producers.

The Conservation Reserve Program is another important program. Many groups wanted to leave the program at its current level, while others wanted CRP to increase to as high as 45 million acres. H.R. 2646 reaches a balance by allowing nearly 40 million acres, or 39.2 million acres, to be exact, into the CRP.

The new Grasslands Reserve Program is another important program based on my idea that allows 10- and 15- and 20-year contracts. To build consensus, the full committee added 30-year contracts and permanent easements. The committee supports permanent easements in GRP because it is a true working-lands program, not a land-idling program.

The Committee on Agriculture followed the subcommittee's recommendation by including 150,000 acres per year of Wetland Reserve Program acreage, a million and a half over the life of the bill. And yes, it comes with a price tag of $1.84 billion. This is the largest increase of all of the major programs.

H.R. 2646 provides $500 million worth of funding for the Farmland Protection Program. Since States must match 50 percent of its funding, it is hard to gauge whether all of this money will be used or simply go to the wealthiest States.

□ 1100

Finally, H.R. 2646 provides $25 million per year, ramping up to $50 million per year for the wildlife habitat incentives program.

My goal as the Conservation Subcommittee chairman was to secure a large sum of money for the conservation title in the new farm bill. I am thrilled to stand here today and say that we have an increase of over 75 percent in funding. The current programs spend $2.1 billion per year. H.R. 2646 will spend nearly $3.7 billion per year. Yes, $37 billion on conservation over the life of this farm bill.

I heard concerns regarding some of the changes the committee made in its draft. I worked diligently to address the problems presented to me by various groups and am happy to say that we found compromise on issues such as swampbuster regulation and many wildlife concerns. Furthermore, I worked with the National Association of Conservation Districts and the committee to reach an agreement on technical assistance funding.

In closing, I would simply say that this is a zero sum game. If we need more money in one area of the farm bill, it must come out of one of the other areas or programs or our own conservation funding.

Simply, Mr. Chairman, support America's producers and the environment. Support H.R. 2646.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Chairman, I want to thank the ranking member and the chairman of this committee for the wonderful work that they have done in crafting a bill that is the best that we could do given the resources at our disposal. I think they did an outstanding job, along with the staff of the Committee on Agriculture on both sides of the aisle. I want to compliment them for the great work that they have done.

Mr. Chairman, the United States of America has the safest, most abundant, and the most reasonably priced food and fiber supply of any nation in the world by more than half. We do twice as well in that respect as any other nation. It is something that we can be very proud of and very thankful for.

The Farm Security Act of 2001 ensures our ability to continue to produce our own supply of affordable food and fiber. Without this assistance to our farmers, production will move offshore, forcing the U.S. to depend on other nations for our food. This is, in fact, a national security issue.

I believe, I have not read it, but I am told that there is a story in a national newspaper today criticizing and ridiculing that idea. If we did not have the ability to feed ourselves and produce that food right here in this country, our national security would indeed be threatened.

Nearly every farm organization in the country has endorsed this bill. They support the 80 percent increase in conservation spending to help make this the greenest farm bill ever and to make sure that we continue the effort to improve our water quality, to improve the protection of our soil, and the air quality in this country.

This will benefit not only rural, but urban communities. It helps support the rural economy by helping farmers break even. I have heard many stories in the last few months, and particularly in the last couple of weeks, and especially just yesterday about this bill just goes to subsidize farmers and inefficient producers and so-called fat cat producers.

Mr. Chairman, today no one is getting into farming. If this is such a lucrative idea and a lucrative piece of legislation, we would have people lined up trying to get in this business instead of lined up trying to get out of it. If we do not pass this farm bill this week, or before this Congress goes out of session, I can tell you that it is a threat to our ability to continue to feed and clothe this country in an efficient manner.

I want to be on record as being supportive of this bill, the way it came out of committee with almost no amendments. There will be an amendment offered that will attempt to totally reorganize food policy in this country, and I think we should oppose it.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska (Mr. OSBORNE), one of the most active members of our committee.

Mr. OSBORNE. Mr. Chairman, I rise to support H.R. 2646, and really for several reasons.

One is I have been very impressed by the process that the committee has gone through. This bill has been in development for 2 years. We have had hearings all across the country. We have had roughly 50 different agriculture, environmental, conservation groups appear before the committee. They have been asked to write the bill as they see it ought to be. So everyone has had input. It has not been done in a closet. I think that the chairman has been very fair in the way he has approached it.

This is the only comprehensive farm bill in existence in this Congress or in the Senate as well. It deals with commodities; it increases conservation expenditures by 80 percent; it deals with rural development; research increased by 20 percent; and trade.

There are some questions that have been raised already, and I am sure they will come up later today. Why do we have payments to wealthy farmers? In Nebraska, there are 54,000 farms. We have roughly nine entities that receive payments of $500,000 or more. These are multiple entities where you have aunts and uncles and brothers and sisters, so they are not single farmers that are receiving this amount of money.

This is one out of every 6,000 farms that receives a large payment. The return on equity is roughly 4 percent. If you take the government subsidies out of farming, you go to a zero balance, or below zero. Three-fourths of our farms in the United States currently rely on off-the-farm income for survival, so we have both the farmer and the farm wife often working off farm and most of the time the farm wife, too.

Some have said this is too expensive. Over the last 4 years, we have averaged $22 billion a year on agriculture. Much of that has been in emergency payments. In this bill, we will average $17 billion a year which is $5 billion less, and obviously we have to get away from emergency payments.

Some have also said why do we provide a safety net for agriculture? In Europe, the average subsidy is $300 to $500 per acre because they have experienced what hunger is like at one point or another. In South America land is $300. The idea is that in the United States our subsidies are very reasonable, very cheap.

I certainly urge the passage of this bill.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Chairman, I appreciate the gentleman's courtesy in giving me some time to speak on this issue.

One might ask why a city boy is on the floor dealing with the agriculture bill. Well, in my State, agriculture is the third largest industry. In my district, agriculture has a prominent role.

I deeply care about food and water supply and its price. And, most important, we are all influenced by agriculture, whether we live in cities, suburban or rural areas, particularly as it impacts the environment, as it deals with water, land use and the environment for us all.

This is an opportunity for us to enter into a new era for agriculture. The United States launched an unprecedented effort during the Depression to rescue our agricultural system, and it was a dramatic success. It has developed the most productive agricultural system in the world. There is no disputing that. But the problem is that today, two-thirds of a century later, the system drives decisions to the detriment of many farmers, consumers, our trade position and the environment.

The 1996 Freedom to Farm Act was a bad solution to this admitted problem. We can, in fact, do better. I have met with the agricultural producers and the people on the board of agriculture in my State. This summer they were unanimous in saying that the system misses the mark for them. They do not benefit; the wrong people, by and large, do; they do not need what we have now, but they do need assistance. I agree with the Bush administration that this current bill does not hit the mark.

I look forward to a series of amendments that we are going to be discussing in the course of the day, particularly the Boehlert-Kind-Dingell-Gilchrest bill that will help us make a modest shift towards giving what Americans and the agricultural community really need. It is an opportunity to provide benefit for all farmers, not a chosen few. It is an opportunity for us to do a far better job of protecting the environment.

It is true, the underlying bill has an 80 percent improvement or whatever. But that speaks to the point that we are not adequately funding the provisions that we have now. We run out of money. There are people that are standing in line to use it.

I commend the leadership of the committee for the consensus effort that they have attempted, reaching out. There are some things in this bill that I appreciate. I urge my colleagues, however, to not settle for this incremental step. We can take another important step to create a new direction for agriculture for this new century.

Mr. COMBEST. Mr. Chairman, I yield 3½ minutes to the gentleman from Alabama (Mr. EVERETT), chairman of the Subcommittee on Specialty Crops and Foreign Agriculture Programs.

Mr. EVERETT. Mr. Chairman, I thank the chairman and the ranking member for the outstanding work they have done to produce this bill that had to compete with a lot of interests.

The U.S. farm economy is experiencing one of the worst cycles of depressed prices since the Great Depression, while the costs for major inputs such as fuel and fertilizer are up 25 percent over the last 4 years. This has resulted in a growing crisis in much of rural America. Without the disaster assistance funds Congress has provided to farmers over the last 4 years, thousands of U.S. farmers and ranchers would have no doubt been put out of business and seen their livelihoods disappear.

Our producers are some of the most efficient in the world, but they cannot possibly be expected to compete with their counterparts in other countries when those countries subsidize their producers at levels much higher than our own and the tariffs on agricultural products in other countries are five times higher than those in the U.S.

These represent only a few of the obstacles faced by the Committee on Agriculture when trying to develop farm bill legislation that would ensure America's producers are given a proper safety net to allow them to remain viable, while providing us with the safest, most affordable food and fiber supply in the entire world. The food and fiber supply constitutes a major component of our national defense, our national security, and I do not really care who says otherwise. If you cannot feed your people, then you cannot defend your people. It is that simple.

This bill, H.R. 2646, the Farm Security Act of 2001, is the product of almost 2 years of work by the Committee on Agriculture which held dozens of hearings throughout the country and here in Washington with most major farm and commodity groups represented. Over 300 witnesses presented testimony before the committee.

In the subcommittee I chair on specialty crops and foreign agriculture programs, we saw the necessity to reform the peanut program to ensure the survival of the peanut industry in this country and restore profitability for our peanut producers. We heard from peanut producers, shellers and manufacturers alike, and critics of the program, and they all realized it was time for a new program that moved away from the two-tiered pricing system, which would be impossible to maintain in the future.

The need for change was real, with tariffs on Mexican peanuts decreasing each year until they completely disappear in 2008. Also, Argentina is seeking NAFTA-like access to our market for their peanuts. Without a change to the current program, increasing imports would continue to put pressure on domestic production to the point where the Secretary would be required to lower quotas, which would decrease the safety net for producers.

We looked to make the peanut program much like other program crops, combining proven and successful components like the marketing loan and fixed-decoupled payments with the new counter-cyclical component, while also providing a quota compensation payment to quota holders. This new program will provide producers with a safety net that gives some price protection while also helping to regain our market share that has been lost to imports. It will also save the industry in this country.

The bill not only contains a strong program for peanut producers, but strong and balanced programs for all producers of all commodities, in addition to an improved conservation title, which does indeed receive an 80 percent increase in funding. The bill also contains strong and improved trade, nutrition, credit, research, rural development, and forestry titles.

□ 1115

The Committee on Agriculture had a lot of hard decisions to make among many competing interests. What we have developed is a very balanced bill which works to address the needs that are facing rural America today.

Again, I say I appreciate the strong leadership that we received from our full committee chairman and from our ranking member.

Mr. STENHOLM. Mr. Chairman, I yield 6 minutes to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Chairman, I thank the gentleman from Texas for yielding me time.

Mr. Chairman, I was reminded when we called our farm bill the Farm Security Act of 2001, which I think is appropriate, I remember Chairman Kika de la Garza, when I first came to Congress, gave this analogy of what it meant to secure the Nation by making this analogous story about going into the bowels of a submarine and how the submarine had secured the safety of our country. They wanted to know what was the magic of the submarine being able to sustain so long. They said, as long as the food lasted. I am reminded that a Nation that cannot feed itself, indeed, cannot secure its food, cannot secure its population.

In his book The Third Freedom, former Senator and the 1972 nominee for President candidate was George McGovern. He reflects on the shame he felt watching a 1968 CBS documentary, Hunger in the USA.

Senator McGovern remembers a young hungry boy silently watching as his classmate ate his lunch. When the reporter asked the boy what he was thinking as he stood and watched his classmate eat, the boy replied, ''I am ashamed.'' He said, ''I am ashamed, because I ain't got no money.''

Senator McGovern writes that he was ashamed. He, the powerful Senator who was in authority to do much, he was ashamed. He said, ''I felt ashamed, because I had not known more about hunger in my own land. I was ashamed that a Federal program, that I was supposed to know about and allowed, permitted youngsters to go hungry; and as they watched their paying classmate eat before their eyes they felt ashamed that they had no money.''

Well, I rise today to tell my colleagues that while the problem of hunger, both in the United States and

abroad, continues to plague us, this bill takes significant steps to alleviate and to mitigate the suffering of millions, millions, of people. I hope no one feels ashamed that they have voted for this, but feel empowered as human beings that they have allowed people to eat.

I want to thank the Chair and the ranking member of the committee for working to ensure that this farm bill, like past farm bills, includes a nutritional title. Once again we can see the powerful connection between American agricultural producers and working families who struggle to put food on the table.

We also can see the connection between a large segment of this Congress, who have no farmers in their area, in fact, the vast majority of our Members have no farmers in their area, but they do have hungry people in their area, and this farm bill makes the connection between those who are struggling to put food on their table and the producers who produce the food for them to eat.

H.R. 2646 makes several significant changes to the food stamp program. In fact, this bill provides one of the most significant and sensible investments in the program in recent years. The improvements are bipartisan and they are supported by nutritional groups throughout the Nation, as well as State administrators alike. As in the past, we can see today that hungry people transcend partisan divide. There is not a Republican nor a Democratic view on this.

I am especially happy to know that this bill provides transitional benefits to families leaving welfare for work, thus supporting the aims of welfare reform and ensuring that we support those families who make a good faith effort even to enter the workplace. The bill updates the standard and the deduction and simplifies the operation of the program, much to the delight of those who administer the program.

All in all, while the nutrition title does not by any means include everything that some of us, including myself, would have wanted, it is a good compromise, a sensible compromise, a bipartisan compromise, and, most importantly, a compromise that will benefit millions of Americans who live under the spector of hunger day in and day out.

I would like to also briefly note that this bill includes another important authorization in combination with the Committee on International Relations, the Global Food for Education Initiative, also known as the McGovern-Dole International School Lunch Program. This important program exports to developing countries what we have already learned here, that good nutrition is a foundation of learning. This provides millions and millions of young children in developing countries, whether it is India, Africa, or China, to have the opportunity of having nutrition be a part of their learning experience. I look forward to continued work to see the implementation of this important program.

Once again, I would like to thank the chairman and ranking member for their effort, and the committee. They have been fair and they have worked hard with me to ensure that the farm bill does not leave behind millions of Americans and also have offered the opportunity that both our commodities and our compassion will be seen in foreign countries.

I urge my colleagues, those who support hungry and working families, to also support the Farm Security Act of 2001.

Mr. COMBEST. Mr. Chairman, I yield 7 minutes to the gentleman from Georgia (Mr. CHAMBLISS), the chairman of the Subcommittee on General Farm Commodities and Risk Management.

Mr. CHAMBLISS. Mr. Chairman, I rise in strong support of H.R. 2646, the Farm Security Act of 2001.

The Farm Security Act is the result of the undying passion of the gentleman from Texas (Chairman COMBEST) for the betterment of American agriculture. The comprehensive bipartisan process that was participated in by my good friend the gentleman from Texas (Mr. STENHOLM) gave us Committee on Agriculture members the opportunity to listen to producers all across the country. The open door process gave us the ability to craft a balanced bill that is good for all.

The Farm Security Act is a culmination of 2 years work. The House Committee on Agriculture has held 47 field hearings and one forum between March of 2000 and July of 2001 in preparation for this farm bill.

In the full committee, field hearings held across the committee this year, and the hearings held by the Subcommittee on General Farm Commodities and Risk Management this year, producers expressed to us their desires to continue planting flexibility and also to establish a safety net. The commodity title of H.R. 2646 does just that. It preserves the planting flexibility from the current law; it provides a safety net for commodity prices; it significantly reforms the peanut program and puts it on par with traditional commodity programs.

The safety net provided in the bill is a more responsible way of providing assistance to producers. Rather than sending off-budget, ad hoc assistance to farm country, which we have done over the last several years because it has been absolutely needed, a countercyclical mechanism will provide economic assistance when triggered.

The commodity title is a plan that is ideal, not only for Texas, not only for Georgia, but good for the whole country. And in the words of Dean Gale Buchanan of the College of Agriculture at the University of Georgia, ''It is important to realize that while farmers are directly impacted, the magnitude and importance of agriculture ultimately touches every single American.'' Over 80 national and regional producer, processor, banking, and environmental groups have voiced their support for the Farm Security Act.

Some groups which are unfamiliar with agriculture and farming, will try to make you believe that big farms are bad farms; that these big farms are corporate farms rather than family farms. Well, I want to give you an actual example of what is sometimes referred to by the opponents of agriculture of a corporate farm that is actually a family farm.

This is a farm that exists in the State of Alabama. I have titled it the Walker Farm. There are three brothers who are the primary farmers in this operation. This operation this year tills 7,000 acres, and it is comprised of these three brothers and their children, a total of seven individuals who are actually engaged in farming under the FSA regulations. Each one of those thus is responsible basically for a 1,000-acre operation, but this in and of itself is looked to as a corporate farm.

What we have here is we have Mike Walker, who is the primary operator of the farm. His wife, Michelle, is actively engaged in the operation because she keeps all the books, and she has for years. His brother, Jack, is part of the farming operation, is actually one of the guys who drives a tractor on a regular basis; and, again, his wife Jill participates in the bookkeeping and management operations of the farm. They have another brother, Paul, who is an active participant. Then each of them have children and wives of those children that are actively engaged in farming.

This particular operation this year had 7,000 tillable acres, and they grew peanuts, cotton, hay, and corn. These individuals participated in the crop insurance program, which was of benefit to the local community, provided funds in the local economy through the insurance industry. They participate in all types of conservation practices, like no till farming, like terracing their land. They are good stewards of the land.

They, in addition, participate in the Boll Weevil Eradication Program, which is a program that is creative and innovative that the government put in place several years ago, that has allowed cotton farmers all across the country to eradicate the boll weevil, which has been a significant problem for years.

At the same time, these farmers have challenges. They have challenges that the ordinary businessman does not have, challenges like drought. For the last several years in our part of the country, we have had significant drought, and that has been one of the reasons why we had to come forward with disaster programs in this town to send out to ag country.

In addition to drought, on the opposite end of that, at the end of the year we have been subject to having hurricanes. Once we had the drought, then it came time to harvest the crop, and

hurricanes blew in from the Gulf of Mexico and did not allow the farmers to get into the field to harvest what crops they did make. These are the everyday challenges that farmers all across America have to face.

Land acquisition is another problem. Land that our folks have rented in past years is now being developed. They simply are having to pay too high a price for land when they buy it, and they are having to pay too high a price when they rent it, because it is now being developed from a commercial standpoint because farmers cannot make a living.

The other issue that is critically important in agriculture today is low commodity prices. Commodity prices are currently at the lowest point they have been in the last 30 years.

I asked some of these Walker folks about some particular issues they deal with. I asked Mr. Walker about cotton prices, for example, which today are the lowest they have been in the last 16 years. He said, ''Most farmers are going to have to make extraordinary yields this year on cotton production just to break even.''

I said, ''Well, what about the size of your operation? Why are you a 7,000-acre operation?''

He said to us, ''Staying in business required getting bigger. Our margins per acre are so small that in order for our family to make a living, we had to keep growing.''

I asked him about surviving. What about survival of the family farm?

He said, ''We don't indulge in extravagancies. When it is possible, we reinvest in the business. We are still here today because we work together, we have continued to adapt to change, and we have reinvested in our business.''

□ 1130

Now, I come from a State where agriculture is the number one industry. My home county is the most diversified agriculture county east of the Mississippi, and I know firsthand what the problems are. The problems are real. This bill addresses the problems that farmers all across America have by providing a safety net; and, Mr. Chairman, I urge its passage.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Chairman, I thank the gentleman from Texas for yielding me this time.

Mr. Chairman, I am a proud member of the Committee on Agriculture, and I am a representative from the State of Wisconsin. In Wisconsin, the dairy industry is still the number one industry in the entire State. The district I represent, the Third Congressional District of western Wisconsin, has approximately 10,500 family farms still existing, still operating, today, all of which are producing some commodity crops. Therefore, I have had a strong interest, and all of the members of the committee have had a strong interest, in putting together a farm bill that is going to provide the assistance that our family farmers need across the country and not just in one particular region.

In Wisconsin, over the last couple of years, we have been losing between four and five family farms a day, because of the low prices, because of the low milk prices, because of low commodity prices. So obviously, the farm bill that we have been operating under over the last 5 years has not inured to the benefit of most family farmers across the country. That is why I feel that it is time for a new approach with farm policy.

I certainly appreciate the hard work of the chairman, the gentleman from Texas (Mr. COMBEST); and the ranking member, the gentleman from Texas (Mr. STENHOLM); and all the members on the committee throughout the course of the last couple of years in putting together a comprehensive farm bill approach for the next 10 years. It has got to be one of the most difficult jobs in this place to do, to deal with all of the competing interests and all of the competing ideas and the policy proposals, and how do we weave that into a workable document to reach consensus. I commend them for their work, and I commend them for agreeing to an open rule, so that we can have an honest discussion and policy debate on some points of difference that some of us might have in regards to the direction that the base bill would take us in over the next 10 years.

That is why I am going to be offering an amendment, along with the gentleman from New York (Mr. BOEHLERT) and the gentleman from Maryland (Mr. GILCHREST) and the gentleman from Michigan (Mr. DINGELL) that would take a little bit of the money that would go to an increase in the commodity subsidies to the largest producers in this country and move those resources into the voluntary and incentive-based land and water conservation programs. We do that to help more family farmers in all regions of the country, especially those regions and farmers who are currently excluded under the current farm bill and would continue to be excluded under the direction of this new farm bill. We think that is the fair thing to do. We think the equitable thing to do is to include more regions and more farmers in supporting them in their time of need.

Why is this important? Well, we can provide economic assistance to more farmers, including large commodity producers, through these conservation programs. They would still qualify under these programs, but we would also derive a certain societal benefit through better watershed management, quality drinking supplies, the protection of wildlife and fish habitat and, ultimately, the protection of valuable cropland itself through the farmland protection program that would receive more resources under our amendment. We are hoping that the next crop that is planted on these family farms is not a shopping mall, because we see the unbridled sprawl and the loss of productive farmland occurring throughout the country today.

So I would encourage my colleagues to listen to the debate on this amendment and I ask for their support; and I again commend the leadership, given the work that they have put in thus far on the farm bill.

Mr. COMBEST. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa (Mr. NUSSLE), who has a tremendous interest in agriculture, as well as being the chairman of the House Committee on the Budget.

(Mr. NUSSLE asked and was given permission to revise and extend his remarks.)

Mr. NUSSLE. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in strong support of this legislation, the Farm Security Act of 2001. This is important to meet the needs of our changing national agricultural community, and it is within the framework of the budget resolution that we passed earlier this year.

The fiscal year 2002 budget provided for this important bill $7.3 billion in fiscal year 2002, and $40 billion over the first 5 years and $73 billion over 10 years. This is on top of the $5 billion it provided for agriculture emergencies in 2001. The budget resolution accommodated these amounts by establishing a 302(a) allocation for the Committee on Agriculture for fiscal year 2002 that could be used at the committee's discretion for emergency relief and could also be used to authorize this farm bill.

This is the context in which we find ourselves here today. The Committee on Agriculture, under the leadership of Chairman COMBEST and Ranking Member STENHOLM, have done yeoman work over the last 10 months and beyond to bring us to this particular point.

For those people, including the administration, who wandered up here to Capitol Hill today and said, why are we doing a farm bill: they have not been paying attention. I was shocked moments ago to get a statement of administration policy that makes it sound like they do not know why we are doing this.

When the Agriculture Secretary came before my Committee on the Budget earlier this year, we put her on notice that we were going to write the farm bill this year; we were going to budget for it this year; that farmers were tired of ad hoc emergencies on top of ad hoc emergencies; that we were tired of administrations in the past who got new farm bill legislation and then did not implement it; we are tired of the fact that we are writing farm bills during a time of contracting markets overseas and thinking that a farm bill, in and of itself, will solve the problem, because we are not expanding our trade, the farm bill does not work. When we do not implement the farm

bill, how can we expect farmers to survive under this kind of a situation?

I know that there are people around the country that are waking up today finding out for the first time, maybe in quite a few years, that their 401(k) has collapsed. This is not news that the economy is in trouble in farm country. It has been that way for over 4 years. So for the administration or anybody else to wander to this floor today and express disbelief and wonderment, why are you writing a farm bill, because it is time to react to a very serious situation in farm country.

Now, I will tell my colleagues that there is no farm bill that these two gentlemen and their committee could have created that would solve all of the problems. First of all, one size does not fit all. We all know that. Every farm is different, every ranch is different, every producer is different. They have different needs. There is not one farm bill we could create, particularly by a committee or by a Congress that could address it, but they have tried. They have addressed the trouble from the last few years. The countercyclical nature of agriculture, they have addressed it in this bill. Is it perfect? Of course not. Of course it is not perfect.

But for people to say after 10 months of work to all of a sudden wake up today and say, oh, my gosh, you mean to tell me they are writing a farm bill up there on Capitol Hill? You mean to tell me that we are actually budgeting for these things instead of just shelling out money on an emergency basis? For people to wake up and assume that is a mistake, and it is a pattern that troubles me that this administration may be, in fact, falling into a similar trap of previous administrations.

If this administration fails to implement, fails to expand these markets, and fails to react to the changing economics in farm country, we will not be able to compete in the global markets.

Pass this bill. It fits within the budget. It deserves our careful attention during this economic situation across the country.

INTRODUCTION

Mr. Chairman, I rise in strong support of H.R. 2646, the Farm Security Act of 2001. This important legislation meets the needs of our Nation's agricultural community within the framework established by the budget resolution.

I take special interest in this bill, not only as a representative of an agricultural district, but also as the chairman of a committee that worked very hard to establish a fiscal framework under which this bill could be considered.

ASSUMPTIONS IN THE BUDGET RESOLUTION ON FARM BILL

This fiscal year 2002 budget provided for this important bill $7.3 billion in fiscal year 2002, $40.2 over five years, and $73.5 billion over ten years. This is on top of the $5.5 billion it provided for agricultural emergencies in fiscal year 2001.

The budget resolution accommodated these amounts by establishing a 302(a) allocation for the Committee on Agriculture for fiscal years 2002 that could be used at the committee's discretion for emergency relief or reauthorization of the farm bill. It set aside the rest in a reserve fund that can only used for a reauthorization of the farm bill.

In providing the necessary funds for this bill, the Budget Committee's interest was both in meeting the immediate needs of our Nation's farmers for the fiscal year just concluded and in facilitating efforts to overhaul or Nation's agricultural support system.

While the budget resolution left the details of the farm bill to the Agriculture Committee, it was carefully crafted to encourage efforts to address the underlying weaknesses in existing farm programs instead of resorting to the ad hoc emergency assistance of recent years.

POLICY ISSUES

As you know, the Committee on Agriculture already availed itself of $5.5 billion of the resources provided in the budget resolution when it reported legislation providing additional farm income support payments in fiscal year 2001, which was enacted in August of this year.

The committee now brings before the House a bill that addresses some of the longer term problems confronted by the agricultural community.

It does so by combining fixed crop payments with counter cyclical assistance. This affords our Nation's farmers a more stable source of income, given the wide market fluctuations we've seen in the past few years. I believe that this approach provides both the planting flexibility of the Freedom To Farm Act and the income stability of traditional agricultural programs.

At the same time, the bill addresses some of the broader needs of rural America by reauthorizing key conservation programs.

Obviously everyone can find something to disagree with in a bill as comprehensive as this. I for one will encourage any future conferees on this bill to fine tune some of its policies. Nevertheless, this bill represents huge progress over the ad hoc emergency assistance of the last four years.

BUDGET IMPLICATIONS

As the Chairman of the Budget Committee, I am especially pleased that Chairman COMBEST, Ranking Member STENHOLM and the entire Agriculture Committee have succeeded in developing these reforms within the appropriate levels established by the budget resolution.

As modified by the manager's amendment, the bill would increase new budget authority by $3 billion in fiscal year 2002, $35.8 billion through fiscal year 2006 and $73.1 billion through fiscal year 2011.

As permitted under sections 213 and 221 of the budget resolution (H. Con. Res. 83), I am exercising my authority to increase the Agriculture Committee's 302(a) allocation to the levels necessary to permit the consideration of this bill. The letter making the adjustment has already been submitted for printing in the CONGRESSIONAL RECORD.

COMPLIANCE WITH BUDGET RESOLUTION

According to estimates provided by the Congressional Budget Office, this bill comes in under the Agriculture Committee's adjusted allocation by fully $4.3 billion in fiscal year 2002 and $4.4 billion over five years.

Accordingly, the bill fully complies with section 302(f) of the Congressional Budget Act, which prohibits the consideration of measures that exceed the reporting committee's 302(a) allocation.

Although bills such as this are only required to meet the first and five-year limits imposed by the budget resolution in the House, I would observe that over 10 years the bill comes in almost $367 million under the levels assumed in the resolution. Clearly the Agriculture Committee went to considerable pains to comply with both the letter and spirit of the budget resolution.

While I would observe that this bill exceeds the budget resolution's $66 billion threshold cited in section 313 for the cost of the farm bill over the period of fiscal years 2003 and 2011 by around $3 billion. This overage is more than offset in fiscal year 2002, when the bill uses up only $3 billion of a $7 billion allocation.

CONCLUSION

Once again, the Farm Security Act is a unique measure that manages to address many of the needs of our Nation's farm community within the fiscally responsible framework of the fiscal year 2002 budget resolution. I strongly urge all my colleagues to support this important legislation.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Puerto Rico (Mr. ACEVEDO-VILÁ).

Mr. ACEVEDO-VILA. Mr. Chairman, I would like to thank the chairman and the ranking member for their commitment to bring about a complete farm bill with all titles. This bill is the fruit of dedication and commitment that committee members have for the people that this House represents. I applaud the committee's work to increase funds to titles such as conservation, rural development and trade, all of which are extremely important areas for the Nation and for the people of Puerto Rico that I represent, especially our farmers and growers.

I would like to emphasize the importance the nutrition title contained in this bill has for the 430,000 Puerto Rican families that depend on nutrition assistance to keep their children fed and healthy. Title IV reauthorizes the Nutritional Assistance Program, better known in Puerto Rico as PAN, for the next 10 years, with increases in funding for each year. The Puerto Rican nutritional assistance program serves the same purpose in Puerto Rico as the food stamps program serves in the States: to reduce hunger, to improve the health of our children, and ensure our Nation a brighter future. We cannot afford hungry children in our school rooms. Nutrition assistance is an essential foundation for building a better future for all of us. Especially in today's changing world, ensuring that every family has food on their table no matter what financial circumstances beset them is of utmost importance.

Mr. Chairman, I urge all Members of this House to vote in favor of this bill, and especially support the efforts to guarantee a decent meal to every family in Puerto Rico and across the Nation. I am very thankful that this farm bill assures this for every American.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from South

Dakota (Mr. THUNE), a very active member of the committee.

Mr. THUNE. Mr. Chairman, I thank the gentleman for yielding me this time.

Let me just say what has already been said and that is that America's farmers need a new farm bill. I appreciate the work that the chairman and the ranking member on this committee have done in a bipartisan fashion to put together a bill that is written by producers and for producers. I appreciate the fact that there have been hours upon hours and pages upon pages of testimony from producers all across this country; and I want to thank the chairman and ranking member for coming to Sioux Falls, South Dakota, to my home State, to hear from my constituents. They have listened to producers.

I would also like to thank the chairman and the ranking member for many of the good provisions that are in this bill. We increase substantially our commitment to conservation, which is something that I had wanted made a priority in this bill. Other increases in the area of value-added agriculture, which is something that people in my State are very interested in, what can we do to revitalize rural economies. And value-added agriculture is an important component part of that, and this bill addresses that. Another concern that my producers had is a countercyclical payment program and that is also a part of this piece of legislation. My farmers have expressed support for planting flexibility, something that is retained in this bill.

Now, granted, there are issues that were not addressed in this bill, things that farmers have expressed concerns about in my State: updating yield bases, addressing the issue of competition in the marketplace, a farmable wetlands pilot program that was not made a permanent part of the CRP program. These are all issues that I hope to address in the form of amendments as this bill moves forward.

The chairman has kept this committee on a very strict time line and the farmers of South Dakota thank him for his diligence.

This is a small step in what will be a very long process, we know that. While this is not a perfect bill, someone around here once said that we should not let the perfect become the enemy of the good in a place where we are lucky if the adequate even survives. This is a good start. The farmers across this country need a predictable and stable farm policy. It is important that we help them secure America's food security as we move into the future. So it is important that we move this process along.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi (Mr. SHOWS).

Mr. SHOWS. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, today I rise in strong support of the Farm Security Act, farm policy that is balanced, bipartisan, and in the best interests of our Nation with its rural and urban families.

The Farm Security Act assures that communities, farmers, and families across America's heartland that farm policy, which encourages conservation, supports our farmers, and feeds every family, must remain a domestic priority, even under the international threats we face today. Heartland security and homeland defense walk hand in hand. This partnership will remain intact when the House passes H.R. 2646.

Our strength and power is due in a large part to having the most abundant and the most affordable food supply in the world. America's farm families have been doing this for years.

The Farm Security Act makes substantial increases to conservation programs. The well-crafted conservation title increases the number of acres eligible for the CRP from 35.4 million to 39.2 million acres. H.R. 2646 increases eligible WRP acreage by 133 percent, or 1.5 million acres. Under the conservation title of the farm bill, sufficient funds are available to expand the Wildlife Habitat Incentives Program and finally end the program backlog.

The Farm Security Act supports America's forests as well as its croplands. H.R. 2646 increases the ability of the Forest Service to protect our forests and communities from wildfire devastation through the National Fire Plan. In Mississippi's Homochitto National Forest, this is a real threat to the safety and security of the surrounding areas.

Heartland security and homeland defense walk hand in hand. H.R. 2646 fulfills our promise to America's communities that consumers' food should be available and affordable. Our land and our farmers should be protected.

□ 1145

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. HAYES), a very able member of the Committee.

Mr. HAYES. Mr. Chairman, I rise in strong support of this bill. We have taken our time and done it right. H.R. 2646 is a product of more than 2 years' work by the Committee on Agriculture.

In March 2000, the committee held field hearings in my home State and many others. Many producers and agricultural groups testified as to what they wanted to see in the next farm bill. They said they wanted to keep their planning flexibility that was part of the 1996 bill. This bill does that.

They said they wanted an economic safety net that provided countercyclical assistance through times of low prices that farmers have faced during these past 4 years. This bill does that.

They said they wanted a bill that will help them export their products to overseas, open new markets for North Carolina's valuable agricultural products. Again, this bill does just that.

Finally, they asked for increased spending in conservation programs. Many producers in North Carolina have taken advantage of the successful conservation programs in past farm bills. I am proud to say that this bill provides more spending in conservation than any other farm bill in history, 80 percent more, to be exact. These programs will go far in achieving cleaner water, cleaner air, cleaner soil for our farmers and our communities.

I want to thank the chairman and the ranking member for their efforts coming to all the counties in our district, and also for lending the support that our farm community needs. This is a good bill. I strongly urge its support.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. PHELPS).

(Mr. PHELPS asked and was given permission to revise and extend his remarks.)

Mr. PHELPS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today in support of H.R. 2646, the Farm Security Act of 2001. I want to thank the chairman and the ranking member for their hard work on this balanced farm bill; and as a member of the Committee on Agriculture, I was pleased to have been a part of crafting this new farm bill.

This important piece of legislation will govern the funding and reauthorization of programs administered by the Department of Agriculture. This bill is a product of 2 years of bipartisan work that included extensive input from a wide spectrum of agriculture and conservation groups.

This farm bill will benefit farmers in my congressional district of central and southern Illinois, as well as across the country. This bill provides a continuation of agriculture programs, presents a balanced approach to addressing the issues that face producers of crops, livestock, fruits and vegetables, and provides a needed $73 billion in additional funding for agriculture, which has been facing historic low prices, low income, and increased costs.

As vice-chairman of the Sportsmen's Caucus, I feel this legislation is a balanced approach to meeting conservation needs. This legislation provides an unprecedented 80 percent increase in soil and water conservation programs above current spending levels.

The 2001 farm bill provides producers with more options to implement progressive, conserving practices on their land, with a bank of increased technical assistance to producers using any private or government contractors.

Several conservation programs were increased in this bill, such as the Conservation Reserve Program, Wetlands Reserve Program, Wildlife Habitat Incentive Program, and Grasslands Reserve Program. These increased levels firmly meet the needs of America's family farms.

While this is not a perfect bill, I am pleased with the balance that was

struck between the commodity title and the conservation title. I feel this bill will work in the best interests of the agriculture community and that producers will have an adequate safety net to rely on when times are hard.

Mr. Chairman, I urge Members to join me in support of H.R. 2646, the Farm Security Act of 2001.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to a good hand, the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I am privileged to rise in support of this bill. Today we are going to have a debate about farm policy. Many of the people who are going to get involved in the debate have not been involved in the hearings and listening sessions we have had around the world in the last couple of years.

Let me compare what is happening to American farmers to what is happening in the world market. Many people are saying, why do we subsidize agriculture here in the United States?

The truth of the matter is, most farmers do not like subsidies, either. They want to make their living from the market; but it is not a level playing field, Mr. Chairman. We need to understand that. The latest numbers that we have here in the United States, we subsidize agriculture to the tune of about $43 an acre. In Europe, they subsidize agriculture $342 an acre. That is not a level playing field.

Our trade negotiators in the last round of the Uruguay trade talks agreed to limit the United States' export enhancement funding to about $200 million. In Europe, it is $6.5 billion. That is not a level playing field.

In the area of currency, right now we are at a disadvantage to the Canadians of about 23 percent; the Brazilian real, it is 55 percent. If there were a level playing field out there, we probably would not need to do as much as we are doing.

This bill is about predictability. I want to congratulate the chairman and the ranking member. It is about predictability for our farmers; but most importantly, it is about predictability for us on the Committee on the Budget and here in Congress.

With a countercyclical payment program, when prices are high, it will be less expensive to us. When prices are low, then we are going to have to subsidize a bit more. But at the end of the day, it will provide predictability for the Committee on the Budget, for the Congress, and most importantly, for our farm producers.

This is a good farm bill, just as it is. Some people are going to say, we do not spend enough money on conservation. Mr. Chairman, this bill will increase conservation programs by 78 percent. Some will say that that is not enough. I disagree. There will be negotiations between the House, the Senate, and the White House as this bill goes forward; but I hope we can move it off the floor today just as it is written. This is a good bill. It ought to pass today as written.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. PETERSON).

Mr. PETERSON of Minnesota. Mr. Chairman, I rise today in strong support of this bill. I want to thank the chairman and the ranking member and all the members of the Committee on Agriculture for the hard work and the tremendous leadership they have provided in coming up with the final bill here.

As has been said before, we have spent 2 years working on this bill, and it is not perfect. If any of us that are from farm country wrote this bill, we would probably write it a little differently; but it is what is possible.

The farmers in my district not only support this bill, they need this bill if they are going to survive. We have had a lot of problems up in my country, and this is one of the things that we really need to make it out to the long term.

One of the most important things this bill provides is stability. We have been through a period where we have had a lot of problems, and every year we respond; but it is after the crop year, and it causes problems because people at the beginning of the year are not really sure what we are going to do.

One of the most important parts of this bill is that they are going to know before they plant their crop what the Government involvement is going to be and what the safety net is going to be. That is a very important feature of this bill.

Another thing that this bill includes is a dairy provision, the only dairy provision that all dairy farmers support, and that is, the extension of the $9.90 price-support system for the next 10 years.

There has been a lot of discussion already about conservation. I want to talk a little bit about that. There is a big increase in this bill for conservation. Over the last 2 years, the Sportsmen's Caucus, which I have had the privilege to co-chair the last 2 years, has worked with the wildlife groups on these conservation measures.

I want to say that the Sportsmen's Caucus and most of the wildlife groups are supporting this bill and the conservation provisions that are in this bill because what we are doing is we are putting money into the programs that are already there, that we know work, and that there is a backlog for.

For example, the Conservation Reserve Program, this bill increases the cap there 3 million acres. That means we are going to have another four or five sign-ups of CRP, which has been arguably the most successful conservation and wildlife program in this country's history.

We increase the WRP almost 50,000 acres a year, which will allow us to catch up the backlog that is in the pipeline for WRP.

We increase the WHEP program, the Wildlife Habitat Enhancement Program, by $385 million, to work on the 3,087 applications that are waiting in that program.

We also establish a Grasslands Reserve Program, which is a new program that will allow grasslands that have never been broken to be put into long-term contracts to be preserved, and also to take some of the grasslands that were broken up, put into production, and then put into CRP, really in a way that should not have happened, allow them to get back into the grassland program and restore that land to grasslands.

Lastly, we put significant new money into the EQIP program, which has a backlog of 196,000 applications.

This bill is a good bill, Mr. Chairman. I ask my colleagues to support it.

Mr. COMBEST. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. PUTNAM), a very active member of the Committee.

Mr. PUTNAM. Mr. Chairman, I commend the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) on their work on crafting a bipartisan solution to a number of agricultural problems.

There is an old proverb that when there is food, there are many problems. When there is no food, there is only one problem. We have the luxury of having this debate on the floor today. We in America grow the safest, cheapest, most bountiful, healthful, and abundant food supply the world has ever known. If Members do not believe me, the next time they sit down to a big meal, look at each of the items on our plate and think about what it took to go through all of the processes to get it there.

We have been so far removed from the land in our country that we have forgotten what it takes to produce the food and fiber that this economy depends on. Where tillage goes, civilization follows, Mr. Chairman.

As we have moved away from the land, we have an entire generation of young people who think that milk comes from the grocery store, that the hamburger committed suicide. Beyond even agriculture, they think that electricity comes from a switch, that gasoline comes from a pump. There is little or no concept that men and women get up before the sun comes up all across this Nation to make agriculture happen; that young people grow up and go to school and get science degrees to be better farmers, to be more efficient users of the inputs, to be more gentle on the environment as we produce that safe and abundant food supply.

It is a dangerous precedent, but we have the luxury of having this debate about the future of agriculture because those farmers are so efficient. There are people all around the world, even our enemies who we are about to drop hundreds of millions of dollars of food

upon, who would kill to have the luxury to argue over whether or not to spend more on cotton or soybeans or sugar or peanuts or wheat. We have that luxury because we have a generation of Americans who get up every day to produce that food and to make it happen.

It is important for us to keep in mind, when we talk about commitments to conservation and commitments to the environment, that those water recharge areas are on farms, that those wildlife habitats are on ranches; that the original stewards of the land are landowners and farmers; that the reason why we have debates about government ownership of land is because some private person, some farmer, some rancher for generations has taken care of the land such that it is worth buying and preserving forever.

This is the farm bill, not the environmental bill, not the conservation bill. This is the farm bill. It is about making sure that America's food security is sound, so that we do not become dependent on food and fresh fruits and vegetables and meat and dairy the way that we are for oil and gas, lest we ever forget the lessons of history about being dependent upon a foreign Nation for our food.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. DOOLEY).

Mr. DOOLEY of California. Mr. Chairman, I thank the gentleman for yielding time to me. I also want to commend the gentleman from Texas (Chairman COMBEST) and the ranking member, the gentleman from Texas (Mr. STENHOLM), for their work on crafting this proposal.

I am going to vote for this measure today on the floor, or when we vote on final passage; but I also want to assure Members that there is more work that we need to do on this bill before it is going to be drafted in a responsible manner that can, I think, give us great confidence that it is the best policy for agriculture when it is signed into law.

This bill does take the appropriate direction in terms of moving forward with an increased investment in conservation, nutrition, as well as rural development; that those are important components of our rural economy and the fabric of our communities in rural America. I commend the chairman and the ranking member for moving in that direction.

I also understand, as a farmer as well as a Member of Congress, that we are facing as tough times in the agriculture sector as we have faced in a century. We have the lowest sustained commodity prices that we have ever seen. Farmers are on the ropes. The additional financial assistance we are providing through the fixed payments, as well as the countercyclical programs, are important to these farmers.

However, I hope as we move this legislation through the House in the next day, and move hopefully into a conference committee with the Senate this year, that we will be open to making some modifications that will ensure that this significant increase in investment of taxpayer dollars will in fact go to the farmers.

I am very concerned that a lot of our programs, and even some of the programs that are in this bill today, are designed in a way where too much of that financial benefit is being derived by landowners and has resulted in increased property values and land grants.

□ 1200

We are going to be paying $90 billion in fixed payments and countercyclical payments to farmers over the next 10 years. Unfortunately, a lot of that money is not going to go to the actual producers of the crops. In my area is a good example. We have some farmers who have not farmed an acre of cotton in the last 10 years that, under this program, could get as much as $125,000 a year for a cotton payment without ever growing an acre of cotton. I think that is a problem and I think we need to make some reforms.

Later in the consideration of this bill, I will be offering an amendment that will provide for a different approach on a countercyclical program that will ensure that payments go directly to the farmers, which I think is very, very important.

I am also a little concerned about the special consideration that we are giving to the peanut program. We will be spending $3.2 billion additional taxpayer dollars for peanuts, a crop I consider a specialty crop. A crop that is going to result in having taxpayer payments of $320 million a year in a commodity that only has a gross annual product value of $1 billion.

I represent the Central Valley of California that is home to a lot of specialty crops. I have the almond industry in my district, which is a $1.8 billion industry. In this bill, they get absolutely no support. I think that we need to find a way that we can assure greater equity and that we are providing support to all of our commodities that are specialty crops in an equitable manner.

Mr. COMBEST. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas (Mr. MORAN).

Mr. MORAN of Kansas. Mr. Chairman, I thank the chairman for yielding me time. I appreciate the leadership of both gentlemen from Texas (Mr. COMBEST, Mr. STENHOLM) on this very important issue.

I am here today in part because I care about farmers and ranchers. But the reason I care about farmers and ranchers is because I care about America and I care especially about rural America. What we do today will affect the outcome of whether or not those farmers and ranchers are in business next week, next month, next year and for the next generation.

If Members care about America, they have to care about rural America as well. The average age of a farmer in Kansas is 58 years old. I have talked to many young farmers, sons of farmers who want to come back to the family farm, but because of the economy, it is simply not possible. There has not been profitability in agriculture for so long that we do not have anyone stepping forward to replace this generation of farmers and ranchers in our country.

What that means, in much of America is there are fewer kids in school, there are fewer shoppers on main street and our rural communities continue to see a demise in their way of life.

It is that way of life, it is farming and ranching and that rural way of life throughout our history that has enabled us to pass character and values from one generation to the next. In very few places in America today do sons and daughters work side by side with moms and dads and with their grandparents.

The history of our country, the heritage of our Nation, was built around the opportunity for that family farming operation, not only to provide food and fiber to the world, but to provide character and judgment and values to children and grandchildren.

So when I talk about the importance of agriculture and farming and ranching in this country, it is important to me that farmers and ranchers have an economic viability, but it is important to me that that way of life that they represent, that they exhibit, is preserved for another generation.

Economic times in agriculture are tough. It is the fourth year in which the economy has declined. The headline in one of my local papers this week, ''Kansas Farm Income Falls 38.9 Percent.''

Net farm income in Kansas last year without government assistance would have been a loss of $6,417. These issues matter to whether or not our farmers and ranchers can survive with low commodity prices and terribly high input costs, fuel and fertilizer. It is about farms and family farms and it is about the communities that they live, shop and send their kids to school in. This issue is one of many that is important to rural America.

We care about health care and its delivery in rural America. We care about access to technology. We care about small business. Certainly we care about education. Those issues are important, but we have to have the economic base in our part of the world, in our part of the country that can support those services. It seems to me in agriculture it is important to talk about a farm bill and farm policy, but we also have issues before us related to trade and exports.

Grain and agriculture commodities must be consumed. We can have low prices and high prices for farm commodities in every farm bill. The ultimate goal must be to export and to consume grain around the world and domestically in a way that provides profitability to agriculture. But we

face tremendous obstacles as we compete in the world.

One of the realizations that I have come to over the last several years is that the rest of the world does not play by the same rules we do. So when we talk about assistance to agriculture and, yes, it is lots of dollars, it is a lot fewer dollars than what the other countries, what the European community, what Japan, what Korea, what other countries in the world provide in assistance to their farmers, because they understand the importance of agriculture, they understand the importance of providing food and fiber not only to their own citizens but exporting around the world.

Look at the charts. When you look at export assistance, we provide a very small sliver in support of agriculture and exports around the world. The rest of the countries, in fact, the European community is 83, 84 percent. Ours is 2½ percent, and yet we tell our farmers to compete in the world, to farm the markets.

So we need to not only address farm policy, but we have to come back and address issues of trade, of exports, of sanctions, of our inability to export agricultural products around the world, and to make certain that we find new and better uses of agriculture products at home.

Finally, we need to make certain that we do the things necessary to make certain that agriculture has competition. I am all for the free enterprise system, but we need to make certain that our farmers are not caught in the squeeze, as everybody they buy from and everybody they sell to gets larger and larger.

Mr. Chairman, I support the bill. I urge my colleagues to pass it. I thank the chairman for the opportunity to address this important issue today.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas (Mr. ROSS).

Mr. ROSS. Mr. Chairman, I fought hard for an appointment to the Committee on Agriculture when I got here in January, and I did so because, one, I understand agriculture. I grew up on my grandfather's farm. Secondly, agriculture is critical to the economy of my district in South Arkansas.

This new farm bill was written after months of testimony. It was written in a bipartisan spirit and it is fair. It is fair to our farm families. It is fair for conservation. In fact, we increase baseline spending for conservation by 75 percent. This bill addresses the needs of our farm families.

We all know that the 1996 farm bill did not work. We might as well have called it ''Freedom to Fail.''

I will lose farm families and perhaps a few banks in the delta without this new farm bill. We are already too dependent on foreign oil. The last thing we need to do is to lose our farm families and become dependent on Third World countries for our food and fiber. My farmers do not want to be welfare farmers. They do not want to be insurance farmers. They simply want to feed America.

This bill ensures America will be there for our farm families when market prices are down, just as our farm families have been there for America for many, many generations.

I rise in support of this bill.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. PENCE), a very able member of the committee.

Mr. PENCE. Mr. Chairman, I thank the gentleman from Texas (Mr. COMBEST) for yielding me the time.

I thank the gentleman from Texas (Mr. COMBEST) and the ranking member, the gentleman from Texas (Mr. STENHOLM), for their aggressive yet prudent approach to writing a bill that Hoosier farmers need, and if I may say so, with clarity, Hoosier farmers need this farm bill now and need this Congress to act now in support of this bill.

The House Committee on Agriculture has drafted a bill that is globally competitive, market responsive and environmentally responsible. I want our colleagues to know the Farm Security Act is a product of years of hard work. We listened to farmers and ranchers during field hearings in my District. We met with hundreds of farmers in 10 separate town hall meetings alone. This bill was truly written by America's farmers and ranchers.

My colleagues know that I have always called this body to maintain fiscal discipline and this Farm Security Act, as we heard the gentleman from Iowa (Mr. NUSSLE) describe, fits into the guidelines of the budget that has been adopted by this Congress and supported by the leadership.

Also, the Farm Security Act is environmentally sensitive. It increases conservation funding by 80 percent overall, despite some criticism by certain environmental groups. An 80 percent increase in conservation spending is a hard number to argue with.

Finally, Mr. Chairman, I think it is important to know that United States farm policy is not only about standing up for ranchers and farmers, despite the sneering from some in the national media in the left column of The Wall Street Journal this morning.

I believe that farm security is about national security. As we consider ways and diverse means to strengthen America by strengthening our economy, we must not only remember Wall Street, but we must remember rural main street U.S.A. A strong farm economy means a strong American economy, and a strong American economy means a strong America.

The Good Book tells us, Mr. Chairman, that without a vision the people perish. I would paraphrase that without a vision for farm policy over the next decade, many farmers and ranchers will lose their economic lives, and I stand in strong support of the Farm Security Act accordingly.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. HINOJOSA).

(Mr. HINOJOSA asked and was given permission to revise and extend his remarks.)

Mr. HINOJOSA. Mr. Chairman, I rise in strong support of H.R. 2646, the Farm Security Act of 2001.

First, I would like to thank the gentleman from Texas (Chairman COMBEST) and the gentleman from Texas (Mr. STENHOLM), the ranking member, for their hard work and dedication in bringing this legislation to the floor today. This bill not only benefits farmers and ranchers across the country, but the American consumers as well. It is the most balanced and fair farm bill that could be produced for all of the agricultural interests involved.

My congressional District, the lower Rio Grande Valley of Texas has been in a stressed economic situation due to droughts for the past 6 years. Farm families have squeezed budgets to the limit to keep from being pushed to failure. Farm incomes have declined because of plummeting commodity prices while production costs continue to rise, and the rural economy has suffered.

The support in my District for H.R. 2646 comes from all sectors of the agricultural community including the producers of commodity crops, livestock, fruits and vegetables, as well as their lenders, equipment dealers, manufacturers and service companies.

It is imperative that we pass H.R. 2646 today in order for the legislative process to continue. This bipartisan bill provides the structure for U.S. agriculture to provide the safest, most reliable food and fiber supply in the world. It will ensure that U.S. ag remains competitive in foreign markets. The 2002 farm bill delivers a comprehensive package that will propel U.S. agriculture into a dependable and productive future.

I urge my colleagues to support this bill.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. KENNEDY), one of the most interested members of our committee.

Mr. KENNEDY of Minnesota. Mr. Chairman, I am very impressed by the process that we have used in bringing this bill to the floor. It has been very bipartisan. We passed it by, in essence, a unanimous voice vote in our committee. We sought input from every organization that could have any interest in this bill, whether they be agriculture conservation or otherwise. It is a very balanced bill that maintains the freedom to plant, not making the farmers turn off the last two rows of the corn plan as they go around the field the last time, maintains the market price, gives a better safety net.

In the past, we have had to have emergency payments. This tries to come up with a more efficient, effective way of doing that, and I think it does, and we need to make sure that we are not unilaterally disarming when our other competitors in Europe and Japan are providing far more support than we are.

It has an 80 percent increase in conservation program investments with good programs like the conservation reserve program, our wildlife habitat and others. We also have efforts in there to get our price ultimately from the market so we do not have to depend on government programs by expending our sales overseas and investing in research, and it does have good investments in there for rural development with high speed telecommunications and others.

Many people asked why do we have to do this, but unfortunately, too many of our people around the country think that bread comes from the bakery, that meat comes from the meat counter, that milk comes from the cooler, and that sugar comes in a candy bar, and they have a hard time understanding this and really wonder why.

I encourage them to think about who they listen to. When your sink is leaking, you do not call a dentist, and when you have a tooth ache, you do not call the plumber. Listen to those who have listened to their farmers. Many Members of the Committee on Agriculture, like me, have talked to hundreds of farmers since we passed this out of committee. They support this bill. This Congress should as well.

I support the farm bill and encourage the Members to do the same.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Maine, Mr. BALDACCI.

Mr. BALDACCI. Mr. Chairman, I want to compliment both the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) for doing a wonderful job in working this piece of legislation. As a Member of the committee these last four terms and working on two farm bills, I have to say I felt the collegiality and productivity of the committee in this 10-year reauthorization has been something we can all be very proud about.

□ 1215

Like anything that we deal with that is this large and covering this expansive an area, there will be areas of concern.

I first want to compliment the conservation title in the manager's amendment. I want to compliment the nutrition and WIC provisions that are here. I want to compliment the export enhancement and market assessment programs, research, the monies that are going to be available for colleges and university and land grant facilities, and especially improving fruits and vegetables and specialty crops.

The areas of concern for me are the dairy and the dairy compact issues that we are unable to address, recognizing that it was not necessarily the jurisdiction of our committee, but also recognizing it is pretty hard to separate agriculture and dairy from each other in terms of the procedural issues that lie before both committees. Having only an opportunity between now and the end of the month to be able to address these issues, I felt it was imperative to work with our colleagues in a bipartisan fashion to get this issue addressed. So later today and tomorrow, and as long as it takes, we are going to make sure that the dairy compact and the issues surrounding it are brought foursquare in front of this Congress so that we will have an opportunity to vote up or down on this compact.

I would like to inform the Members that in terms of the compact we are not talking about forcing anything down anybody's throat. This is something that has been approved by the State legislatures. Twenty-five States want this kind of opportunity to provide a floor for dairy farmers. It is not there if they are doing well, and they are doing well now; but it is a floor for them so that it maintains their farm income and their farm viability.

In Maine and in the Northeast, we have seen less reduction in farm families with the compact, we have seen less production in the compact area, and we have actually seen less price increases in those compact areas versus the national average. So it has actually worked in terms of production, supply and demand, and having the countercyclical features that our committee has advocated with all of agriculture as we have tried to develop a 10-year farm reauthorization program.

This is a program that States want, that governors want, and they have asked us to give them the approval to be able to maintain something that has been working for 4 years. This program has been working for 4 years. I ask the Members on both sides of the aisle and in leadership in Congress to allow us an opportunity to vote up and down. We were not able to get the amendment protected in terms of the germaneness issue in the Committee on Rules.

I know the concern of the committee and the membership, where there is over 160 Members that are cosponsoring this legislation. It is a very important piece of legislation. It provides a floor for dairy farms, for small dairy farms, which there are many of. And not just in New England but in the Northeast and in the Southeast, which also wants this to be part of their program. So I look forward to that discussion.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri (Mr. GRAVES), who understands the difficulties firsthand of agriculture.

Mr. GRAVES. Mr. Chairman, I rise today in support of H.R. 2646, the Farm Security Act. This is important legislation, critical to our Nation's farm families. And on behalf of the thousands of farm families across northwest Missouri, I want to thank Chairman COMBEST and Ranking Member STENHOLM for their leadership and their efforts in crafting this bill.

Mr. Chairman, I raise corn and soybeans in northwest Missouri, and I understand all too well the challenges facing farmers today. Every weekend, when I return to Missouri, I hear from farmers all across my district who are struggling just to stay in business. Not only are farmers faced with the 4th consecutive year of record low commodity prices, costs for inputs, including fuel, fertilizer and seed, have skyrocketed during the last year further reducing the bottom line.

While the previous farm bill provided flexibility and opportunities that farmers desperately needed, its provisions for emergency aid were inadequate. Our Nation's farmers should not have to rely on a supplemental bailout every year. Producers need support that provides stability and predictability, and that is exactly what this bill does.

In preparation for today, the Committee on Agriculture heard testimony from dozens of farm groups representing thousands of producers all across America. All of them agreed that this bill should include a mechanism that would kick in automatically when prices fall below equitable levels. With this bill, and with the countercyclical program, it eliminates the need for that annual agriculture bailout and replaces it with a reliable program we can depend on.

In 1996, Congress gave farmers a good bill. However, that bill's success depended on new and expanding overseas markets. Those markets never materialized. This bill combines the flexibility and market stability that farmers need while renewing our efforts to promote American agriculture abroad without abandoning our previous trade agreements.

Additionally, this bill strengthens our commitment to the environment, providing greater resources to ensure that our land, air, and water remain fertile and clean.

Mr. Chairman, in America we have the safest, most abundant and cheapest food supply in the world. No other Nation, absolutely no other Nation in this world today, has the luxury of taking its food supply for granted.

Again, I want to urge my colleagues to support this legislation and protect our Nation's food supply, our natural resources, and our family farmers.

Mr. STENHOLM. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Chairman, I thank the gentleman for yielding me this time, and I want to begin by commending Chairman COMBEST and Ranking Member STENHOLM of the Committee on Agriculture for their work in bringing this bill to the House floor.

This has been a tandem that has persevered when others said it could not be done; persevered in holding hearings, persevered in crafting a bill, and even in the wake of tragic events thereafter hit our Nation, persevered in bringing this bill to the House floor, the first major nonattack bill considered since that morning 3 weeks ago, September 11.

Since that time, without flinching, we were all proud to stand together and vote $15 billion worth of relief to the airline industry, to be spent this year, shoring up the critical component of our economy that they represent. This bill represents $73 billion over 10 years, shoring up the family farmer base of our food supply and investing in our Nation's food supply, every bit as critical a component to our economy as anything else one can think of.

The way we achieve security, abundant production, highest quality, and affordability in food supply is with diversified production. And the way to achieve diversified production is to keep family farmers right at the heart of who grows the food for this Nation.

Now, worldwide commodity prices have collapsed, collapsed to the point where what the farmer has been getting at the elevator after harvest is actually lower than what it costs to grow that crop. Nobody can stay in business under circumstances like that. And that is why we see the wholesale departure of families from the land, families that have been there for generations. Depopulation, meaning we lose so many people we cannot even support basic infrastructure in critical regions of the State, is a major issue that North Dakota is dealing with and other issues through the Great Plains. The way we attack it head on is to preserve profitability in farming, and that means farmers need some help.

Let me give my colleagues a little Economics 101 on family farming. It does not matter how good a farmer someone is, you cannot control the price of your product. And if you cannot recover even costs, much less make a little money to put shoes on your kids and pay the light bill, you cannot stay in business. We are going to continue to drive out the smaller producer and drive production to larger and larger corporate enterprises, the enterprises that have the deep pockets to go through this kind of price trough, unless we have a farm bill that helps our families stay in the business. And that is what this bill is all about.

I'd have constructed this bill somewhat differently. I hope it is changed in the Senate and continues to improve as the process goes forward. But make no mistake about it, the heart of this bill is price support for family farmers. We have for most of the last 4 years had price support as part of the farm program. We removed it with the Freedom to Farm bill, because we hoped that with improving markets that was not going to be necessary any more. Well, sadly, in a bipartisan way, we have recognized that support is needed. And that is why over the last 4 years we have passed $30 billion in disaster payments helping farmers through these tough times.

There is a better way to go than ad hoc year-to-year disaster bills that leave the farmer and their lenders and their creditors not knowing where they stand. The better way is to put it in the farm bill, just like this bill does, with price supports so the farmers know where they stand. That is what this bill is all about.

But the bill is about more than helping those who grow the food, there is a very important component to this bill that helps those who struggle to afford the food to feed their families. We have made cuts in the nutrition programs, WIC, food stamps, that have, I believe, been too severe, that have actually hindered families from obtaining the critical nutrition they need. We address that in this legislation with $3.5 billion in additional funding for the food programs to help those who need to eat to be able to get the food they need to feed their families. I sure do not want that funding jeopardized, and it is a critical part of this bill.

As I mentioned, the bill is not perfect, but we are not at a point in time, colleagues, where perfection can be the enemy of the good when it comes to moving this farm bill forward. Thanks to the leadership of Chairman COMBEST and Ranking Member STENHOLM, we have new momentum, represented by having this bill on the floor today, new momentum to getting farmers the protection they need to stay in business. We have got to keep this momentum going by moving this bill along and continuing it down the legislative process.

I urge my colleagues to vote for the bill. I am proud to stand with this bill and commend the Committee on Agriculture for their good work.

Mr. COMBEST. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. FORBES).

Mr. FORBES. Mr. Chairman, I wish to engage in a colloquy with the gentleman from Texas (Mr. Combest), the chairman of the Committee on Agriculture; but I would first like to thank the gentleman from Texas and his colleague, the gentleman from Alabama (Mr. EVERETT), the distinguished chairman of the Subcommittee on Specialty Crops and Foreign Agriculture Programs, for working with me to improve the provisions of this bill relating to Federal peanut programs.

The fourth district of Virginia is home to one of the largest peanut producing populations in the Nation. Though I have not been a member of this august body for long, I have worked hard since being sworn in to make the views of this community known to the House Committee on Agriculture during their consideration of this legislation. I have been very grateful for the cooperation and attention that their concerns have gotten from the committee.

As reported from the committee, I have very serious concerns that this bill would severely strain the financial resources of Virginia's peanut farmers, particularly the small family farmers. While I recognize that times have changed and that the Federal programs must adapt as to the farmers that I represent, I remain apprehensive about the effect that these dramatic changes may hold for the future of peanut farming in my State.

I appreciate the difficult balance that the chairman and his panel had to reach in addressing the needs of America's taxpayers at the same time as meeting the needs of America's agriculture community, and I am hopeful that I will be able to continue to work with the chairman as this bill goes to conference with the Senate.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. FORBES. I yield to the gentleman from Texas.

Mr. COMBEST. Like the gentleman from Virginia, I recognize and respect the role that the farmers have played in our Nation's history and the importance of their work to our national economy. The development of this bill represents the best package we could achieve in balancing critical needs for commodity, conservation, trade, nutrition, credit, rural development, and research programs, while fitting into the fiscal restraints given to us by the budget resolution.

I appreciate the gentleman's concern about the peanut provisions of the bill, and I am pleased that we have been able to work with him to accommodate some of those concerns. Specifically, we have proposed a change in the manager's amendment that would allow a producer to establish a base, at which point the producer would have a one time ability to set the base on any land that he chooses. This would give the producer the ability to put the base on land he owns or will give the producer a better bargaining position if he sets down this base on the land he rents.

I thank the gentleman for his work and concern on this issue and I look forward to working with him to continue to address the problems and concerns that he has of the producers of Virginia as this bill goes forward to conference with the Senate.

Mr. FORBES. Mr. Chairman, reclaiming my time, I wish to thank the gentleman from Texas for his comments.

Mr. Chairman, I rise in support of the Farm Security Act of 2001. Though I have some serious concerns with provisions of the bill that dramatically alter the peanut program, I realize how important this bill is to farmers across America and that this legislation must still go through a conference committee. I thank the Chairman for his hard work.

Our farmers are the heart of our nation, and Virginia's peanut farmers are the heart of the Commonwealth. Peanut farming is important to the economic livelihood of Virginia, bringing $55 million in cash-receipts to the state. Virginia peanuts are in high demand for gourmet-style fried peanuts and roasted in-the-shell ballpark peanuts that we all have enjoyed at baseball games. It is important to remember the peanut program does not just impact farmers who exclusively grow peanuts but it also dramatically impacts other farmers who depend on peanut production to keep them alive and all those who insure, supply, or assist peanut production in any capacity, including

local governments who depend on taxes from these farms for survival.

There are four specific concerns that I have had with the Committee-passed bill, and I worked hard with the Chairman to accommodate each of them.

The first was that the new program would begin with the 2002 crop. My concern was that there would not be enough time for the farmer to adjust to these changes, with contracts that have already been made based on the assumption that the current program would run through 2002.

Second, I was concerned that the bill focused on the farm and not the farmer. My goal was to see that the base be tied to the producer.

Third, I was concerned that the financial return for the producers was so low that there would be no incentive for young farmers to enter the farming business, and that those retiring would not be replaced.

Last but not least, I was concerned that the Peanut Administrative Committee was being phased out and replaced with a board without the means to ensure higher quality standards.

Since my swearing in, Mr. Chairman, in late June, I have been working hard to represent these views to the Committee on behalf of Virginia's peanut farmers. I have greatly appreciated the full and subcommittee chairmen's attention to these concerns. I am particularly thankful for their determination that some of these points warranted changes in the Committee-passed bill.

Specifically, the manager's amendment includes a provision, which should improve the overall income that a producer can earn by allowing the producer to establish the base on any land he chooses. Virginia's peanut farmers have been farming the land for generations because they love it. But we must be mindful of the fact that they must be able to make a living in order to continue doing what they love.

Del Cotton, manager of the Franklin-based peanut marketing cooperative, said some producers will be happy and others will not with the proposed quota buyout. I hope Congress will continue to take the necessary steps to keep the peanut program viable.

Mr. Chairman, I recognize, as do the farmers I represent, that times have changed and that our federal farm programs must change as well. But, we must never forget that our farmers have always been the backbone of this nation.

That was true at our country's founding, and it is true today as we prepare to wage a long, hard war against terrorism. Food security is just as vital to our national defense as a strong military and strong economy. Our farmers are our partners in this endeavor.

I look forward to continuing to work with the Chairman on this legislation as it goes through conference negotiations with the Senate.

That said, Mr. Chairman, I encourage my colleagues to support this bill and to support the Chairman during conference deliberations.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. BISHOP).

Mr. BISHOP. Mr. Chairman, I thank the gentleman for yielding me this time.

I would like to commend the chairman and the ranking member for the hard work that they and the committee staff have put into this very important bill. We in Congress have joined the President in urging America to get back to business, and our job today is a monumental one: to enact a farm bill that enables farmers and agribusinesses to survive during this economically challenging decade.

After 4 years of depressed commodity prices and inflationary production costs, droughts and disasters, our whole agricultural system is at risk. This is not just rhetoric, it is simple math. Farm income has not been sufficient to sustain most producers, even though they adhere to sound farming practices. If it were not for a Federal farm safety net, the country would have experienced a catastrophic loss of farm operations and agri-businesses that serve them. Like oil, we would have become much more dependent on foreign producers for our food and fiber, the necessities of life.

□ 1230

Mr. Chairman, the farm bill enacted in 1996 was a visionary bill that gave farmers greater flexibility, but which failed to provide the help needed when prices slumped and costs increased.

The farm bill that we consider today continues that same flexibility, but with a stronger safety net that should eliminate the need for billions of dollars of ad hoc appropriations. It includes a more market-oriented peanut program which makes it possible for our growers to compete as tariff rates decline and that phases out the quota system.

The bill provides a significant level of compensation to quota holders within the budget restraints that we face; but I believe the funding level should be higher, and I will continue to work for that.

It includes a 75 percent increase for soil, water and wildlife conservation, a food stamp program that includes new transitional assistance for families moving from welfare to work, $785 million for rural development, including funds to improve drinking water, expand telecommunications and promote value-added market development, a 100 percent increase in funding for the market access program helping producers and exporters finance promotional initiatives abroad.

Mr. Chairman, I urge my colleagues to vote for the Farm Security Act of 2001 and to help ensure a brighter future for America, for rural America, for our farmers, our agribusinesses, and especially for our consumers across the country.

Mr. COMBEST. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Chairman, first let me say that I am a farmer. I have been involved in farm programs since the 1960s, and never has there been such a complete effort to get the input of American producers and those associated with agriculture into this final result, into this piece of legislation.

The gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. STENHOLM) held 47 field hearings across the United States, 10 of those were full committee hearings, in addition to the dozens of hearings held in Washington. We tried to come up with legislation that faces a predicament which is now confronting American agriculture. That predicament is: Do we let other countries subsidize their farmers to the extent that it puts our farmers out of business?

Right now we are in competition, if you will, with countries like Europe, who subsidize their farmers five times as much as we subsidize our farmers. To project what happens with that kind of subsidy, their additional production goes into what would otherwise be our markets. It is not a good way to do business.

The taxpayer, one way or the other, is going to end up paying more for their food supplies to keep farmers producing agricultural products. One way is through farm subsidies. That is what is happening in the United States. I mentioned Europe, five times the subsidies as the U.S. Members can compare that to countries like Japan, which goes up to almost 12 times in subsidies as we pay our farmers.

Eventually there has to be a more market-oriented solution in all countries to let the buyers of those products pay for them at the marketplace rather than through tax dollars distributed through government programs that are ultimately going to be unfair.

Mr. Chairman, look at this bill carefully and let us move ahead. For the time being, we have to keep American agriculture in place.

Mr. STENHOLM. Mr. Chairman, I reserve the balance of my time.

Mr. COMBEST. Mr. Chairman, I yield such time as he may consume to the gentleman from Idaho (Mr. SIMPSON).

Mr. SIMPSON. Mr. Chairman, I thank the gentleman from Texas (Mr. COMBEST), the chairman; and I thank the ranking member, the gentleman from Texas (Mr. STENHOLM), and staff for all of the hard work that they have put into this legislation.

Mr. Chairman, I traveled the Nation with my colleagues on the House Committee on Agriculture last year and heard first hand from farmers in numerous States about the challenges facing them and the way in which they felt those challenges could best be addressed.

I can state unequivocally that this bill meets the needs of the farmers we have heard from and provides dramatic new investment in areas like trade promotion and conservation funding. As has been mentioned, there is a 78 percent increase in conservation funding.

I spent the summer talking to farmers and ranchers across Idaho; and with rare exception, they have told me that they want this bill passed in its current form. They believe that this bill provides them the flexibility that they need to operate their farms the way

that they want to; and it provides the predictability they need to keep their family farms operating for themselves, their children, and great grandchildren.

Mr. Chairman, it is not without some regret that I say that I wish the administration had been with me as I talked to Idaho farmers and as we held field hearings across this great country. I listened as I read the statement of administration policy this morning, the first statement that I have heard from the administration on their position on this farm bill. I was dismayed and disappointed. I would like to talk for just a minute about the points that they make in their concerns in this agriculture bill. They make four bullet points.

First, that this bill encourages overproduction while prices are low. With price supports, we are trying to keep farmers in business when prices are low. I guess the answer that they have, and they give no specific answer in their statement of policy, is to let those farmers go out of business. I certainly hope that is not their policy; but if they have a different idea, they ought to share it with us.

Their second bullet point is that it fails to help farmers most in need. They state in their statement of policy, and I quote: ''Nearly half of all recent government payments have gone to the largest 8 percent of farmers, usually very large producers, while more than half all of U.S. farms share only 13 percent of the payments.''

Mr. Chairman, the USDA considers large farms those farmers that have $250,000 or more gross sales. Those farms account for 15 percent of farms reporting government payments, and produce 54 percent of the value of program crops eligible for payments. They are 15 percent of the farms; they produce 54 percent of the value of program crops. Only 0.5 percent of the large farms were nonfamily farms. The average transition payments in 1998 for these large farms was $21,870.

These farms received 47 percent of the payments, while producing 54 percent of the value of program crop production. Small farms, those that produce less than $250,000, on the other hand, produced 46 percent of the value of program crop production, but received 53 percent of the payments.

Mr. Chairman, I think we have been going in the right direction trying to help the small family farms, those under $250,000 in gross sales. They have gotten a larger percentage of the actual payments. Also consider that over 77 percent of all large family farms operate with debt, 80 percent greater than average for all family farms. These farms carry debt liabilities equal to 47 percent of their maximum feasible debt load, 54 percent greater than the average for all family farms.

Mr. Chairman, 12.2 percent of all large family farms have negative household incomes, 91 percent greater than the average for all family farms.

Mr. Chairman, this bill is a farm bill. Payments are based on production. Large producers are obviously going to get a larger share of the payments. They also put more at risk. I think we have been going in the right direction trying to address this and making sure that we address the needs of small family farms and all farmers.

The third bullet point from the statement of administration policy is that it jeopardizes critical markets abroad.

Mr. Chairman, one of the real problems we have in agriculture today is that we have not been able to level the playing field between us and our competitors around the world. American farmers are at a competitive disadvantage to producers in other countries. We all know that. They get subsidized more in other countries than we support our farmers in this country. That puts us at a competitive disadvantage.

This bill enhances our Export Enhancement Program, funds it further; and we need to create a level playing field. We cannot have a free market and fair trade when there is not a level playing field. It is a myth to think that there is a level playing field right now.

I hope that the administration is serious, and I believe they are serious, when they say that agriculture will be a top priority in trade negotiations as they try to negotiate new trade agreements in the WTO.

Lastly, they say that this boosts Federal spending at a time of uncertainty. As the chairman of the Committee on the Budget has stated, we reached an agreement on the budget resolution. This piece of legislation is crafted to stay within that budget resolution. It does exactly what the Committee on the Budget requested that we do, and I compliment the chairman and the ranking member for keeping this bill within the budget restraints that were imposed upon us.

Mr. Chairman, this bill is the result of over 2 years of listening, learning, and hard work. It is the result of intense commitment, meaningful debate, and constructive compromise.

Today we have a chance to endorse not only the legislation language in this bill, but the fair and open process that fostered its development. We also have a chance to bring new hope to rural communities and to bring real stability to our Nation's producers.

Mr. Chairman, I urge my colleagues to support the Farm Security Act for America's farmers.

The CHAIRMAN. The time of the gentleman from Texas (Mr. COMBEST) has expired.

Mr. STENHOLM. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. COMBEST) for his utilization.

The CHAIRMAN. Without objection, the gentleman from Texas (Mr. COMBEST) will control 5 additional minutes.

There was no objection.

Mr. COMBEST. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. NORWOOD).

Mr. NORWOOD. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of the Farm Security Act of 2001. I cannot say enough good things. I cannot commend the gentleman from Texas (Mr. COMBEST) enough for his leadership and for the very thorough and deliberate manner the gentleman has followed in crafting this important farm bill.

This bill answers a question, a vital question to this country, a very important question to the people of this country: Do we want the American people fed and clothed by the American farmer? That is a question that is before us because it is possible if something does not change, that we will not be fed and clothed by the American farmer. We will have to depend on other nations.

When Congress passes this bill, the Farm Security Act, we are saying in a very loud voice, yes, we do intend for the American farmer to be the backbone of our industry in this country, and we will depend on them for our food and fiber.

Recently American farmers have struggled through increasing difficulties. It is no secret. Talking to farmers while traveling through the 10th Congressional District of Georgia, I have listened to their concerns. The farmers in this country need our help if we want them to stay in business.

Earlier this year Congress made a firm commitment of support. My colleagues all remember setting aside $73.5 billion over the next 10 years. We have the opportunity, we should take the opportunity today to take the next important step.

As evidenced by annual emergency agriculture spending, many policies in the 1996 farm bill have not been effective. This farm bill is well balanced and remedies these inequities, addressing critical farm program needs while also increasing conservation program dollars by approximately 80 percent.

Within the commodity title, farmers are provided a three-piece safety net and the option to update base acreage. What that safety net really is, it is a safety net for the American citizen, a safety net for the American consumer, not just the farmer, but for all of us who are fed and clothed by the American farmer. While maintaining the fixed decoupled payments and the marketing loan payment, this farm bill adds a countercyclical payment, too.

□ 1245

This allows the farmer flexibility and security in planning for the future, a prescriptive answer to many of their concerns that I have heard since 1996.

Finally, I want to talk about the peanut program just a minute. It is a critically important issue to Georgians. Recognizing the new challenges within the program and the need for reform, I am pleased with what this great committee has done. While it may not be

perfect in the eyes of everyone, I believe this historic reform is an equitable one and is well crafted to ensure the viability of the American peanut farmer.

Mr. Chairman, U.S. farmers have been asking for our help. I am happy to tell my friends in Georgia that help is on the way. I hope all my colleagues will vote for this bill.

Mr. COMBEST. Mr. Chairman, I yield myself such time as I may consume.

I would just want to say in closing, Mr. Chairman, I want to thank all of the members of the committee and all of the Members not on the committee who have come over and taken such an active role in this. As we can see, the interest of agriculture spans well beyond just those members on the Committee on Agriculture. I thank the gentleman for the courtesy with his time.

Mr. Chairman, I yield back the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have no further requests for time on this side. I would just use a portion of the remaining part of my time to emphasize a few points.

To say I am rather disappointed in the statement of administration policy today would be the understatement of the day. I believe I am correct that we have had 47 subcommittee hearings, I know we have had 10 full committee hearings in which at each time we were considering the various parts of what always ends up being a very controversial bill, the agricultural bill, I asked what the administration's position was. We wanted to consider that.

I remember 1995 and 1996 when the committee and the House leadership refused to allow the administration witnesses in the room when we were conferencing. We made some mistakes when we did that. We usually do better legislative work when we have due and proper consideration by the legislative body with administrative input. I suspect and I hope and I really believe that we will get that when we get to a conference on the bill. But to come in the day before, actually a few minutes after we had passed the rule, by stating your position is not helpful, especially when you make some specific allegations that this bill encourages overproduction when prices are low. You have not read the bill, whoever wrote this. I am sure it was OMB. You have not read our bill. We deliberately made changes in the loan rates in order that we might accomplish some of the criticisms of the current bill.

It fails to help farmers most in need. Where were you when we were asking for recommendations of how we do a better job of that? As we asked over and over as to farm witnesses and farm groups, how do we attack this particular problem? Where were you when we asked?

Jeopardizes critical markets abroad. I have been around here now for almost 23 years. I have seen trade negotiators and trade negotiations begin and I have listened to administrations in which they have always emphasized the importance of agriculture when we go into the negotiations. But I have also noted when they complete that work, that somewhere over the Atlantic, agriculture is dumped out with a parachute.

This time around, I said, and it was one of my prevailing judgments into our bill that we present to you today, I wanted to be sure that our government was standing shoulder to shoulder with our producers in these upcoming negotiations, and in the manager's amendment, we specifically say that if there is anything in this bill that makes us illegal under WTO agreements, we give the Secretary of Agriculture the authority to make those changes so that it reconforms, because no one on the House Committee on Agriculture wants to be part of any law that causes us to break a law or an agreement that we have agreed to in the good faith of the United States of America.

Boosts Federal spending at a time of uncertainty. They have got us there. But let me point out we are boosting it by $2 billion next year. That is the total. $2 billion. Of which a portion of that, as we heard the gentlewoman from North Carolina (Mrs. CLAYTON) speak a moment ago, is designed to do some of the things that both sides of the aisle have already agreed we need to do, and, that is, to recognize unemployed people, people who have lost their jobs and need some additional help in the transition into a new job. That is in this bill. Is it enough? You can probably say no, it is not. In fact, I predict when we get to the stimulus package, that you are going to have the administration agreeing to many more billions of dollars than 2. Why pick on the 2 at this stage of the game?

We are going to hear a little bit about the sugar program and prices. Here again, we have the lowest prices for our producers since the Great Depression, in the last 30 years. I am going to be asking the question over and over to those that seem to believe that the only thing we can do to stay competitive is lower our prices, this bill that we bring forward that is being criticized by those that believe we are doing too much for the commodities is guaranteeing our farmers 1990 prices. Now, I ask anyone in this Chamber, anyone listening, anyone downtown, anyone at any of the newspaper editorials that have criticized us, if you and your employees are going to be guaranteed 1990 wage levels, how happy would you be and how exorbitant would your company be? That is what we do in this bill. Would we like to do more? Absolutely. But we operated under the good faith restraint of a budget that was passed by this House. I did not agree with it, but it became the law of the land and, therefore, I do as I try to do quite often, and, that is, work together. On the Committee on Agriculture, we do a darn good job at that.

I commend again the chairman, the subcommittee chairmen, all of the folks on that side of the aisle and my own colleagues for the spirit in which we bring this bill to the House today.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, just so the record is clear and for those people who have not followed this quite as carefully as we have on this committee, this process started well before the decision about who the current administration was, I think before either nominee actually even was nominated. This year, we started very early on in this calendar year having hearings all throughout the process, asking people what it was that they wanted.

Let me ask the gentleman from Texas, how many times did the Secretary of Agriculture or anyone from the Department of Agriculture come before our committee and give us any suggestions?

Mr. STENHOLM. To the best of my recollection, Mr. Chairman, zero.

Mr. COMBEST. The gentleman's recollection is correct.

Mr. LARSON of Connecticut. Mr. Chairman, I rise in support of H.R. 2646, the 2001 Farm Bill, but also to express my support for several amendments that will be offered, specifically the Boehlert/Kind/Gilchrest/Dingell amendment that would provide a more equitable distribution of government resources to farms and farmers throughout the United States, and the Sherwood/Etheridge/McHugh amendment to permanently authorize the Northeast Dairy Compact.

For most people in this country, talking about farming does not conjure up images of my home state of Connecticut. For most people, Connecticut likely generates images of insurance companies, or submarine and aerospace manufacturers, rather than farms. But farming is a critical part of the Connecticut economy and our traditions. In fact, the Connecticut Department of Agriculture estimates that Connecticut receives a $900 million income from agriculture production, and adds about $2.1 billion to the state's economy. There are approximately 4,000 farms holding approximately 370,000 acres of land in Connecticut. In a state that is only 4,872 square miles, that represents over 11 percent of our land devoted directly to farming.

In the 370,000 acres committed to farming, Connecticut ranks first in the nation in the density of egg laying poultry and the density of horses. We are fifth in mushroom production, seventh in pear production, eighth in the density of dairy cows and tenth in milk production per dairy cow. Aquaculture in Connecticut is an $18 million industry, and the value of oyster farming ranks Connecticut among the top five in the nation. In addition, nursery and greenhouse production was valued at $168 million, and bedding and garden plant production was valued at $50 million in 1999.

Exacting so much agricultural production within such a small geographic area has meant seamlessly integrating our farms within our communities and as well as working to

harvest the resources of natural environment in ways not duplicated in other places in the United States. But Connecticut is the home of ''Yankee Ingenuity'', and our farmers carry this tradition proudly, pursuing a dynamic range of enterprises and farming practices that leave the ''traditional farming'' label far behind. Innovative methods and creative planning, combined with one of the nation's best and original agriculture land grant universities at the University of Connecticut, put Connecticut farms at the forefront of exploring new ways of agriculture production.

One of the issues that is raised repeatedly in my district and throughout Connecticut is the increasing ''multifunctionality'' of our farms. In New England, our farms are not just producing commodities for direct consumption, they interact with the foundation of our communities and economy in subtle ways often overlooked by most people. The open space and rolling hills protected by Connecticut farms are critical areas of open space in an increasingly urbanized environment. They provide a continuous source of local community income through a thriving agritourism industry.

So for all of these reasons, we in Connecticut and the Northeast need a farm bill that recognizes the needs of our farmers and the region. The underlying bill has many important programs that our farmers need, but the Boehlert/Kind/Gilchrest/Dingell amendment greatly improves it, paying more attention to the diverse and unique needs of farmers in the Northeast.

I also strongly support the Sherwood/Etheridge/McHugh amendment to permanently authorize the Northeast Dairy Compact. The Compact, as many of you know, was authorized in the 1996 Farm Bill, but was designated to sunset in 1999 pending reform of the federal milk marketing order program, a program that still fails to take into account the needs of dairy production at small family farms. Therefore the compact is still needed and Congress has twice extended its authority, the last time through September 30, 2001. But today is October 3, 2001 and this Congress, under pressure from special interests, has still not acted to address this critical issue for the people of my State and instead has allowed the compact to expire.

Now I understand that opponents are moving to block consideration by attempting to rule the amendment out of order because it is not germane to debate in the context of the Farm Bill. Action on the Dairy Compact is the number one priority for the Connecticut agriculture community. Legislation to permanently authorize the Compact has been introduced by Congressman Hutchinson and carried forward by Congressman SHERWOOD and Congressman ETHERIDGE that has the support of over 160 cosponsors. There is strong local support for this bill and this amendment. All of the state legislatures included in the Northeast Dairy Compact have approved it, as have the state legislatures in numerous states around the country who are waiting for this Congress to act so that they can join and form additional regional compacts.

The compact is necessary because the federal minimum farm milk price is not sufficient to cover the cost of producing milk in the small family farms throughout New England, forcing the region's dairy farmers out of business. Simply put, dairy farming is the lifeblood of the Connecticut agricultural economy. As dairy farms are forced to close, demand for feed and other support crops, farm machinery, open space and agri-tourism all follow suit, creating a devastating and unrecoverable fallout of the local economy for those reliant on the business created by dairy farming. The loss of these resources and farms is unacceptable and irrecoverable, and in my opinion speaking now as a Member of the Armed Services Committee, a weakening of our domestic national security.

Despite arguments by opponents, the compact does not cost the federal government or the taxpayers of the United States anything. This is not a subsidy program. In fact, the compact specifically, requires the Compact compensate USDA for the amount of federal price support purchases it makes a result of potential overproduction of milk, and for an technical assistance it receives from USDA's Agricultural Marketing Service. Additionally, the Compact reimburses participants in the Women, Infants and Children (WIC) Supplemental Food Program to offset any increase cost of fluid milk caused by premiums within the Compact. The Compact is also expressly prohibited from discriminating in any way against the marketing of milk produced anywhere else in the United States. As for arguments that the Compact artificially increases prices, the record has shown that price increases have been negligible to consumers, who in general have also strongly support the Compact.

The Congress produces a major Farm Bill only once every five years. Debate and consideration of the amendment is critical at this time and germane. There is no other more germane legislation within which to address this issue, and our farmers cannot wait another five years for the next Farm Bill. It is time for us to have this debate and proceed with an up or down vote on this issue, and I urge my colleagues to support the Sherwood/Etheridge/McHugh amendment, or at least support its fair consideration.

Finally, Mr. Chairman, I would like to bring to the House's attention an important provision in the bill, aimed at rural development. Section 615 of the bill establishes a National Rural Development Partnership composed of the Coordinating Committee and the state rural development councils.

State Rural Development Councils, like the Connecticut Rural Development Council, were established to promote interagency coordination among federal departments and agencies that administer policies and programs that impact rural areas and to promote intergovernmental collaboration among federal agencies and state, local, and tribal governments and the private and non-profit sectors.

These local councils have done tremendous work and are an important local resource for our communities. They continue to prove extremely successful at local levels, and have worked at the local level to leverage the roughly $35 million annually appropriated by Congress in the past into more than $1 billion annually for conservation, as well as rural and urban development projects. For every dollar appropriated by Congress, local Councils have leveraged an average of $14 from non-federal sources.

The Rural Development Councils are an example of how local governments and the federal government should work together, and I am pleased to see that this bill recognizes their importance by establishing this partnership. This is a step in the right direction, and as much as could be accomplished in the Farm Bill at this time. However, Congressional Rural Caucus Agricultural Task Force Co-Chairs Congressman PICKERING and Congressman TURNER are working to introduce a more comprehensive proposal in the near future, and I would urge my colleagues to support their legislation to further this important initiative.

Mr. BEREUTER. Mr. Chairman, despite this Member's very strong reservations about the fundamental lack of necessary policy reforms in the overall bill, he rises in strong support of Title III of H.R. 2646, the Farm Security Act of 2001. Since Nebraska's 1st Congressional District's economy relies heavily on agriculture-related trade, the export and humanitarian programs authorized in Title III impact this Member's district more directly than perhaps any other provisions passed in this body. Also, this Member would remind his colleagues that these programs impact many Americans as the United States Department of Agriculture (USDA) estimates that for every $1 generated by agriculture exports, an additional $1.30 is generated through export-related activities.

Therefore, this Member would like to thank the distinguished Chairmen and Ranking Minority Members of the House Agriculture and International Relations Committee (Mr. COMBEST, Mr. STENHOLM, Mr. HYDE, and Mr. LANTOS). In addition, this Member would like to thank the distinguished gentlelady from Missouri (Mrs. EMERSON) for her unwavering support for the George McGovern-Robert Dole International Food for Education and Child Nutrition Program. Furthermore, this Member also especially would commend the distinguished gentlelady from North Carolina (Mrs. CLAYTON), for her dedication to the Farmers for Africa and Carribean Basin Program which builds on the current Farmer-to-Farmer Program, previously established by this Member, by linking African-American volunteers engaged in farming and agribusiness with their counterparts in Africa and the Carribean Basin to provide technical assistance. Their efforts are much appreciated.

Mr. Chairman, for the United States to remain competitive in the world agriculture markets it is crucial to support market development activities which encourage the sale of U.S. commodities and value-added ag products overseas. Our European, Asian, and South American competitors have funneled significant government monies into market development. Indeed, our competitors individually outspend the U.S. at a rate of at least 4 to 1.

In the competitive arena of ag trade, it is critical to provide U.S. ag-industry components with appropriately funded market development tools for effectively fostering new overseas markets, entering existing overseas markets, and maintaining overseas markets. Title III more than doubles funding levels for the Market Access Program (MAP) from $90 million to $200 million and increase funding levels for the Foreign Market Development Program (FMDP) from $28 million to $37 million a year.

On a related note, this Member is pleased that the current version of Title III of H.R. 2646 includes language supporting a study on fees for services provided by the Foreign Agriculture Service (FAS) rather authorizing the

USDA collect such. This Member has previously expressed his concerns about the collection of fees for commercial services provided overseas by the FAS. For small and medium businesses attempting to broaden their operations overseas, assessing fees for FAS services and impressive expertise could prove to hinder such businesses' expansion.

In addition to authorizing ag trade and export programs, Title III of H.R. 2646 authorizes what are among our strongest foreign policy tools—U.S. food aid programs. In this regard, Mr. Chairman, this Member is pleased to note that he has on several occasions toured Crete Mills in Crete, Nebraska, a milling facility in his own district which produces much of the fortified grain and soy products used in food aid programs. This Member would like to convey to his colleagues that the company and its employees are enthused about continuing to play a role in meeting the needs of their hungry neighbors around the world. Additionally, of course, it has noticeably raised the market prices for farmers' grain in a wide radius around Crete.

In supporting the George McGovern-Robert Dole International Food for Education and Child Nutrition Program, this Member hopes that the U.S. attain its frequently articulated goal of stability in sub-Saharan Africa, Central America, South America, and Asia. Indeed, following the horrific terrorist attacks of September 11, 2001, it is increasingly important that the U.S. make investments in the health and education of the children in particularly unstable regions. Upon the foundation of a healthy, educated population, the U.S. can continue to work toward other foreign policy goals—building democratic institutions, addressing human rights concerns, developing economic stability, and countering terrorism.

Finally, as the author of the original Farmer-to-Farmer Program as earlier noted, this Member is pleased to support the Farmers for Africa and Carribean Basin Program, an initiative introduced as freestanding legislation by the distinguished gentlewoman from North Carolina (Mrs. CLAYTON). The Farmers for Africa and Carribean Basin Program builds upon the current Farmer-to-Farmer Program, which is reauthorized in this bill, by linking African-American volunteers engaged in farming and agribusiness with their counterparts in Africa and the Carribean Basin to provide technical assistance. This approach has worked in Asia, South America, and the Newly Independent States of the former Soviet Union; therefore, the renewed emphasis and extension of this program to Africa and the Carribean Basin certainly is appropriate.

Mr. Chairman this Member urges his colleagues to strongly support Title III of H.R. 2646.

Mr. ACEVEDO-VILÁ. Mr. Chairman, I would like to thank Chairman COMBEST and Ranking Member STENHOLM for their commitment to bring about a complete Farm Bill with all titles. This bill is the fruit of dedication and commitment that Committee Members have for the people this House represents. I applaud the Committee's work to increase funds to titles such as Conservation, Rural Development and Trade, all of which are extremely important areas for the Nation and people of Puerto Rico and especially, to our farmers and growers.

I would like to emphasize the importance the Nutrition Title contained in this bill has for the 430,000 Puerto Rican families that depend on nutrition assistance to keep their children fed and healthy. Title IV reauthorizes the Nutritional Assistance Program, better known in Puerto Rico as PAN for the next ten years, with increases in funding for each year. The Puerto Rican Nutritional Assistance Program serves the same purpose in Puerto Rico as the Food Stamps program serves in the states: to reduce hunger, to improve the health of our children, and ensure our nation a brighter future. We cannot afford hungry children in our schoolrooms. Nutrition Assistance is an essential foundation for building a better future for all of us. Especially in today's changing world, ensuring that every family has food on their table, no matter what financial circumstances beset them, is of utmost importance. I urge all Members of this House to vote in favor of this bill and especially support the efforts to guarantee a decent meal to every family in Puerto Rico and in the Nation. I am very thankful that this Farm Bill assures this for every American.

Mr. STENHOLM. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in part A of House Report 107–226, modified by the amendment printed in part B of that report, is considered as an original bill for the purpose of amendment and is considered read.

The text of the amendment in the nature of a substitute, as modified, is as follows:

Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Farm Security Act of 2001''.

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

Sec. 1. Short title; table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 100. Definitions.

Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments

Sec. 101. Payments to eligible producers.
Sec. 102. Establishment of payment yield.
Sec. 103. Establishment of base acres and payment acres for a farm.
Sec. 104. Availability of fixed, decoupled payments.
Sec. 105. Availability of counter-cyclical payments.
Sec. 106. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.
Sec. 107. Planting flexibility.
Sec. 108. Relation to remaining payment authority under production flexibility contracts.
Sec. 109. Payment limitations.
Sec. 110. Period of effectiveness.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

Sec. 121. Availability of nonrecourse marketing assistance loans for covered commodities.
Sec. 122. Loan rates for nonrecourse marketing assistance loans.
Sec. 123. Term of loans.
Sec. 124. Repayment of loans.
Sec. 125. Loan deficiency payments.
Sec. 126. Payments in lieu of loan deficiency payments for grazed acreage.
Sec. 127. Special marketing loan provisions for upland cotton.
Sec. 128. Special competitive provisions for extra long staple cotton.
Sec. 129. Availability of recourse loans for high moisture feed grains and seed cotton and other fibers.
Sec. 130. Availability of nonrecourse marketing assistance loans for wool and mohair.
Sec. 131. Availability of nonrecourse marketing assistance loans for honey.

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

Sec. 141. Milk price support program.
Sec. 142. Repeal of recourse loan program for processors.
Sec. 143. Extension of dairy export incentive and dairy indemnity programs.
Sec. 144. Fluid milk promotion.
Sec. 145. Dairy product mandatory reporting.
Sec. 146. Funding of dairy promotion and research program.

CHAPTER 2—SUGAR

Sec. 151. Sugar program.
Sec. 152. Reauthorize provisions of Agricultural Adjustment Act of 1938 regarding sugar.
Sec. 153. Storage facility loans.

CHAPTER 3—PEANUTS

Sec. 161. Definitions.
Sec. 162. Establishment of payment yield, peanut acres, and payment acres for a farm.
Sec. 163. Availability of fixed, decoupled payments for peanuts.
Sec. 164. Availability of counter-cyclical payments for peanuts.
Sec. 165. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.
Sec. 166. Planting flexibility.
Sec. 167. Marketing assistance loans and loan deficiency payments for peanuts.
Sec. 168. Quality improvement.
Sec. 169. Payment limitations.
Sec. 170. Termination of marketing quota programs for peanuts and compensation to peanut quota holders for loss of quota asset value.

Subtitle D—Administration

Sec. 181. Administration generally.
Sec. 182. Extension of suspension of permanent price support authority.
Sec. 183. Limitations.
Sec. 184. Adjustments of loans.
Sec. 185. Personal liability of producers for deficiencies.
Sec. 186. Extension of existing administrative authority regarding loans.
Sec. 187. Assignment of payments.

TITLE II—CONSERVATION

Subtitle A—Environmental Conservation Acreage Reserve Program

Sec. 201. General provisions.

Subtitle B—Conservation Reserve Program

Sec. 211. Reauthorization.
Sec. 212. Enrollment.
Sec. 213. Duties of owners and operators.
Sec. 214. Reference to conservation reserve payments.

Subtitle C—Wetlands Reserve Program

Sec. 221. Enrollment.
Sec. 222. Easements and agreements.
Sec. 223. Duties of the Secretary.
Sec. 224. Changes in ownership; agreement modification; termination.

Subtitle D—Environmental Quality Incentives Program

Sec. 231. Purposes.
Sec. 232. Definitions.

Sec. 233. Establishment and administration.
Sec. 234. Evaluation of offers and payments.
Sec. 235. Environmental Quality Incentives Program plan.
Sec. 236. Duties of the Secretary.
Sec. 237. Limitation on payments.
Sec. 238. Ground and surface water conservation.

Subtitle E—Funding and Administration

Sec. 241. Reauthorization.
Sec. 242. Funding.
Sec. 243. Allocation for livestock production.
Sec. 244. Administration and technical assistance.

Subtitle F—Other Programs

Sec. 251. Private grazing land and conservation assistance.
Sec. 252. Wildlife Habitat Incentives Program.
Sec. 253. Farmland Protection Program.
Sec. 254. Resource Conservation and Development Program.
Sec. 255. Grassland Reserve Program.
Sec. 256. Farmland Stewardship Program.
Sec. 257. Small Watershed Rehabilitation Program.

Subtitle G—Repeals

Sec. 261. Provisions of the Food Security Act of 1985.
Sec. 262. National Natural Resources Conservation Foundation Act.

TITLE III—TRADE

Sec. 301. Market Access Program.
Sec. 302. Food for Progress.
Sec. 303. Surplus commodities for developing or friendly countries.
Sec. 304. Export Enhancement Program.
Sec. 305. Foreign Market Development Cooperator Program.
Sec. 306. Export Credit Guarantee Program.
Sec. 307. Food for Peace (PL 480).
Sec. 308. Emerging markets.
Sec. 309. Bill Emerson Humanitarian Trust.
Sec. 310. Technical assistance for specialty crops.
Sec. 311. Farmers to Africa and the Caribbean Basin.
Sec. 312. George McGovern–Robert Dole International Food for Education and Child Nutrition Program.
Sec. 313. Study on fee for services.
Sec. 314. National export strategy report.

TITLE IV—NUTRITION PROGRAMS

Subtitle A—Food Stamp Program

Sec. 401. Simplified definition of income.
Sec. 402. Standard deduction.
Sec. 403. Transitional food stamps for families moving from welfare.
Sec. 404. Quality control systems.
Sec. 405. Simplified application and eligibility determination systems.
Sec. 406. Authorization of appropriations.

Subtitle B—Commodity Distribution

Sec. 441. Distribution of surplus commodities to special nutrition projects.
Sec. 442. Commodity supplemental food program.
Sec. 443. Emergency food assistance.

Subtitle C—Miscellaneous Provisions

Sec. 461. Hunger fellowship program.
Sec. 462. General effective date.

TITLE V—CREDIT

Sec. 501. Eligibility of limited liability companies for farm ownership loans, farm operating loans, and emergency loans.
Sec. 502. Suspension of limitation on period for which borrowers are eligible for guaranteed assistance.
Sec. 503. Administration of Certified Lenders and Preferred Certified Lenders programs.
Sec. 504. Simplified loan guarantee application available for loans of greater amounts.
Sec. 505. Elimination of requirement that Secretary require county committees to certify in writing that certain loan reviews have been conducted.
Sec. 506. Authority to reduce percentage of loan guaranteed if borrower income is insufficient to service debt.
Sec. 507. Timing of loan assessments.
Sec. 508. Making and servicing of loans by personnel of State, county, or area committees.
Sec. 509. Eligibility of employees of State, county, or area committee for loans and loan guarantees.
Sec. 510. Emergency loans in response to an economic emergency resulting from quarantines and sharply increasing energy costs.
Sec. 511. Extension of authority to contract for servicing of farmer program loans.
Sec. 512. Authorization for loans.
Sec. 513. Reservation of funds for direct operating loans for beginning farmers and ranchers.
Sec. 514. Extension of interest rate reduction program.
Sec. 515. Increase in duration of loans under down payment loan program.
Sec. 516. Horse breeder loans.
Sec. 517. Sunset of direct loan programs under the Consolidated Farm and Rural Development Act.
Sec. 518. Definition of debt forgiveness.
Sec. 519. Loan eligibility for borrowers with prior debt forgiveness.
Sec. 520. Allocation of certain funds for socially disadvantaged farmers and ranchers.
Sec. 521. Horses considered to be livestock under the Consolidated Farm and Rural Development Act.

TITLE VI—RURAL DEVELOPMENT

Sec. 601. Funding for rural local television broadcast signal loan guarantees.
Sec. 602. Expanded eligibility for value-added agricultural product market development grants.
Sec. 603. Agriculture innovation center demonstration program.
Sec. 604. Funding of community water assistance grant program.
Sec. 605. Loan guarantees for the financing of the purchase of renewable energy systems.
Sec. 606. Loans and loan guarantees for renewable energy systems.
Sec. 607. Rural business opportunity grants.
Sec. 608. Grants for water systems for rural and native villages in Alaska.
Sec. 609. Rural cooperative development grants.
Sec. 610. National reserve account of Rural Development Trust Fund.
Sec. 611. Rural venture capital demonstration program.
Sec. 612. Increase in limit on certain loans for rural development.
Sec. 613. Pilot program for development and implementation of strategic regional development plans.
Sec. 614. Grants to nonprofit organizations to finance the construction, refurbishing, and servicing of individually-owned household water well systems in rural areas for individuals with low or moderate incomes.
Sec. 615. National Rural Development Partnership.
Sec. 616. Eligibility of rural empowerment zones, rural enterprise communities, and champion communities for direct and guaranteed loans for essential community facilities.
Sec. 617. Grants to train farm workers in new technologies and to train farm workers in specialized skills necessary for higher value crops.
Sec. 618. Loan guarantees for the purchase of stock in a farmer cooperative seeking to modernize or expand.
Sec. 619. Intangible assets and subordinated unsecured debt required to be considered in determining eligibility of farmer-owned cooperative for business and industry guaranteed loan.
Sec. 620. Ban on limiting eligibility of farmer cooperative for business and industry loan guarantee based on population of area in which cooperative is located.
Sec. 621. Rural water and waste facility grants.
Sec. 622. Rural water circuit rider program.
Sec. 623. Rural water grassroots source water protection program.

TITLE VII—RESEARCH AND RELATED MATTERS

Subtitle A—Extensions

Sec. 700. Market expansion research.
Sec. 701. National Rural Information Center Clearinghouse.
Sec. 702. Grants and fellowships for food and agricultural sciences education.
Sec. 703. Policy research centers.
Sec. 704. Human nutrition intervention and health promotion research program.
Sec. 705. Pilot research program to combine medical and agricultural research.
Sec. 706. Nutrition education program.
Sec. 707. Continuing animal health and disease research programs.
Sec. 708. Appropriations for research on national or regional problems.
Sec. 709. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
Sec. 710. National research and training centennial centers at 1890 land-grant institutions.
Sec. 711. Hispanic-serving institutions.
Sec. 712. Competitive grants for international agricultural science and education programs.
Sec. 713. University research.
Sec. 714. Extension service.
Sec. 715. Supplemental and alternative crops.
Sec. 716. Aquaculture research facilities.
Sec. 717. Rangeland research.
Sec. 718. National genetics resources program.
Sec. 719. High-priority research and extension initiatives.
Sec. 720. Nutrient management research and extension initiative.
Sec. 721. Agricultural telecommunications program.
Sec. 722. Alternative agricultural research and commercialization revolving fund.
Sec. 723. Assistive technology program for farmers with disabilities.
Sec. 724. Partnerships for high-value agricultural product quality research.
Sec. 725. Biobased products.
Sec. 726. Integrated research, education, and extension competitive grants program.

Sec. 727. Institutional capacity building grants.
Sec. 728. 1994 Institution research grants.
Sec. 729. Endowment for 1994 Institutions.
Sec. 730. Precision agriculture.
Sec. 731. Thomas Jefferson initiative for crop diversification.
Sec. 732. Support for research regarding diseases of wheat, triticale, and barley caused by Fusarium Graminearum or by Tilletia Indica.
Sec. 733. Office of Pest Management Policy.
Sec. 734. National Agricultural Research, Extension, Education, and Economics Advisory Board.
Sec. 735. Grants for research on production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.
Sec. 736. Biomass research and development.
Sec. 737. Agricultural experiment stations research facilities.
Sec. 738. Competitive, special, and facilities research grants national research initiative.
Sec. 739. Federal agricultural research facilities authorization of appropriations.
Sec. 740. Cotton classification services.
Sec. 740A. Critical agricultural materials research.

Subtitle B—Modifications

Sec. 741. Equity in Educational Land-Grant Status Act of 1994.
Sec. 742. National Agricultural Research, Extension, and Teaching Policy Act of 1977.
Sec. 743. Agricultural Research, Extension, and Education Reform Act of 1998.
Sec. 744. Food, Agriculture, Conservation, and Trade Act of 1990.
Sec. 745. National Agricultural Research, Extension, and Teaching Policy Act of 1977.
Sec. 746. Biomass research and development.
Sec. 747. Biotechnology risk assessment research.
Sec. 748. Competitive, special, and facilities research grants.
Sec. 749. Matching funds requirement for research and extension activities of 1890 institutions.
Sec. 749A. Matching funds requirement for research and extension activities for the United States territories.
Sec. 750. Initiative for future agriculture and food systems.
Sec. 751. Carbon cycle research.
Sec. 752. Definition of food and agricultural sciences.
Sec. 753. Federal extension service.
Sec. 754. Policy research centers.

Subtitle C—Related Matters

Sec. 761. Resident instruction at land-grant colleges in United States territories.
Sec. 762. Declaration of extraordinary emergency and resulting authorities.

Subtitle D—Repeal of Certain Activities and Authorities

Sec. 771. Food Safety Research Information Office and National Conference.
Sec. 772. Reimbursement of expenses under Sheep Promotion, Research, and Information Act of 1994.
Sec. 773. National genetic resources program.
Sec. 774. National Advisory Board on Agricultural Weather.
Sec. 775. Agricultural information exchange with Ireland.
Sec. 776. Pesticide resistance study.
Sec. 777. Expansion of education study.
Sec. 778. Support for advisory board.
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TITLE VIII—FORESTRY INITIATIVES

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TITLE IX—MISCELLANEOUS PROVISIONS

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Sec. 927. Outreach and assistance for socially disadvantaged farmers and ranchers.
Sec. 928. Equal treatment of potatoes and sweet potatoes.
Sec. 929. Reference to sea grass and sea oats as crops covered by noninsured crop disaster assistance program.
Sec. 930. Operation of Graduate School of Department of Agriculture.
Sec. 931. Assistance for livestock producers.

TITLE I—COMMODITY PROGRAMS

SEC. 100. DEFINITIONS.

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

(1) AGRICULTURAL ACT OF 1949.—The term ''Agricultural Act of 1949'' means the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), as in effect prior to the suspensions under section 171 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301).

(2) BASE ACRES.—The term ''base acres'', with respect to a covered commodity on a farm, means the number of acres established under section 103 with respect to the commodity upon the election made by the producers on the farm under subsection (a) of such section.

(3) COUNTER-CYCLICAL PAYMENT.—The term ''counter-cyclical payment'' means a payment made to producers under section 105.

(4) COVERED COMMODITY.—The term ''covered commodity'' means wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, and other oilseeds.

(5) EFFECTIVE PRICE.—The term ''effective price'', with respect to a covered commodity for a crop year, means the price calculated by the Secretary under section 105 to determine whether counter-cyclical payments are required to be made for that crop year.

(6) ELIGIBLE PRODUCER.—The term ''eligible producer'' means a producer described in section 101(a).

(7) FIXED, DECOUPLED PAYMENT.—The term ''fixed, decoupled payment'' means a payment made to producers under section 104.

(8) OTHER OILSEED.—The term ''other oilseed'' means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, another oilseed.

(9) PAYMENT ACRES.—The term ''payment acres'' means 85 percent of the base acres of a covered commodity on a farm, as established under section 103, upon which fixed, decoupled payments and counter-cyclical payments are to be made.

(10) PAYMENT YIELD.—The term ''payment yield'' means the yield established under section 102 for a farm for a covered commodity.

(11) PRODUCER.—The term ''producer'' means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced. In determining whether a grower of hybrid seed is a producer, the Secretary shall not take into consideration the existence of a hybrid seed contract and shall ensure that program requirements do not adversely affect the ability of the grower to receive a payment under this title.

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

(13) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

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

(15) UNITED STATES.—The term ''United States'', when used in a geographical sense, means all of the States.

Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments

SEC. 101. PAYMENTS TO ELIGIBLE PRODUCERS.

(a) PAYMENTS REQUIRED.—Beginning with the 2002 crop of covered commodities, the Secretary shall make fixed decoupled payments and counter-cyclical payments under this subtitle—

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

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

(b) TENANTS AND SHARECROPPERS.—In carrying out this title, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

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

SEC. 102. ESTABLISHMENT OF PAYMENT YIELD.

(a) ESTABLISHMENT AND PURPOSE.—For the purpose of making fixed decoupled payments and counter-cyclical payments under this subtitle, the Secretary shall provide for the establishment of a payment yield for each farm for each covered commodity in accordance with this section.

(b) USE OF FARM PROGRAM PAYMENT YIELD.—Except as otherwise provided in this

section, the payment yield for each of the 2002 through 2011 crops of a covered commodity for a farm shall be the farm program payment yield in effect for the 2002 crop of the covered commodity under section 505 of the Agricultural Act of 1949 (7 U.S.C. 1465).

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

(d) PAYMENT YIELDS FOR OILSEEDS.—

(1) DETERMINATION OF AVERAGE YIELD.—In the case of soybeans and each other oilseed, the Secretary shall determine the average yield for the oilseed on a farm for the 1998 through 2001 crop years, excluding any crop year in which the acreage planted to the oilseed was zero. If, for any of these four crop years in which the oilseed was planted, the farm would have satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (Public Law 105–277; 7 U.S.C. 1421 note), the Secretary shall assign a yield for that year equal to 65 percent of the county yield.

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

(A) The average yield for the oilseed determined under paragraph (1).

(B) The ratio resulting from dividing the national average yield for the oilseed for the 1981 through 1985 crops by the national average yield for the oilseed for the 1998 through 2001 crops.

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

(a) ELECTION BY PRODUCERS OF BASE ACRE CALCULATION METHOD.—For the purpose of making fixed decoupled payments and counter-cyclical payments with respect to a farm, the Secretary shall give producers on the farm an opportunity to elect one of the following as the method by which the base acres of all covered commodities on the farm are to be determined:

(1) The four-year average of acreage actually planted on the farm to a covered commodity for harvest, grazing, haying, silage, or other similar purposes during crop years 1998, 1999, 2000, and 2001 and any acreage on the farm that the producers were prevented from planting during such crop years to the covered commodity because of drought, flood, or other natural disaster, or other condition beyond the control of the producer, as determined by the Secretary.

(2) The contract acreage (as defined in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202)) used by the Secretary to calculate the fiscal year 2002 payment that, subject to section 109, would be made under section 114 of such Act (7 U.S.C. 7214) for the covered commodity on the farm.

(b) SINGLE ELECTION; TIME FOR ELECTION.—The opportunity to make the election described in subsection (a) shall be available to producers on a farm only once. The producers shall notify the Secretary of the election made by the producers under such subsection not later than 180 days after the date of the enactment of this Act.

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

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

(e) TREATMENT OF CONSERVATION RESERVE CONTRACT ACREAGE.—

(1) IN GENERAL.—In the case of producers on a farm that make the election described in subsection (a)(2), the Secretary shall provide for an adjustment in the base acres for the farm whenever either of the following circumstances occur:

(A) A conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) with respect to the farm expires or is voluntarily terminated.

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

(2) SPECIAL PAYMENT RULES.—For the fiscal year and crop year in which a base acre adjustment under paragraph (1) is first made, the producers on the farm shall elect to receive either fixed decoupled payments and counter-cyclical payments with respect to the acreage added to the farm under this subsection or a prorated payment under the conservation reserve contract, but not both.

(f) PAYMENT ACRES.—The payment acres for a covered commodity on a farm shall be equal to 85 percent of the base acres for the commodity.

(g) PREVENTION OF EXCESS BASE ACRES.—

(1) REQUIRED REDUCTION.—If the sum of the base acres for a farm, together with the acreage described in paragraph (2), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of base acres for one or more covered commodities for the farm or peanut acres for the farm as necessary so that the sum of the base acres and acreage described in paragraph (2) does not exceed the actual cropland acreage of the farm. The Secretary shall give the producers on the farm the opportunity to select the base acres or peanut acres against which the reduction will be made.

(2) OTHER ACREAGE.—For purposes of paragraph (1), the Secretary shall include the following:

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

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

(C) Any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(3) EXCEPTION FOR DOUBLE-CROPPED ACREAGE.—In applying paragraph (1), the Secretary shall make an exception in the case of double cropping, as determined by the Secretary.

SEC. 104. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS.

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

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

(1) Wheat, $0.53 per bushel.

(2) Corn, $0.30 per bushel.

(3) Grain sorghum, $0.36 per bushel.

(4) Barley, $0.25 per bushel.

(5) Oats, $0.025 per bushel.

(6) Upland cotton, $0.0667 per pound.

(7) Rice, $2.35 per hundredweight.

(8) Soybeans, $0.42 per bushel.

(9) Other oilseeds, $0.0074 per pound.

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

(1) The payment rate specified in subsection (b).

(2) The payment acres of the covered commodity on the farm.

(3) The payment yield for the covered commodity for the farm.

(d) TIME FOR PAYMENT.—

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

(2) ADVANCE PAYMENTS.—At the option of an eligible producer, 50 percent of the fixed, decoupled payment for a fiscal year shall be paid on a date selected by the producer. The selected date shall be on or after December 1 of that fiscal year, and the producer may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

(3) REPAYMENT OF ADVANCE PAYMENTS.—If a producer that receives an advance fixed, decoupled payment for a fiscal year ceases to be an eligible producer before the date the fixed, decoupled payment would otherwise have been made by the Secretary under paragraph (1), the producer shall be responsible for repaying the Secretary the full amount of the advance payment.

SEC. 105. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS.

(a) PAYMENT REQUIRED.—The Secretary shall make counter-cyclical payments with respect to a covered commodity whenever the Secretary determines that the effective price for the commodity is less than the target price for the commodity.

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

(1) The higher of the following:

(A) The national average market price received by producers during the 12-month marketing year for the commodity, as determined by the Secretary.

(B) The national average loan rate for a marketing assistance loan for the covered commodity in effect for the same period under subtitle B.

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

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

(1) Wheat, $4.04 per bushel.

(2) Corn, $2.78 per bushel.

(3) Grain sorghum, $2.64 per bushel.

(4) Barley, $2.39 per bushel.

(5) Oats, $1.47 per bushel.

(6) Upland cotton, $0.736 per pound.

(7) Rice, $10.82 per hundredweight.

(8) Soybeans, $5.86 per bushel.

(9) Other oilseeds, $0.1036 per pound.

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

(1) the target price for the commodity; and

(2) the effective price determined under subsection (b) for the commodity.

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

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

(2) The payment acres of the covered commodity on the farm.

(3) The payment yield for the covered commodity for the farm.

(f) TIME FOR PAYMENTS.—

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

(2) PARTIAL PAYMENT.—The Secretary may permit, and, if so permitted, an eligible producer may elect to receive, up to 40 percent of the projected counter-cyclical payment, as determined by the Secretary, to be made under this section for a crop of a covered commodity upon completion of the first six months of the marketing year for that crop. The producer shall repay to the Secretary the amount, if any, by which the partial payment exceeds the actual counter-cyclical payment to be made for that marketing year.

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

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

SEC. 106. PRODUCER AGREEMENT REQUIRED AS CONDITION ON PROVISION OF FIXED, DECOUPLED PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

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

(A) to 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.);

(B) to comply with applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.);

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

(D) to use the land on the farm, in an amount equal to the base acres, for an agricultural or conserving use, and not for a non-agricultural commercial or industrial use, as determined by the Secretary.

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

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

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

(1) TERMINATION.—Except as provided in paragraph (4), a transfer of (or change in) the interest of a producer in base acres for which fixed, decoupled payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the base acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a). The termination shall be effective on the date of the transfer or change.

(2) TRANSFER OF PAYMENT BASE.—There is no restriction on the transfer of a farm's base acres or payment yield as part of a change in the producers on the farm.

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

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

(d) ACREAGE REPORTS.—

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

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

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

SEC. 107. PLANTING FLEXIBILITY.

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

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on base acres:

(A) Fruits.

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

(C) Wild rice.

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

(A) in any region in which there is a history of double-cropping of covered commodities with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on base acres, except that fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such an agricultural commodity; or

(C) by a producer who the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

(i) the quantity planted may not exceed the producer's average annual planting history of such agricultural commodity in the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

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

SEC. 108. RELATION TO REMAINING PAYMENT AUTHORITY UNDER PRODUCTION FLEXIBILITY CONTRACTS.

(a) TERMINATION OF SUPERSEDED PAYMENT AUTHORITY.—Notwithstanding section 113(a)(7) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7213(a)(7)) or any other provision of law, the Secretary shall not make payments for fiscal year 2002 after the date of the enactment of this Act under production flexibility contracts entered into under section 111 of such Act (7 U.S.C. 7211).

(b) CONTRACT PAYMENTS MADE BEFORE ENACTMENT.—If, on or before the date of the enactment of this Act, a producer receives all or any portion of the payment authorized for fiscal year 2002 under a production flexibility contract, the Secretary shall reduce the amount of the fixed, decoupled payment otherwise due the producer for that same fiscal year by the amount of the fiscal year 2002 payment previously received by the producer.

SEC. 109. PAYMENT LIMITATIONS.

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

SEC. 110. PERIOD OF EFFECTIVENESS.

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

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

SEC. 121. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR COVERED COMMODITIES.

(a) NONRECOURSE LOANS AVAILABLE.—

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

(2) INCLUSION OF EXTRA LONG STAPLE COTTON.—In this subtitle, the term ''covered commodity'' includes extra long staple cotton.

(b) ELIGIBLE PRODUCTION.—Any production of a covered commodity on a farm shall be eligible for a marketing assistance loan under subsection (a).

(c) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this subtitle, the Secretary shall make loans to a producer that is otherwise eligible to obtain a marketing assistance loan, but for the fact the covered commodity owned by the producer is commingled with covered commodities of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producer obtaining the loan agrees to immediately redeem the loan collateral in accordance with section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286).

(d) COMPLIANCE WITH CONSERVATION AND WETLANDS REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the producer shall 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 applicable wetland protection requirements under subtitle C of title XII of

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

(e) DEFINITION OF EXTRA LONG STAPLE COTTON.—In this subtitle, the term ''extra long staple cotton'' means cotton that—

(1) is produced from pure strain varieties of the Barbadense species or any hybrid thereof, or other similar types of extra long staple cotton, designated by the Secretary, having characteristics needed for various end uses for which United States upland cotton is not suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and

(2) is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.

(f) TERMINATION OF SUPERSEDED LOAN AUTHORITY.—Notwithstanding section 131 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231), nonrecourse marketing assistance loans shall not be made for the 2002 crop of covered commodities under subtitle C of title I of such Act.

SEC. 122. LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.

(a) WHEAT.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for wheat shall be—

(A) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding five crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $2.58 per bushel.

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

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

(B) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

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

(b) FEED GRAINS.—

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

(A) not less than 85 percent of the simple average price received by producers of corn or grain sorghum, respectively, as determined by the Secretary, during the marketing years for the immediately preceding five crops of the covered commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $1.89 per bushel.

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

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

(B) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 5 percent in any year; or

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

(3) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan under section 121 for barley and oats shall be—

(A) established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn; but

(B) not more than—

(i) $1.65 per bushel for barley, except not more than $1.70 per bushel for barley used only for feed purposes, as determined by the Secretary; and

(ii) $1.21 per bushel for oats.

(c) UPLAND COTTON.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(A) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during three years of the five-year period ending July 31 of the year preceding the year in which the crop is planted, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(B) 90 percent of the average, for the 15-week period beginning July 1 of the year preceding the year in which the crop is planted, of the five lowest-priced growths of the growths quoted for Middling 1 3/32-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year preceding the year in which the crop is planted between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(2) LIMITATIONS.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

(d) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan under section 121 for extra long staple cotton shall be—

(1) not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during three years of the five-year period ending July 31 of the year preceding the year in which the crop is planted, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(2) not more than $0.7965 per pound.

(e) RICE.—The loan rate for a marketing assistance loan under section 121 for rice shall be $6.50 per hundredweight.

(f) OILSEEDS.—

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

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

(B) not more than $4.92 per bushel.

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

(A) not less than 85 percent of the simple average price received by producers of the other oilseed, as determined by the Secretary, during the marketing years for the immediately preceding five crops of the other oilseed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.087 per pound.

SEC. 123. TERM OF LOANS.

(a) TERM OF LOAN.—In the case of each covered commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under section 121 shall have a term of nine months beginning on the first day of the first month after the month in which the loan is made.

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

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

SEC. 124. REPAYMENT OF LOANS.

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

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

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

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

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

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

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

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

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

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

(d) PREVAILING WORLD MARKET PRICE.—For purposes of this section and section 127, the Secretary shall prescribe by regulation—

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

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

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

(1) IN GENERAL.—During the period beginning on the date of the enactment of this Act and ending 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—

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

(B) 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 is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, 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'').

(2) FURTHER ADJUSTMENT.—Except as provided in paragraph (3), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(A) The United States share of world exports.

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

(C) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(3) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under paragraph (2) may not exceed the difference between—

(A) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling 1 3/32-inch cotton delivered C.I.F. Northern Europe; and

(B) the Northern Europe price.

(f) TIME FOR FIXING REPAYMENT RATE.—In the case of a producer that marketed or otherwise lost beneficial interest in a covered commodity before repaying the marketing assistance loan made under section 121 with respect to the commodity, the Secretary shall permit the producer to repay the loan at the lowest repayment rate that was in effect for that covered commodity under this section as of the date that the producer lost beneficial interest, as determined by the Secretary.

SEC. 125. LOAN DEFICIENCY PAYMENTS.

(a) AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to producers who, although eligible to obtain a marketing assistance loan under section 121 with respect to a covered commodity, agree to forgo obtaining the loan for the commodity in return for payments under this section.

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

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

(2) the quantity of the covered commodity produced by the eligible producers, excluding any quantity for which the producers obtain a loan under section 121.

(c) LOAN PAYMENT RATE.—For purposes of this section, the loan payment rate shall be the amount by which—

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

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

(d) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This section shall not apply with respect to extra long staple cotton.

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

(1) The date on which the producer marketed or otherwise lost beneficial interest in the commodity, as determined by the Secretary.

(2) The date the producer requests the payment.

(f) CONTINUATION OF SPECIAL LDP RULE FOR 2001CROP YEAR.—Section 135(a)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(a)(2)) is amended by striking ''2000 crop year'' and inserting ''2000 and 2001 crop years''.

SEC. 126. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

(a) ELIGIBLE PRODUCERS.—Effective for the 2002 through 2011 crop years, in the case of a producer that would be eligible for a loan deficiency payment under section 125 for wheat, barley, or oats, but that elects to use acreage planted to the wheat, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, or oats on that acreage.

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

(1) the loan deficiency payment rate determined under section 125(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

(2) the payment quantity determined by multiplying—

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

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

(c) TIME, MANNER, AND AVAILABILITY OF PAYMENT.—

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

(2) AVAILABILITY.—The Secretary shall establish an availability period for the payment authorized by this section that is consistent with the availability period for wheat, barley, and oats established by the Secretary for marketing assistance loans authorized by this subtitle.

(d) PROHIBITION ON CROP INSURANCE OR NONINSURED CROP ASSISTANCE.—A 2002 through 2011 crop of wheat, barley, or oats planted on acreage that a producer elects, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.

(a) COTTON USER MARKETING CERTIFICATES.—

(1) ISSUANCE.—During the period beginning on the date of the enactment of this Act and ending July 31, 2012, the Secretary shall issue marketing certificates or cash payments, at the option of the recipient, to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive four-week period in which—

(A) 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 exceeds the Northern Europe price by more than 1.25 cents per pound; and

(B) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 134 percent of the loan rate for upland cotton established under section 122.

(2) VALUE OF CERTIFICATES OR PAYMENTS.—The value of the marketing certificates or cash payments shall be based on the amount of the difference (reduced by 1.25 cents per pound) in the prices during the fourth week of the consecutive four-week period multiplied by the quantity of upland cotton included in the documented sales.

(3) ADMINISTRATION OF MARKETING CERTIFICATES.—

(A) REDEMPTION, MARKETING, OR EXCHANGE.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton. Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subsection.

(B) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall permit owners of certificates to designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates

(C) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations issued by the Secretary.

(b) SPECIAL IMPORT QUOTA.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—The President shall carry out an import quota program during the period beginning on the date of the enactment of this Act and ending July 31, 2012, as provided in this subsection.

(B) PROGRAM REQUIREMENTS.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive four-week period, 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, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

(C) TIGHT DOMESTIC SUPPLY.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust 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, for the value of any certificates issued under subsection (a).

(D) SEASON-ENDING UNITED STATES STOCKS-TO-USE RATIO.—For the purposes of making estimates under subparagraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding projected raw cotton imports but including the quantity of raw cotton that has been imported into the United States during the marketing year.

(2) QUANTITY.—The quota shall be equal to one week's consumption of upland cotton by

domestic mills at the seasonally adjusted average rate of the most recent three months for which data are available.

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

(4) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by paragraph (1), except that a special quota period may not be established under this subsection if a quota period has been established under subsection (c).

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

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

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

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

(D) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(6) DEFINITION.—In this subsection, the term ''special import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of five week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the three months immediately preceding the first special import quota established in any marketing year.

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

(1) IN GENERAL.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available.

(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

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

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

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

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) DEFINITIONS.—In this subsection:

(i) SUPPLY.—The term ''supply'' means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(II) production of the current crop; and

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

(ii) DEMAND.—The term ''demand'' means—

(I) the average seasonally adjusted annual rate of domestic mill consumption during the most recent three months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding six marketing years; or

(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(iii) LIMITED GLOBAL IMPORT QUOTA.—The term ''limited global import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(E) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(2) NO OVERLAP.—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (b).

SEC. 128. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.

(a) COMPETITIVENESS PROGRAM.—Notwithstanding any other provision of law, during the period beginning on the date of the enactment of this Act and ending on July 31, 2012, the Secretary shall carry out a program to maintain and expand the domestic use of extra long staple cotton produced in the United States, to increase exports of extra long staple cotton produced in the United States, and to ensure that extra long staple cotton produced in the United States remains competitive in world markets.

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

(1) for a consecutive four-week period, the world market price for the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is below the prevailing United States price for a competing growth of extra long staple cotton; and

(2) the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is less than 134 percent of the loan rate for extra long staple cotton.

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

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

(e) FORM OF PAYMENT.—Payments under this section shall be made through the issuance of cash or marketing certificates, at the option of eligible recipients of the payments.

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

(a) HIGH MOISTURE FEED GRAINS.—

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

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

(B) present—

(i) certified scale tickets from an inspected, certified commercial scale, including a licensed warehouse, feedlot, feed mill, distillery, or other similar entity approved by the Secretary, pursuant to regulations issued by the Secretary; or

(ii) field or other physical measurements of the standing or stored crop in regions of the United States, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

(C) certify that they were the owners of the feed grain at the time of delivery to, and that the quantity to be placed under loan under this subsection was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to a facility maintained by the users of corn and grain sorghum in a high moisture state; and

(D) comply with deadlines established by the Secretary for harvesting the corn or grain sorghum and submit applications for loans under this subsection within deadlines established by the Secretary.

(2) ELIGIBILITY OF ACQUIRED FEED GRAINS.—A loan under this subsection shall be made on a quantity of corn or grain sorghum of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(A) the acreage of the corn or grain sorghum in a high moisture state harvested on the producer's farm; by

(B) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which the corn or grain sorghum was obtained.

(3) HIGH MOISTURE STATE DEFINED.—In this subsection, the term ''high moisture state'' means corn or grain sorghum having a moisture content in excess of Commodity Credit Corporation standards for marketing assistance loans made by the Secretary under section 121.

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

(c) REPAYMENT RATES.—Repayment of a recourse loan made under this section shall be at the loan rate established for the commodity by the Secretary, plus interest (as determined by the Secretary).

(d) TERMINATION OF SUPERSEDED LOAN AUTHORITY.—Notwithstanding section 137 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7237), recourse loans shall not be made for the 2002 crop of corn, grain sorghum, and seed cotton under such section.

SEC. 130. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR WOOL AND MOHAIR.

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

available to producers on a farm nonrecourse marketing assistance loans for wool and mohair produced on the farm during that marketing year.

(b) LOAN RATE.—The loan rate for a loan under subsection (a) shall be not more than—

(1) $1.00 per pound for graded wool;

(2) $0.40 per pound for nongraded wool; and

(3) $4.20 per pound for mohair.

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

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

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

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

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

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

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

(e) LOAN DEFICIENCY PAYMENTS.—

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

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

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

(B) the quantity of the commodity produced by the eligible producers, excluding any quantity for which the producers obtain a loan under this subsection.

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

(A) the loan rate in effect for the commodity under subsection (b); exceeds

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

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to a producer with respect to a quantity of a wool or mohair as of the earlier of the following:

(A) The date on which the producer marketed or otherwise lost beneficial interest in the wool or mohair, as determined by the Secretary.

(B) The date the producer requests the payment.

(f) LIMITATIONS.—The marketing assistance loan gains and loan deficiency payments that a person may receive for wool and mohair under this section shall be subject to a separate payment limitation, but in the same dollar amount, as the payment limitation that applies to marketing assistance loans and loan deficiency payments received by producers of other agricultural commodities in the same marketing year.

SEC. 131. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR HONEY.

(a) NONRECOURSE LOANS AVAILABLE.—During the 2002 through 2011 crop years for honey, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for honey produced on the farm during that crop year.

(b) LOAN RATE.—The loan rate for a marketing assistance loan for honey under subsection (a) shall be equal to $0.60 cents per pound.

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

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

(1) the loan rate for honey, plus interest (as determined by the Secretary); or

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

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to any producer of honey that, although eligible to obtain a marketing assistance loan under subsection (a), agrees to forgo obtaining the loan in return for a payment under this subsection.

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

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

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

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

(A) the loan rate established under subsection (b); exceeds

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

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

(A) The date on which the producer marketed or otherwise lost beneficial interest in the honey, as determined by the Secretary.

(B) The date the producer requests the payment.

(f) LIMITATIONS.—The marketing assistance loan gains and loan deficiency payments that a person may receive for a crop of honey under this section shall be subject to a separate payment limitation, but in the same dollar amount, as the payment limitation that applies to marketing assistance loans and loan deficiency payments received by producers of other agricultural commodities in the same crop year.

(g) PREVENTION OF FORFEITURES.—The Secretary shall carry out this section in such a manner as to minimize forfeitures of honey marketing assistance loans.

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

SEC. 141. MILK PRICE SUPPORT PROGRAM.

(a) SUPPORT ACTIVITIES.—During the period beginning on January 1, 2002, and ending on December 31, 2011, the Secretary of Agriculture shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(b) RATE.—During the period specified in subsection (a), the price of milk shall be supported at a rate equal to $9.90 per hundredweight for milk containing 3.67 percent butterfat.

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

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

(1) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. Not later than 10 days after making or changing an allocation, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation. Section 553 of title 5, United States Code, shall not apply with respect to the implementation of this section.

(2) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(e) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

SEC. 142. REPEAL OF RECOURSE LOAN PROGRAM FOR PROCESSORS.

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

SEC. 143. EXTENSION OF DAIRY EXPORT INCENTIVE AND DAIRY INDEMNITY PROGRAMS.

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

(b) DAIRY INDEMNITY PROGRAM.—Section 3 of Public Law 90–484 (7 U.S.C. 450*l*) is amended by striking ''1995'' and inserting ''2011''.

SEC. 144. FLUID MILK PROMOTION.

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

''(3) FLUID MILK PRODUCT.—The term 'fluid milk product' has the meaning given such term—

''(A) in section 1000.15 of title 7, Code of Federal Regulations, subject to such amendments as may be made from time to time; or

''(B) in any successor regulation providing a definition of such term that is promulgated pursuant to the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.''.

(b) DEFINITION OF FLUID MILK PROCESSOR.—Section 1999C(4) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402(4)) is amended by striking ''500,000'' and inserting ''3,000,000''.

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

(1) by striking subsection (a); and

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

SEC. 145. DAIRY PRODUCT MANDATORY REPORTING.

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

(1) by inserting ''and substantially identical products designated by the Secretary'' after ''dairy products'' the first place it appears; and

(2) by inserting ''and such substantially identical products'' after ''dairy products'' the second place it appears.

SEC. 146. FUNDING OF DAIRY PROMOTION AND RESEARCH PROGRAM.

(a) DEFINITIONS.—Section 111 of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4502) is amended—

(1) in subsection (k), by striking ''and'' at the end;

(2) in subsection (l), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(m) the term 'imported dairy product' means any dairy product that is imported into the United States, including dairy products imported into the United States in the form of—

''(1) milk, cream, and fresh and dried dairy products;

''(2) butter and butterfat mixtures;

''(3) cheese; and

''(4) casein and mixtures;

''(n) the term 'importer' means a person that imports an imported dairy product into the United States; and

''(o) the term 'Customs' means the United States Customs Service.''.

(b) REPRESENTATION OF IMPORTERS ON BOARD.—Section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)) is amended—

(1) by inserting ''NATIONAL DAIRY PROMOTION AND RESEARCH BOARD.—'' after ''(b)'';

(2) by designating the first through ninth sentences as paragraphs (1) through (5) and paragraphs (7) through (10), respectively, and indenting the paragraphs appropriately;

(3) in paragraph (2) (as so designated), by striking ''Members'' and inserting ''Except as provided in paragraph (6), the members''; and

(4) by inserting after paragraph (5) (as so designated) the following:

''(6) IMPORTERS.—

''(A) REPRESENTATION.—The Secretary shall appoint not more than 2 members who represent importers of dairy products and are subject to assessments under the order, to reflect the proportion of domestic production and imports supplying the United States market, which shall be based on the Secretary's determination of the average volume of domestic production of dairy products proportionate to the average volume of imports of dairy products in the United States over the previous three years.

''(B) ADDITIONAL MEMBERS; NOMINATIONS.—The members appointed under this paragraph—

''(i) shall be in addition to the total number of members appointed under paragraph (2); and

''(ii) shall be appointed from nominations submitted by importers under such procedures as the Secretary determines to be appropriate.''.

(c) IMPORTER ASSESSMENT.—Section 113(g) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(g)) is amended—

(1) by inserting ''ASSESSMENTS.—'' after ''(g)'';

(2) by designating the first through fifth sentences as paragraphs (1) through (5), respectively, and indenting appropriately; and

(3) by adding at the end the following:

''(6) IMPORTERS.—

''(A) IN GENERAL.—The order shall provide that each importer of imported dairy products shall pay an assessment to the Board in the manner prescribed by the order.

''(B) TIME FOR PAYMENT.—The assessment on imported dairy products shall be paid by the importer to Customs at the time of the entry of the products into the United States and shall be remitted by Customs to the Board. For purposes of this subparagraph, entry of the products into the United States shall be deemed to have occurred when the products are released from custody of Customs and introduced into the stream of commerce within the United States. Importers include persons who hold title to foreign-produced dairy products immediately upon release by Customs, as well as persons who act on behalf of others, as agents, brokers, or consignees, to secure the release of dairy products from Customs and the introduction of the released dairy products into the stream of commerce.

''(C) RATE.—The rate of assessment on imported dairy products shall be determined in the same manner as the rate of assessment per hundredweight or the equivalent of milk.

''(D) VALUE OF PRODUCTS.—For the purpose of determining the assessment on imported dairy products under subparagraph (C), the value to be placed on imported dairy products shall be established by the Secretary in a fair and equitable manner.

''(E) USE OF ASSESSMENTS ON IMPORTED DAIRY PRODUCTS.—Assessments collected on imported dairy products shall not be used for foreign market promotion.''.

(d) RECORDS.—Section 113(k) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(k)) is amended in the first sentence by striking ''person receiving'' and inserting ''importer of imported dairy products, each person receiving''.

(e) IMPORTER ELIGIBILITY TO VOTE IN REFERENDUM.—Section 116(b) of the Dairy Promotion Stabilization Act of 1983 (7 U.S.C. 4507(b)) is amended—

(1) in the first sentence—

(A) by inserting after ''of producers'' the following: ''and importers''; and

(B) by inserting after ''the producers'' the following: ''and importers''; and

(2) in the second sentence, by inserting after ''commercial use'' the following: ''and importers voting in the referendum (who have been engaged in the importation of dairy products during the same representative period, as determined by the Secretary)''.

(f) CONFORMING AMENDMENTS TO REFLECT ADDITION OF IMPORTERS.—Section 110(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501(b)) is amended—

(1) in the first sentence—

(A) by inserting after ''commercial use'' the following: ''and on imported dairy products''; and

(B) by striking ''products produced in the United States.'' and inserting ''products.''; and

(2) in the second sentence, by inserting after ''produce milk'' the following: ''or the right of any person to import dairy products''.

CHAPTER 2—SUGAR

SEC. 151. SUGAR PROGRAM.

(a) CONTINUATION OF PROGRAM.—Subsection (i) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is amended—

(1) by striking ''(other than subsection (f))''; and

(2) by striking ''2002 crops'' and inserting ''2011 crops''.

(b) TERMINATION OF MARKETING ASSESSMENT.—Effective as of October 1, 2001, subsection (f) of such section is repealed.

(c) LOAN RATE ADJUSTMENTS.—Subsection (c) of such section is amended—

(1) by striking ''REDUCTION IN LOAN RATES'' and inserting ''LOAN RATE ADJUSTMENTS''; and

(2) in paragraph (1)—

(A) by striking ''REDUCTION REQUIRED'' and inserting ''POSSIBLE REDUCTION''; and

(B) by striking ''shall'' and inserting ''may''.

(d) NOTIFICATION.—Subsection (e) of such section is amended by adding at the end the following new paragraph:

''(3) PREVENTION OF ONEROUS NOTIFICATION REQUIREMENTS.—The Secretary may not impose or enforce any prenotification or similar administrative requirement that has the effect of preventing a processor from choosing to forfeit the loan collateral upon the maturity of the loan.''.

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

''(f) LOANS FOR IN-PROCESS SUGAR.—

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

''(2) FURTHER PROCESSING UPON FORFEITURE.—As a condition on the forfeiture of in-process sugars and syrups serving as collateral for a loan under paragraph (1), the processor shall, within such reasonable time period as the Secretary may prescribe and at no cost to the Commodity Credit Corporation, convert the in-process sugars and syrups into raw cane sugar or refined beet sugar of acceptable grade and quality for sugars eligible for loans under subsection (a) or (b). Once the in-process sugars and syrups are fully processed into raw cane sugar or refined beet sugar, the processor shall transfer the sugar to the Corporation, which shall make a payment to the processor in an amount equal to the difference between the loan rate for raw cane sugar or refined beet sugar, whichever applies, and the loan rate the processor received under paragraph (1).

''(3) LOAN CONVERSION.—If the processor does not forfeit the collateral as described in paragraph (2), but instead further processes the in-process sugars and syrups into raw cane sugar or refined beet sugar and repays the loan on the in-process sugars and syrups, the processor may then obtain a loan under subsection (a) or (b) on the raw cane sugar or refined beet sugar, as appropriate.

''(4) DEFINITION.—In this subsection the term 'in-process sugars and syrups' does not include raw sugar, liquid sugar, invert sugar, invert syrup, or other finished products that are otherwise eligible for loans under subsection (a) or (b).''.

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

''(j) AVOIDING FORFEITURES; CORPORATION INVENTORY DISPOSITION.—

''(1) NO COST.—To the maximum extent practicable, the Secretary shall operate the sugar program established under this section at no cost to the Federal Government by avoiding the forfeiture of sugar to the Commodity Credit Corporation.

''(2) INVENTORY DISPOSITION.—In support of the objective specified in paragraph (1), the Commodity Credit Corporation may accept bids for commodities in the inventory of the Corporation from (or otherwise make available such commodities, on appropriate terms and conditions, to) processors of sugarcane and processors of sugar beets (when the processors are acting in conjunction with the producers of the sugarcane or sugar beets processed by such processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate. The authority provided under this paragraph is in addition to any authority of the Corporation under any other law.''.

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

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

(2) by inserting after paragraph (1) the following new paragraphs:

''(2) DUTY OF PRODUCERS TO REPORT.—

''(A) PROPORTIONATE SHARE STATES.—The Secretary shall require a producer of sugarcane located in a State (other than Puerto Rico) in which there are in excess of 250 sugarcane producers to report, in the manner prescribed by the Secretary, the producer's sugarcane yields and acres planted to sugarcane.

''(B) OTHER STATES.—The Secretary may require producers of sugarcane or sugar beets not covered by paragraph (1) to report, in the manner prescribed by the Secretary, each producer's sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

''(3) DUTY OF IMPORTERS TO REPORT.—The Secretary shall require an importer of sugars, syrups or molasses to be used for human consumption or to be used for the extraction of sugar for human consumption, except such sugars, syrups, or molasses that are within the quantities of tariff-rate quotas that are at the lower rate of duties, to report, in the manner prescribed by the Secretary, the quantities of such products imported and the sugar content or equivalent of such products.''; and

(3) in paragraph (5), as so redesignated, by striking ''paragraph (1)'' and inserting ''this subsection''.

(h) INTEREST RATE.—Section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283) is amended by adding at the end the following new sentence: ''For purposes of this section, raw cane sugar, refined beet sugar, and in process sugar eligible for a loan under section 156 shall not be considered an agricultural commodity.''.

SEC. 152. REAUTHORIZE PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT OF 1938 REGARDING SUGAR.

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

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

(1) in the section heading—

(A) by inserting ''**FLEXIBLE**'' before ''**MARKETING**''; and

(B) by striking ''**AND CRYSTALLINE FRUCTOSE**'';

(2) in subsection (a)—

(A) in paragraph (1)—

(i) by striking ''Before'' and inserting ''Not later than August 1 before'';

(ii) by striking ''1992 through 1998'' and inserting ''2002 through 2011'';

(iii) in subparagraph (A), by striking ''(other than sugar'' and all that follows through ''stocks'';

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

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

''(B) the quantity of sugar that would provide for reasonable carryover stocks;'';

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

(I) by striking ''or'' and all that follows through ''beets''; and

(II) by striking the ''and'' following the semicolon;

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

''(D) the quantity of sugar that will be available from the domestic processing of sugarcane and sugar beets; and''; and

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

(I) by striking ''quantity of sugar'' and inserting ''quantity of sugars, syrups, and molasses'';

(II) by inserting ''human'' after ''imported for'' the first place it appears;

(III) by inserting after ''consumption'' the first place it appears the following: ''or to be used for the extraction of sugar for human consumption'';

(IV) by striking ''year'' and inserting ''year, whether such articles are under a tariff-rate quota or are in excess or outside of a tariff rate quota''; and

(V) by striking ''(other than sugar'' and all that follows through ''carry-in stocks'';

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

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

''(2) EXCLUSION.—The estimates in this section shall not include sugar imported for the production of polyhydric alcohol or to be refined and re-exported in refined form or in sugar containing products.'';

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

(i) by striking ''QUARTERLY REESTIMATES'' and inserting ''REESTIMATES''; and

(ii) by inserting ''as necessary, but'' after ''a fiscal year'';

(3) in subsection (b)—

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

''(1) IN GENERAL.—By the beginning of each fiscal year, the Secretary shall establish for that fiscal year appropriate allotments under section 359c for the marketing by processors of sugar processed from sugar beets and from domestically-produced sugarcane at a level that the Secretary estimates will result in no forfeitures of sugar to the Commodity Credit Corporation under the loan program for sugar.''; and

(B) in paragraph (2), by striking ''or crystalline fructose'';

(4) by striking subsection (c);

(5) by redesignating subsection (d) as subsection (c); and

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

(A) by striking paragraph (2);

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

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

(i) by striking ''or manufacturer'' and all that follows through ''(2)''; and

(ii) by striking ''or crystalline fructose''.

(c) ESTABLISHMENT.—Section 359c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359cc) is amended—

(1) in the section heading by inserting ''**FLEXIBLE**'' after ''**OF**'';

(2) in subsection (a), by inserting ''flexible'' after ''establish'';

(3) in subsection (b)—

(A) in paragraph (1)(A), by striking ''1,250,000'' and inserting ''1,532,000''; and

(B) in paragraph (2), by striking ''to the maximum extent practicable'';

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

''(c) MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGAR BEETS AND MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGARCANE.—The overall allotment quantity for the fiscal year shall be allotted among—

''(1) sugar derived from sugar beets by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage of 54.35; and

''(2) sugar derived from sugarcane by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage of 45.65.'';

(5) by amending subsection (d) to read as follows:

''(d) FILLING CANE SUGAR AND BEET SUGAR ALLOTMENTS.—Each marketing allotment for cane sugar established under this section may only be filled with sugar processed from domestically grown sugarcane, and each marketing allotment for beet sugar established under this section may only be filled with sugar domestically processed from sugar beets.'';

(6) by striking subsection (e);

(7) by redesignating subsection (f) as subsection (e);

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

(A) by inserting ''(1) IN GENERAL.—'' before ''The allotment for sugar'' and indenting such paragraph appropriately;

(B) in such paragraph (1)—

(i) by striking ''the 5'' and inserting ''the'';

(ii) by inserting after ''sugarcane is produced,'' the following: ''after a hearing, if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe,'';

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

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

''(2) OFFSHORE ALLOTMENT.—

''(A) COLLECTIVELY.—Prior to the allotment of sugar derived from sugarcane to any other State, 325,000 short tons, raw value shall be allotted to the offshore States.

''(B) INDIVIDUALLY.—The collective offshore State allotment provided for under subparagraph (A) shall be further allotted among the offshore States in which sugarcane is produced, after a hearing if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

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

''(ii) the ability of processors to market the sugar covered under the allotments for the crop year; and

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

''(3) MAINLAND ALLOTMENT.—The allotment for sugar derived from sugarcane, less the amount provided for under paragraph (2), shall be allotted among the mainland States in the United States in which sugarcane is produced, after a hearing if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

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

''(B) the ability of processors to market the sugar covered under the allotments for the crop year; and

''(C) past processings of sugar from sugarcane, based on the 3 crop years with the greatest processings (in the mainland States collectively) during the 1991 through 2000 crop years.'';

(9) by inserting after subsection (e), as so redesignated, the following new subsection (f):

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

(10) in subsection (g)—

(A) in paragraph (1), by striking ''359b(a)(2)—'' and all that follows through the comma at the end of subparagraph (C) and inserting ''359b(a)(3), adjust upward or downward marketing allotments in a fair and equitable manner'';

(B) in paragraph (2) by striking ''359f(b)'' and inserting ''359f(c)''; and

(C) in paragraph (3)—

(i) by striking ''REDUCTIONS'' and inserting ''CARRY-OVER OF REDUCTIONS'';

(ii) by inserting after ''this subsection, if'' the following: ''at the time of the reduction'';

(iii) by striking ''price support'' and inserting ''nonrecourse'';

(iv) by striking ''206'' and all that follows through ''the allotment'' and inserting ''156 of the Agricultural Market Transition Act (7 U.S.C. 7272),''; and

(v) by striking '', if any,''; and

(11) by amending subsection (h) to read as follows:

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

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

(1) in subsection (a)(2)(A)—

(A) by inserting ''(i) IN GENERAL.—'' before ''The Secretary shall'' and indenting such clause appropriately;

(B) in clause (i), as so designated—

(i) by striking ''interested parties'' and inserting ''the affected sugar cane processors and growers'';

(ii) by striking ''by taking'' and all that follows through ''allotment allocated.'' and inserting ''with this subparagraph.''; and

(iii) by inserting at the end the following new sentence: ''Each such allocation shall be subject to adjustment under section 359c(g).'';

(C) by inserting after clause (i) the following new clauses:

''(ii) MULTIPLE PROCESSOR STATES.—Except as provided in clause (iii), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single State based upon—

''(I) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops;

''(II) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;

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

''(IV) however, only with respect to allotments under subclauses (I), (II), and (III) attributable to the former operations of the Talisman processing facility, shall be allocated among processors in the State coincident with the provisions of the agreements of March 25 and March 26, 1999, between the affected processors and the Department of the Interior.

''(iii) PROPORTIONATE SHARE STATES.—In the case of States subject to section 359f(c), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single state based upon—

''(I) past marketings of sugar, based on the average of the two highest years of production of raw cane sugar from among the 1997 through 2001 crop years;

''(II) the ability of processors to market sugar covered by that portion of the allotments allocated for the crop year; and

''(III) past processings of sugar from sugarcane, based on the average of the two highest crop years from the five crop years 1997 through 2001.

''(iv) NEW ENTRANTS.—Notwithstanding clauses (ii) and (iii), the Secretary, on application of any processor that begins processing sugarcane on or after the date of enactment of this clause, and after a hearing if requested by the affected sugarcane processors and growers, and on such notice as the Secretary by regulation may prescribe, may provide such processor with an allocation which provides a fair, efficient and equitable distribution of the allocations from the allotment for the State in which the processor is located and, in the case of proportionate share States, shall establish proportionate shares in an amount sufficient to produce the sugarcane required to satisfy such allocations. However, the allotment for a new processor under this clause shall not exceed 50,000 short tons, raw value.

''(v) TRANSFER OF OWNERSHIP.—Except as otherwise provided in section 359f(c)(8), in the event that a sugarcane processor is sold or otherwise transferred to another owner, or closed as part of an affiliated corporate group processing consolidation, the Secretary shall transfer the allotment allocation for the processor to the purchaser, new owner, or successor in interest, as applicable, of the processor.''; and

(2) in subsection (a)(2)(B)—

(A) by striking ''interested parties'' and inserting ''the affected sugar beet processors and growers''; and

(B) by striking ''processing capacity'' and all that follows through ''allotment allocated'' and inserting the following: ''the marketings of sugar processed from sugar beets of any or all of the 1996 through 2000 crops, and such other factors as the Secretary may deem appropriate after consultation with the affected sugar beet processors and growers. However, in the case of any processor which has started processing sugar beets after January 1, 1996, the Secretary shall provide such processor with an allocation which provides a fair, efficient and equitable distribution of the allocations''.

(e) REASSIGNMENT.—Section 359e(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B) by striking the ''and'' after the semicolon;

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

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

''(C) if after the reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the estimated quantity of the deficit to the sale of any inventories of sugar held by the Commodity Credit Corporation; and''; and

(D) in subparagraph (D), as so redesignated, by inserting ''and sales'' after ''reassignments''; and

(2) in paragraph (2)—

(A) in subparagraph (A) by striking the ''and'' after the semicolon;

(B) in subparagraph (B), by striking ''reassign the remainder to imports.'' and inserting ''use the estimated quantity of the deficit for the sale of any inventories of sugar held by the Commodity Credit Corporation; and''; and

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

''(C) if after such reassignments and sales, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.''.

(f) PRODUCER PROVISIONS.—Section 359f of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ff) is amended—

(1) in subsection (a)—

(A) by striking ''processor's allocation'' in the second sentence and inserting ''allocation to the processor''; and

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

(2) by redesignating subsection (b) as subsection (c);

(3) by inserting after subsection (a) the following new subsection:

''(b) SUGAR BEET PROCESSING FACILITY CLOSURES.— In the event that a sugar beet processing facility is closed and the sugar beet growers who previously delivered beets to such facility desire to deliver their beets to another processing company:

''(1) Such growers may petition the Secretary to modify existing allocations to accommodate such a transition; and

''(2) The Secretary may increase the allocation to the processing company to which the growers desire to deliver their sugar beets, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries.

''(3) Such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected.

''(4) The Secretary's determination on the issues raised by the petition shall be made within 60 days of the filing of the petition.'';

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

(A) in paragraph (3)(A), by striking ''the preceding five years'' and inserting ''the two highest years from among the years 1999, 2000, and 2001'';

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

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

''(8) PROCESSING FACILITY CLOSURES.—In the event that a sugarcane processing facility subject to this subsection is closed and the sugarcane growers who previously delivered sugarcane to such facility desire to deliver their sugarcane to another processing company—

''(A) such growers may petition the Secretary to modify existing allocations to accommodate such a transition;

''(B) the Secretary may increase the allocation to the processing company to which the growers desire to deliver the sugarcane, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries;

''(C) such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected; and

''(D) the Secretary's determination on the issues raised by the petition shall be made within 60 days of the filing of the petition.''.

(g) CONFORMING AMENDMENTS.—(1) The heading of part VII of subtitle B of Title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 359aa et seq.) is amended to read as follows:

''PART VII—FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR''.

(2) Section 359g of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359gg) is amended—

(A) by striking ''359f'' each place it appears and inserting ''359f(c)'';

(B) in subsection (b), by striking ''3 consecutive'' and inserting ''5 consecutive''; and

(C) in subsection (c), by inserting ''or adjusted'' after ''share established''.

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

(A) by amending the subsection heading to read as follows: ''DEFINITIONS.—'';

(B) by striking ''Notwithstanding'' and inserting the following:

''(1) UNITED STATES AND STATE.—Notwithstanding''; and

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

''(2) OFFSHORE STATES.—For purposes of this part, the term 'offshore States' means the sugarcane producing States located outside of the continental United States.''.

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

SEC. 153. STORAGE FACILITY LOANS.

(a) STORAGE FACILITY LOAN PROGRAM.—Notwithstanding any other provision of law and as soon as practicable after the date of enactment of this section, the Commodity Credit Corporation shall amend part 1436 of title 7, Code of Federal Regulations, to establish a sugar storage facility loan program to provide financing for processors of domestically-produced sugarcane and sugar beets to build or upgrade storage and handling facilities for raw sugars and refined sugars.

(b) ELIGIBLE PROCESSORS.—Storage facility loans shall be made available to any processor of domestically produced sugarcane or sugar beets that has a satisfactory credit history, determines a need for increased storage capacity (taking into account the effects of marketing allotments), and demonstrates an ability to repay the loan.

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

(d) ADMINISTRATION.—The sugar storage facility loan program shall be administered using the services, facilities, funds, and authorities of the Commodity Credit Corporation.

CHAPTER 3—PEANUTS

SEC. 161. DEFINITIONS.

In this chapter:

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

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

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

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

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

(6) PEANUT ACRES.—The term ''peanut acres'' means the number of acres assigned to a particular farm by historic peanut producers pursuant to section 162(b).

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

(8) PEANUT PRODUCER.—The term ''peanut producer'' means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop of peanuts in the United States and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

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

(10) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(11) TARGET PRICE.—The term ''target price'' means the price per ton of peanuts used to determine the payment rate for counter-cyclical payments.

(12) UNITED STATES.—The term ''United States'', when used in a geographical sense, means all of the States.

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

(a) ESTABLISHMENT OF PAYMENT YIELD AND PAYMENT ACRES.—

(1) DETERMINATION OF AVERAGE YIELD.—The Secretary shall determine, for each historic peanut producer, the average yield for peanuts on each farm on which the historic peanut producer produced peanuts for the 1998 through 2001 crop years, excluding any crop year in which the producer did not produce peanuts. If, for any of these four crop years in which peanuts were planted on a farm by the producer, the farm would have satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105–277), the Secretary shall assign a yield for the producer for that year equal to 65 percent of the county yield, as determined by the Secretary.

(2) DETERMINATION OF ACREAGE AVERAGE.—The Secretary shall determine, for each historic peanut producer, the four-year average of acreage actually planted in peanuts by the historic peanut producer for harvest on one or more farms during crop years 1998, 1999, 2000, and 2001 and any acreage that the producer was prevented from planting to peanuts during such crop years because of drought, flood, or other natural disaster, or other condition beyond the control of the producer, as determined by the Secretary. If more than one historic peanut producer shared in the risk of producing the crop on the farm, the historic peanut producers shall receive their proportional share of the number of acres planted (or prevented from being planted) to peanuts for harvest on the farm based on the sharing arrangement that was in effect among the producers for the crop.

(3) TIME FOR DETERMINATIONS; CONSIDERATIONS.—The Secretary shall make the determinations required by this subsection not later than 90 days after the date of the enactment of this Act. In making such determinations, the Secretary shall take into account changes in the number and identity of persons sharing in the risk of producing a peanut crop since the 1998 crop year, including providing a method for the assignment of average acres and average yield to a farm when the historic peanut producer is no longer living or an entity composed of historic peanut producers has been dissolved.

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

(1) ASSIGNMENT BY HISTORIC PEANUT PRODUCERS.—The Secretary shall give each historic peanut producer an opportunity to assign the average peanut yield and average acreage determined under subsection (a) for the producer to cropland on a farm.

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

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

(c) TIME FOR ASSIGNMENT.—The opportunity to make the assignments described in subsection (b) shall be available to historic peanut producers only once. The historic peanut producers shall notify the Secretary of the assignments made by such producers under such subsections not later than 180 days after the date of the enactment of this Act.

(d) PAYMENT ACRES.—The payment acres for peanuts on a farm shall be equal to 85 percent of the peanut acres assigned to the farm.

(e) PREVENTION OF EXCESS PEANUT ACRES.—

(1) REQUIRED REDUCTION.—If the sum of the peanut acres for a farm, together with the acreage described in paragraph (2), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of peanut acres for the farm or base acres for one or more covered commodities for the farm as necessary so that the sum of the peanut acres and acreage described in paragraph (2) does not exceed the actual cropland acreage of the farm. The Secretary shall give the peanut producers on the farm the opportunity to select the peanut acres or base acres against which the reduction will be made.

(2) OTHER ACREAGE.—For purposes of paragraph (1), the Secretary shall include the following:

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

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

(C) Any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(3) EXCEPTION FOR DOUBLE-CROPPED ACREAGE.—In applying paragraph (1), the Secretary shall make an exception in the case of double cropping, as determined by the Secretary.

SEC. 163. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS FOR PEANUTS.

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

(b) PAYMENT RATE.—The payment rate used to make fixed, decoupled payments with respect to peanuts for a crop year shall be equal to $36 per ton.

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

(1) The payment rate specified in subsection (b).

(2) The payment acres on the farm.

(3) The payment yield for the farm.

(d) TIME FOR PAYMENT.—

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

(2) ADVANCE PAYMENTS.—At the option of a peanut producer, 50 percent of the fixed, decoupled payment for a fiscal year shall be paid on a date selected by the peanut producer. The selected date shall be on or after December 1 of that fiscal year, and the peanut producer may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

(3) REPAYMENT OF ADVANCE PAYMENTS.—If a peanut producer that receives an advance fixed, decoupled payment for a fiscal year ceases to be a peanut producer before the date the fixed, decoupled payment would otherwise have been made by the Secretary under paragraph (1), the peanut producer shall be responsible for repaying the Secretary the full amount of the advance payment.

SEC. 164. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.

(a) PAYMENT REQUIRED.—During the 2002 through 2011 crop years for peanuts, the Secretary shall make counter-cyclical payments with respect to peanuts whenever the Secretary determines that the effective price for peanuts is less than the target price.

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

(1) The higher of the following:

(A) The national average market price received by peanut producers during the 12-month marketing year for peanuts, as determined by the Secretary.

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

(2) The payment rate in effect under section 163 for the purpose of making fixed, decoupled payments.

(c) TARGET PRICE.—For purposes of subsection (a), the target price for peanuts shall be equal to $480 per ton.

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

(1) the target price; and

(2) the effective price determined under subsection (b).

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

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

(2) The payment acres on the farm.

(3) The payment yield for the farm.

(f) TIME FOR PAYMENTS.—

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

(2) PARTIAL PAYMENT.—The Secretary may permit, and, if so permitted, a peanut producer may elect to receive, up to 40 percent of the projected counter-cyclical payment, as determined by the Secretary, to be made under this section for a peanut crop upon completion of the first six months of the marketing year for that crop. The peanut producer shall repay to the Secretary the amount, if any, by which the partial payment exceeds the actual counter-cyclical payment to be made for that crop.

SEC. 165. PRODUCER AGREEMENT REQUIRED AS CONDITION ON PROVISION OF FIXED, DECOUPLED PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

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

(A) to 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.);

(B) to comply with applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.);

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

(D) to use the land on the farm, in an amount equal to the peanut acres, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

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

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

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

(1) TERMINATION.—Except as provided in paragraph (4), a transfer of (or change in) the interest of a peanut producer in peanut acres for which fixed, decoupled payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the peanut acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a). The termination shall be effective on the date of the transfer or change.

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

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

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

(d) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this chapter, the Secretary shall require peanut producers to submit to the Secretary acreage reports.

(e) TENANTS AND SHARECROPPERS.—In carrying out this chapter, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

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

SEC. 166. PLANTING FLEXIBILITY.

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

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on peanut acres:

(A) Fruits.

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

(C) Wild rice.

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

(A) in any region in which there is a history of double-cropping of peanuts with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on peanut acres, except that fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such an agricultural commodity; or

(C) by a peanut producer who the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

(i) the quantity planted may not exceed the peanut producer's average annual planting history of such agricultural commodity in the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

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

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

(a) NONRECOURSE LOANS AVAILABLE.—

(1) AVAILABILITY.—For each of the 2002 through 2011 crops of peanuts, the Secretary shall make available to peanut producers on a farm nonrecourse marketing assistance loans for peanuts produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b).

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

(3) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this subsection, the Secretary shall make loans to a peanut producer that is otherwise eligible to obtain a marketing assistance loan, but for the fact the peanuts owned by the peanut producer are commingled with other peanuts in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the peanut producer obtaining the loan agrees to immediately redeem the loan collateral in accordance with section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286).

(4) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may be obtained at the option of the peanut producer through—

(A) a designated marketing association of peanut producers that is approved by the Secretary;

(B) a loan servicing agent approved by the Secretary; or

(C) the Farm Service Agency.

(5) LOAN SERVICING AGENT.—As a condition of the Secretary's approval of an entity to serve as a loan servicing agent or to handle or store peanuts for peanut producers that receive any marketing loan benefits, the entity shall agree to provide adequate storage (if available) and handling of peanuts at the commercial rate to other approved loan servicing agents and marketing associations.

(b) LOAN RATE.—The loan rate for a marketing assistance loan under for peanuts subsection (a) shall be equal to $350 per ton.

(c) TERM OF LOAN.—

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

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

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

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

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

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

(C) minimize the cost incurred by the Federal Government in storing peanuts; and

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

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to peanut producers who, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for payments under this subsection.

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

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

(B) the quantity of the peanuts produced by the peanut producers, excluding any quantity for which the producers obtain a loan under subsection (a).

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

(A) the loan rate established under subsection (b); exceeds

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

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

(A) The date on which the peanut producer marketed or otherwise lost beneficial interest in the peanuts, as determined by the Secretary.

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

(f) COMPLIANCE WITH CONSERVATION AND WETLANDS REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the peanut producer shall 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 applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.) during the term of the loan.

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

(h) TERMINATION OF SUPERSEDED PRICE SUPPORT AUTHORITY.—

(1) REPEAL.—Section 155 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7271) is repealed.

(2) CONFORMING AMENDMENTS.—The Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended—

(A) in section 101(b) (7 U.S.C. 1441(b)), by striking ''and peanuts''; and

(B) in section 408(c) (7 U.S.C. 1428(c)), by striking ''peanuts,''.

SEC. 168. QUALITY IMPROVEMENT.

(a) OFFICIAL INSPECTION.—

(1) MANDATORY INSPECTION.—All peanuts placed under a marketing assistance loan under section 167 shall be officially inspected and graded by Federal or State inspectors.

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

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

(c) ESTABLISHMENT OF PEANUT STANDARDS BOARD.—The Secretary shall establish a Peanut Standards Board for the purpose of assisting in the establishment of quality standards with respect to peanuts. The authority of the Board is limited to assisting in the establishment of quality standards for peanuts. The members of the Board should fairly reflect all regions and segments of the peanut industry.

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

SEC. 169. PAYMENT LIMITATIONS.

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

(1) fixed, decoupled payments;

(2) counter-cyclical payments, and

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

SEC. 170. TERMINATION OF MARKETING QUOTA PROGRAMS FOR PEANUTS AND COMPENSATION TO PEANUT QUOTA HOLDERS FOR LOSS OF QUOTA ASSET VALUE.

(a) REPEAL OF MARKETING QUOTA.—

(1) REPEAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357–1359a), relating to peanuts, is repealed.

(2) TREATMENT OF 2001 CROP.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357–1359a), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to the 2001 crop of peanuts notwithstanding the amendment made by paragraph (1).

(b) COMPENSATION CONTRACT REQUIRED.—The Secretary shall offer to enter into a contract with eligible peanut quota holders for the purpose of providing compensation for the lost value of the quota on account of the repeal of the marketing quota program for peanuts under subsection (a). Under the contracts, the Secretary shall make payments to eligible peanut quota holders during fiscal years 2002 through 2006.

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

(d) PAYMENT AMOUNT.—The amount of the payment for a fiscal year to a peanut quota holder under a contract shall be equal to the product obtained by multiplying—

(1) $0.10 per pound; by

(2) the actual farm poundage quota (excluding seed and experimental peanuts) established for the peanut quota holder's farm under section 358–1(b) of the Soil Conservation and Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)) for the 2001 marketing year.

(e) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to the payments made to peanut quota holders under the contracts. The peanut quota holder making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this subsection.

(f) PEANUT QUOTA HOLDER DEFINED.—In this section, the term ''peanut quota holder'' means a person or enterprise that owns a farm that—

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

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

(3) is otherwise a farm that was eligible for such a quota at the time the general quota establishment authority was repealed.

The Secretary shall apply this definition without regard to temporary leases or transfers or quotas for seed or experimental purposes.

Subtitle D—Administration

SEC. 181. ADMINISTRATION GENERALLY.

(a) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall carry out this title through the Commodity Credit Corporation.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title shall be final and conclusive.

(c) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall issue such regulations as are necessary to implement this title. The issuance of the regulations 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 know as the ''Paperwork Reduction Act'').

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

(e) ADJUSTMENT AUTHORITY RELATED TO URUGUAY ROUND COMPLIANCE.—If the Secretary determines that expenditures under subtitles A, B, and C that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7))), as in effect on the date of the enactment of this Act,

will exceed such allowable levels for any applicable reporting period, the Secretary may make adjustments in the amount of such expenditures during that period to ensure that such expenditures do not exceed, but in no case are less than, such allowable levels.

SEC. 182. EXTENSION OF SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Section 171(a)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amended by striking ''2002'' both places it appears and inserting ''2011''.

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

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

SEC. 183. LIMITATIONS.

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

(1) in paragraph (1)—

(A) by striking ''PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS'' and inserting ''FIXED, DECOUPLED PAYMENTS'';

(B) by striking ''contract payments made under the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts'' and inserting ''fixed, decoupled payments made to a person''; and

(C) by striking ''4'' and inserting ''5'';

(2) in paragraphs (2) and (3)—

(A) by striking ''payments specified'' and all that follows through ''and oilseeds'' and inserting ''following payments that a person shall be entitled to receive'';

(B) by striking ''75'' and inserting ''150'';

(C) by striking the period at the end of paragraph (2) and all that follows through ''the following'' in paragraph (3);

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

(E) by striking ''section 135'' and inserting ''section 125''; and

(3) by inserting after paragraph (2) the following new paragraph (3):

''(3) LIMITATION ON COUNTER-CYCLICAL PAYMENTS.—The total amount of counter-cyclical payments that a person may receive during any crop year shall not exceed the amount specified in paragraph (2), as in effect on the day before the date of the enactment of the Farm Security Act of 2001.''.

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

''(4) DEFINITIONS.—In this title, the terms 'covered commodity', 'counter-cyclical payment', and 'fixed, decoupled payment' have the meaning given those terms in section 100 of the Farm Security Act of 2001.''.

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

SEC. 184. ADJUSTMENTS OF LOANS.

Section 162(b) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7282(b)) is amended by striking ''this title'' and inserting ''this title and title I of the Farm Security Act of 2001''.

SEC. 185. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.

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

SEC. 186. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.

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

(1) in subsection (a)—

(A) by striking ''IN GENERAL.—'' and inserting ''SPECIFIC PAYMENTS.—''; and

(B) by striking ''subtitle C'' and inserting ''subtitle C of this title and title I of the Farm Security Act of 2001''; and

(2) in subsection (c)(1)—

(A) by striking ''producer'' the first two places it appears and inserting ''person''; and

(B) by striking ''to producers under subtitle C'' and inserting ''by the Commodity Credit Corporation''.

SEC. 187. ASSIGNMENT OF PAYMENTS.

The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to payments made under the authority of this Act. The producer making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this section.

TITLE II—CONSERVATION

Subtitle A—Environmental Conservation Acreage Reserve Program

SEC. 201. GENERAL PROVISIONS.

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

(1) in section 1230(a), by striking ''1996 through 2002'' and inserting ''2002 through 2011'';

(2) by striking subsection (c) of section 1230; and

(3) in section 1230A (16 U.S.C. 3830a), by striking ''chapter'' each place it appears and inserting ''title''.

Subtitle B—Conservation Reserve Program

SEC. 211. REAUTHORIZATION.

(a) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended in each of subsections (a) and (d) by striking ''2002'' and inserting ''2011''.

(b) SCOPE OF PROGRAM.—Section 1231(a) of such Act (16 U.S.C. 3831(a)) is amended by striking ''and water'' and inserting '', water, and wildlife''.

SEC. 212. ENROLLMENT.

(a) ELIGIBILITY.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

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

''(3) marginal pasturelands to be devoted to natural vegetation in or near riparian areas or for similar water quality purposes, including marginal pasturelands converted to wetlands or established as wildlife habitat;''; and

(2) in paragraph (4)—

(A) by striking subparagraph (A) and inserting the following:

''(A) if the Secretary determines that—

''(i) the lands contribute to the degradation of soil, water, or air quality, or would pose an on-site or off-site environmental threat to soil, water, or air quality if permitted to remain in agricultural production; and

''(ii) soil, water, and air quality objectives with respect to the land cannot be achieved under the environmental quality incentives program established under chapter 4;'';

(B) by striking ''or'' at the end of subparagraph (C);

(C) by striking the period at the end of subparagraph (D) and inserting ''; or''; and

(D) by adding at the end the following:

''(E) if the Secretary determines that enrollment of such lands would contribute to conservation of ground or surface water.''.

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

(c) ELIGIBILITY ON CONTRACT EXPIRATION.—Section 1231(f) of such Act (16 U.S.C. 3831(f)) is amended to read as follows:

''(f) ELIGIBILITY ON CONTRACT EXPIRATION.—On the expiration of a contract entered into under this subchapter, the land subject to the contract shall be eligible to be considered for re-enrollment in the conservation reserve.''.

(d) BALANCE OF NATURAL RESOURCE PURPOSES.—

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

''(i) BALANCE OF NATURAL RESOURCE PURPOSES.—In determining the acceptability of contract offers under this subchapter, the Secretary shall ensure an equitable balance among the conservation purposes of soil erosion, water quality and wildlife habitat.''.

(2) REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall issue final regulations implementing section 1231(i) of the Food Security Act of 1985, as added by paragraph (1) of this subsection.

SEC. 213. DUTIES OF OWNERS AND OPERATORS.

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

(1) in subsection (a)—

(A) in paragraph (3), by inserting ''as described in section 1232(a)(7) or for other purposes'' before ''as permitted'';

(B) in paragraph (4), by inserting ''where practicable, or maintain existing cover'' before ''on such land''; and

(C) in paragraph (7), by striking ''Secretary—'' and all that follows and inserting ''Secretary may permit, consistent with the conservation of soil, water quality, and wildlife habitat—

''(A) managed grazing and limited haying, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of the activity;

''(B) wind turbines for the provision of wind energy, whether or not commercial in nature; and

''(C) land subject to the contract to be harvested for recovery of biomass used in energy production, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of such activity;''; and

(2) by striking subsections (c) and (d) and redesignating subsection (e) as subsection (c).

SEC. 214. REFERENCE TO CONSERVATION RESERVE PAYMENTS.

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

(1) by striking ''rental payment'' each place it appears and inserting ''conservation reserve payment'';

(2) by striking ''rental payments'' each place it appears and inserting ''conservation reserve payments''; and

(3) in the paragraph heading for section 1235(e)(4), by striking ''RENTAL PAYMENT'' and inserting ''CONSERVATION RESERVE PAYMENT''.

Subtitle C—Wetlands Reserve Program

SEC. 221. ENROLLMENT.

(a) MAXIMUM.—Section 1237(b) of the Food Security Act of 1985 (16 U.S.C. 3837(b)) is amended by striking paragraph (1) and inserting the following:

''(1) ANNUAL ENROLLMENT.—In addition to any acres enrolled in the wetlands reserve program as of the end of a calendar year, the Secretary may in the succeeding calendar year enroll in the program a number of additional acres equal to—

''(A) if the succeeding calendar year is calendar year 2002, 150,000; or

''(B) if the succeeding calendar year is a calendar year after calendar year 2002—

''(i) 150,000; plus

''(ii) the amount (if any) by which 150,000, multiplied by the number of calendar years in the period that begins with calendar year 2002 and ends with the calendar year preceding such succeeding calendar year, exceeds the total number of acres added to the reserve during the period.''.

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

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

''(2) METHODS OF ENROLLMENT.—The Secretary shall enroll acreage into the wetlands reserve program through the use of easements, restoration cost share agreements, or both.''; and

(2) by striking subsection (g).

(c) EXTENSION.—Section 1237(c) of such Act (16 U.S.C. 3837(c)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 222. EASEMENTS AND AGREEMENTS.

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

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

''(2) prohibits the alteration of wildlife habitat and other natural features of such land, unless specifically permitted by the plan;'';

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

''(2) shall be consistent with applicable State law.'';

(3) by striking subsection (h).

SEC. 223. DUTIES OF THE SECRETARY.

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

SEC. 224. CHANGES IN OWNERSHIP; AGREEMENT MODIFICATION; TERMINATION.

Section 1237E(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3837e(a)(2)) is amended to read as follows:

''(2) the ownership change occurred due to foreclosure on the land and the owner of the land immediately before the foreclosure exercises a right of redemption from the mortgage holder in accordance with State law; or''.

Subtitle D—Environmental Quality Incentives Program

SEC. 231. PURPOSES.

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

(1) by striking ''to—'' and all that follows through ''provides—'' and inserting ''to provide—'';

(2) by striking ''that face the most serious threats to'' and inserting ''to address environmental needs and provide benefits to air,'';

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

(4) by moving each of such redesignated provisions 2 ems to the left; and

(5) by striking ''farmers and ranchers'' each place it appears and inserting ''producers''.

SEC. 232. DEFINITIONS.

Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa–1) is amended—

(1) in paragraph (1)—

(A) by inserting ''non-industrial private forest land,'' before ''and other land''; and

(B) by striking ''poses a serious threat'' and all that follows and inserting ''provides increased environmental benefits to air, soil, water, or related resources.''; and

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

SEC. 233. ESTABLISHMENT AND ADMINISTRATION.

(a) REAUTHORIZATION.—Section 1240B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)(1)) is amended by striking ''2002'' and inserting ''2011''.

(b) TERM OF CONTRACTS.—Section 1240B(b)(2) of such Act (16 U.S.C. 3839aa–2(b)(2)) is amended by striking ''not less than 5, nor more than 10, years'' and inserting ''not less than 1 year, nor more than 10 years''.

(c) STRUCTURAL PRACTICES.—Section 1240B(c)(1)(B) of such Act (16 U.S.C. 3839aa–2(c)(1)(B)) is amended to read as follows:

''(B) achieving the purposes established under this subtitle.''.

(d) ELIMINATION OF CERTAIN LIMITATIONS ON ELIGIBILITY FOR COST-SHARE PAYMENTS.—Section 1240B(e)(1) of such Act (16 U.S.C. 3839aa–2(e)(1)) is amended—

(1) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); and

(2) in subparagraph (B) (as so redesignated), by striking ''or 3''.

(e) INCENTIVE PAYMENTS.—Section 1240B of such Act (16 U.S.C. 3839aa-2) is amended—

(1) in subsection (e)—

(A) in the subsection heading, by striking '', INCENTIVE PAYMENTS,''; and

(B) by striking paragraph (2); and

(2) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and inserting after subsection (e) the following:

''(f) CONSERVATION INCENTIVE PAYMENTS.—

''(1) IN GENERAL.—The Secretary may make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform multiple land management practices and to promote the enhancement of soil, water, wildlife habitat, air, and related resources.

''(2) SPECIAL RULE.—In determining the amount and rate of incentive payments, the Secretary may accord great weight to those practices that include residue, nutrient, pest, invasive species, and air quality management.''.

SEC. 234. EVALUATION OF OFFERS AND PAYMENTS.

Section 1240C of the Food Security Act of 1985 (16 U.S.C. 3839aa–3) is amended by striking paragraphs (1) through (3) and inserting the following:

''(1) aid producers in complying with this title and Federal and State environmental laws, and encourage environmental enhancement and conservation;

''(2) maximize the beneficial usage of animal manure and other similar soil amendments which improve soil health, tilth, and water-holding capacity; and

''(3) encourage the utilization of sustainable grazing systems, such as year-round, rotational, or managed grazing.''.

SEC. 235. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

Section 1240E(a) of the Food Security Act of 1985 (16 U.S.C. 3839aa–5(a)) is amended by striking ''that incorporates such conservation practices'' and all that follows and inserting ''that provides or will continue to provide increased environmental benefits to air, soil, water, or related resources.''.

SEC. 236. DUTIES OF THE SECRETARY.

Section 1240F(3) of the Food Security Act of 1985 (16 U.S.C. 3839aa–6(3)) is amended to read as follows:

''(3) providing technical assistance or cost-share payments for developing and implementing 1 or more structural practices or 1 or more land management practices, as appropriate;''.

SEC. 237. LIMITATION ON PAYMENTS.

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

(1) in subsection (a)—

(A) in paragraph (1), by striking ''$10,000'' and inserting ''$50,000''; and

(B) in paragraph (2), by striking ''$50,000'' and inserting ''$200,000'';

(2) in subsection (b)(2), by striking ''the maximization of environmental benefits per dollar expended and''; and

(3) by striking subsection (c).

SEC. 238. GROUND AND SURFACE WATER CONSERVATION.

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

''SEC. 1240H. GROUND AND SURFACE WATER CONSERVATION.

''(a) SUPPORT FOR CONSERVATION MEASURES.—The Secretary shall provide cost-share payments and low-interest loans to encourage ground and surface water conservation, including irrigation system improvement, and provide incentive payments for capping wells, reducing use of water for irrigation, and switching from irrigation to dryland farming.

''(b) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available the following amounts to carry out this section:

''(1) $30,000,000 for fiscal year 2002.

''(2) $45,000,000 for fiscal year 2003.

''(3) $60,000,000 for each of fiscal years 2004 through 2011.''.

Subtitle E—Funding and Administration

SEC. 241. REAUTHORIZATION.

Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 242. FUNDING.

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

(1) by striking ''$130,000,000'' and all that follows through ''2002, for'' and inserting ''the following amounts for purposes of'';

(2) by striking ''subtitle D.'' and inserting ''subtitle D:''; and

(3) by adding at the end the following:

''(A) $200,000,000 for fiscal year 2001.

''(B) $1,025,000,000 for each of fiscal years 2002 and 2003.

''(C) $1,200,000,000 for each of fiscal years 2004, 2005, and 2006.

''(D) $1,400,000,000 for each of fiscal years 2007, 2008, and 2009.

''(E) $1,500,000,000 for each of fiscal years 2010 and 2011.''.

SEC. 243. ALLOCATION FOR LIVESTOCK PRODUCTION.

Section 1241(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(2)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 244. ADMINISTRATION AND TECHNICAL ASSISTANCE.

(a) BROADENING OF EXCEPTION TO ACREAGE LIMITATION.—Section 1243(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3843(b)(2)) is amended by striking ''that—'' and all that follows and inserting ''that the action would not adversely affect the local economy of the county.''.

(b) RULES GOVERNING PROVISION OF TECHNICAL ASSISTANCE.—Section 1243(d) of such Act (16 U.S.C. 3843(d)) is amended to read as follows:

''(d) RULES GOVERNING PROVISION OF TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall provide technical assistance under this title to a producer eligible for such assistance, by providing the assistance directly or, at the

option of the producer, through an approved third party if available.

''(2) REEVALUATION.—The Secretary shall reevaluate the provision of, and the amount of, technical assistance made available under subchapters B and C of chapter 1 and chapter 4 of subtitle D.

''(3) CERTIFICATION OF THIRD-PARTY PROVIDERS.—

''(A) IN GENERAL.—Not later than 6 months after the date of the enactment of this subsection, the Secretary of Agriculture shall, by regulation, establish a system for approving persons to provide technical assistance pursuant to chapter 4 of subtitle D. For purposes of this paragraph, a person shall be considered approved if they have a memorandum of understanding regarding the provision of technical assistance in place with the Secretary.

''(B) EXPERTISE REQUIRED.—In prescribing such regulations, the Secretary shall ensure that persons with expertise in the technical aspects of conservation planning, watershed planning, environmental engineering, including commercial entities, nonprofit entities, State or local governments or agencies, and other Federal agencies, are eligible to become approved providers of such technical assistance.''.

(c) DUTY OF SECRETARY.—

(1) IN GENERAL.—Section 1770(d) of such Act (7 U.S.C. 2276(d)) is amended—

(A) by striking ''or'' at the end of paragraph (9);

(B) by striking the period at the end of paragraph (11) and inserting ''; or''; and

(C) by adding at the end the following:

''(12) title XII of this Act.''.

(2) CONFORMING AMENDMENTS.—Section 1770(e) of such Act (7 U.S.C. 2276(e)) is amended—

(A) by striking the subsection heading and inserting ''EXCEPTIONS''; and

(B) by inserting '', or as necessary to carry out a program under title XII of this Act as determined by the Secretary'' before the period.

Subtitle F—Other Programs

SEC. 251. PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.

Section 386(d)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b(d)(1)) is amended—

(1) by striking ''and'' at the end of subparagraph (G);

(2) by striking the period at the end of subparagraph (H) and inserting ''; and''; and

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

''(I) encouraging the utilization of sustainable grazing systems, such as year-round, rotational, or managed grazing.''.

SEC. 252. WILDLIFE HABITAT INCENTIVES PROGRAM.

Subsection (c) of section 387 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3836a) is amended to read as follows:

''(c) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available the following amounts to carry out this section:

''(1) $25,000,000 for fiscal year 2002.

''(2) $30,000,000 for each of fiscal years 2003 and 2004.

''(3) $35,000,000 for each of fiscal years 2005 and 2006.

''(4) $40,000,000 for fiscal year 2007.

''(5) $45,000,000 for each of fiscal years 2008 and 2009.

''(6) $50,000,000 for each of fiscal years 2010 and 2011.''.

SEC. 253. FARMLAND PROTECTION PROGRAM.

(a) REMOVAL OF ACREAGE LIMITATION; EXPANSION OF PURPOSES.—Subsection (a) of section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note) is amended—

(1) by striking ''not less than 170,000, nor more than 340,000 acres of''; and

(2) by inserting '', or agricultural land that contains historic or archaeological resources,'' after ''other productive soil''.

(b) FUNDING.—Subsection (c) of such section is amended to read as follows:

''(c) FUNDING.—The Secretary shall use not more than $50,000,000 of the funds of the Commodity Credit Corporation in each of fiscal years 2002 through 2011 to carry out this section.''.

(c) ELIGIBLE ENTITIES.—Such section is further amended—

(1) in subsection (a), by striking ''a State or local government'' and inserting ''an eligible entity''; and

(2) by adding at the end the following:

''(d) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means—

''(1) any agency of any State or local government, or federally recognized Indian tribe, including farmland protection boards and land resource councils established under State law; and

''(2) any organization that—

''(A) is organized for, and at all times since the formation of the organization has been operated principally for, one or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

''(B) is an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code;

''(C) is described in section 509(a)(2) of that Code; or

''(D) is described in section 509(a)(3) of that Code and is controlled by an organization described in section 509(a)(2) of that Code.''.

SEC. 254. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

(a) PURPOSE.—Section 1528 of the Agriculture and Food Act of 1981 (16 U.S.C. 3451) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1528. It is the purpose'' and inserting the following:

''SEC. 1528. STATEMENT OF PURPOSE.

''It is the purpose''; and

(2) by inserting ''through designated RC&D councils'' before ''in rural areas''.

(b) DEFINITIONS.—Section 1529 of such Act (16 U.S.C. 3452) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1529. As used in this subtitle—'' and inserting the following:

''SEC. 1529. DEFINITIONS.

''In this title:'';

(2) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by inserting ''RC&D council'' before ''area plan'';

(B) in subparagraph (B), by striking ''through control of nonpoint sources of pollution'';

(C) in subparagraph (C)—

(i) by striking ''natural resources based'' and inserting ''resource-based'';

(ii) by striking ''development of aquaculture,'';

(iii) by striking ''and satisfaction'' and inserting ''satisfaction''; and

(iv) by inserting '', food security, economic development, and education'' before the semicolon; and

(D) in subparagraph (D), by striking ''other'' the 1st place it appears and inserting ''land management'';

(3) in paragraph (3), by striking ''any State, local unit of government, or local nonprofit organization'' and inserting ''the designated RC&D council'';

(4) by striking paragraphs (4) through (6) and inserting the following:

''(4)(A) The term 'financial assistance' means the Secretary may—

''(i) provide funds directly to RC&D councils or associations of RC&D councils through grants, cooperative agreements, and interagency agreements that directly implement RC&D area plans; and

''(ii) may join with other federal agencies through interagency agreements and other arrangements as needed to carry out the program's purpose.

''(B) Funds may be used for such things as—

''(i) technical assistance;

''(ii) financial assistance in the form of grants for planning, analysis and feasibility studies, and business plans;

''(iii) training and education; and

''(iv) all costs associated with making such services available to RC&D councils or RC&D associations.

''(5) The term 'RC&D council' means the responsible leadership of the RC&D area. RC&D councils and associations are nonprofit entities whose members are volunteers and include local civic and elected officials. Affiliations of RC&D councils are formed in states and regions.'';

(5) in paragraph (8), by inserting ''and federally recognized Indian tribes'' before the period;

(6) in paragraph (9), by striking ''works of improvement'' and inserting ''projects'';

(7) by redesignating paragraphs (7) through (9) as paragraphs (6) through (8), respectively; and

(8) by striking paragraph (10) and inserting the following:

''(9) The term 'project' means any action taken by a designated RC&D council that achieves any of the elements identified under paragraph (1).''.

(c) ESTABLISHMENT AND SCOPE.—Section 1530 of such Act (16 U.S.C. 3453) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1530. The Secretary'' and inserting the following:

''SEC. 1530. ESTABLISHMENT AND SCOPE.

''The Secretary''; and

(2) by striking ''the technical and financial assistance necessary to permit such States, local units of government, and local nonprofit organizations'' and inserting ''through designated RC&D councils the technical and financial assistance necessary to permit such RC&D Councils''.

(d) SELECTION OF DESIGNATED AREAS.—Section 1531 of such Act (16 U.S.C. 3454) is amended by striking the section heading and all that follows through ''SEC. 1531. The Secretary'' and inserting the following:

''SEC. 1531. SELECTION OF DESIGNATED AREAS.

''The Secretary''.

(e) AUTHORITY OF SECRETARY.—Section 1532 of such Act (16 U.S.C. 3455) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1532. In carrying'' and inserting the following:

''SEC. 1532. AUTHORITY OF SECRETARY.

''In carrying'';

(2) in each of paragraphs (1) and (3)—

(A) by striking ''State, local unit of government, or local nonprofit organization'' and inserting ''RC&D council''; and

(B) by inserting ''RC&D council'' before ''area plan'';

(3) in paragraph (2), by inserting ''RC&D council'' before ''area plans''; and

(4) in paragraph (4), by striking ''States, local units of government, and local nonprofit organizations'' and inserting ''RC&D councils or affiliations of RC&D councils''.

(f) TECHNICAL AND FINANCIAL ASSISTANCE.—Section 1533 of such Act (16 U.S.C. 3456) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1533. (a) Technical'' and inserting the following:

"SEC. 1533. TECHNICAL AND FINANCIAL ASSISTANCE.

''(a) Technical'';

(2) in subsection (a)—

(A) by striking ''State, local unit of government, or local nonprofit organization to assist in carrying out works of improvement specified in an'' and inserting ''RC&D councils or affiliations of RC&D councils to assist in carrying out a project specified in a RC&D council'';

(B) in paragraph (1)—

(i) by striking ''State, local unit of government, or local nonprofit organization'' and inserting ''RC&D council or affiliate''; and

(ii) by striking ''works of improvement'' each place it appears and inserting ''project'';

(C) in paragraph (2)—

(i) by striking ''works of improvement'' and inserting ''project''; and

(ii) by striking ''State, local unit of government, or local nonprofit organization'' and inserting ''RC&D council'';

(D) in paragraph (3), by striking ''works of improvement'' and all that follows and inserting ''project concerned is necessary to accomplish and RC&D council area plan objective;'';

(E) in paragraph (4), by striking ''the works of improvement provided for in the'' and inserting ''the project provided for in the RC&D council'';

(F) in paragraph (5), by inserting ''federally recognized Indian tribe'' before ''or local'' each place it appears; and

(G) in paragraph (6), by inserting ''RC&D council'' before ''area plan'';

(3) in subsection (b), by striking ''work of improvement'' and inserting ''project''; and

(4) in subsection (c), by striking ''any State, local unit of government, or local nonprofit organization to carry out any'' and inserting ''RC&D council to carry out any RC&D council''.

(g) RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD.—Section 1534 of such Act (16 U.S.C. 3457) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1534. (a) The Secretary'' and inserting the following:

"SEC. 1534. RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD.

''(a) The Secretary''; and

(2) in subsection (b), by striking ''seven''.

(h) PROGRAM EVALUATION.—Section 1535 of such Act (16 U.S.C. 3458) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1535. The Secretary'' and inserting the following:

"SEC. 1535. PROGRAM EVALUATION.

''The Secretary'';

(2) by inserting ''with assistance from RC&D councils'' before ''provided'';

(3) by inserting ''federally recognized Indian tribes,'' before ''local units''; and

(4) by striking ''1986'' and inserting ''2007''.

(i) LIMITATION ON ASSISTANCE.—Section 1536 of such Act (16 U.S.C. 3458) is amended by striking the section heading and all that follows through ''SEC. 1536. The program'' and inserting the following:

"SEC. 1536. LIMITATION ON ASSISTANCE.

''The program''.

(j) SUPPLEMENTAL AUTHORITY OF THE SECRETARY.—Section 1537 of such Act (16 U.S.C. 3460) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1537. The authority'' and inserting the following:

"SEC. 1537. SUPPLEMENTAL AUTHORITY OF SECRETARY.

''The authority''; and

(2) by striking ''States, local units of government, and local nonprofit organizations'' and inserting ''RC&D councils''.

(i) AUTHORIZATION OF APPROPRIATIONS.—Section 1538 of such Act (16 U.S.C. 3461) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1538. There are'' and inserting the following:

"SEC. 1538. AUTHORIZATION OF APPROPRIATIONS.

''There are''; and

(2) by striking ''for each of the fiscal years 1996 through 2002''.

SEC. 255. GRASSLAND RESERVE PROGRAM.

(a) IN GENERAL.—Chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830–3837f) is amended by adding at the end the following:

"Subchapter D—Grassland Reserve Program

"SEC. 1238. GRASSLAND RESERVE PROGRAM.

''(a) ESTABLISHMENT.—The Secretary, acting through the Farm Service Agency, shall establish a grassland reserve program (referred to in this subchapter as the 'program') to assist owners in restoring and conserving eligible land described in subsection (c).

''(b) ENROLLMENT CONDITIONS.—

''(1) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the program shall not exceed 2,000,000 acres, not more than 1,000,000 of which shall be restored grassland, and not more than 1,000,000 of which shall be virgin (never cultivated) grassland.

''(2) METHODS OF ENROLLMENT.—The Secretary shall enroll in the program for a willing owner not less than 100 contiguous acres of land west of the 90th meridian or not less than 50 contiguous acres of land east of the 90th meridian through the use of—

''(A) 10-year, 15-year, or 20-year contracts; and

''(B) 30-year or permanent easements.

''(3) LIMITATION ON USE OF EASEMENTS.—Not more than one-third of the total amount of funds expended under the program may be used to acquire 30-year and permanent easements.

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

''(1) the land is natural grass or shrubland; or

''(2) the land—

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

''(B) has potential to serve as habitat for animal or plant populations of significant ecological value if the land is restored to natural grass or shrubland.

"SEC. 1238A. CONTRACTS AND AGREEMENTS.

''(a) REQUIREMENTS OF LANDOWNER.—

''(1) CONTRACTS.—To be eligible to enroll land in the program under a multi-year contract, the owner of the land shall—

''(A) agree to comply with the terms of the contract and related restoration agreements; and

''(B) agree to the suspension of any existing cropland base and allotment history for the land under any program administered by the Secretary.

''(2) EASEMENTS.—To be eligible to enroll land in the program under an easement, the owner of the land shall—

''(A) grant an easement that runs with the land to the Secretary;

''(B) create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement;

''(C) provide a written statement of consent to the easement signed by persons holding a security interest or any vested interest in the land;

''(D) provide proof of unencumbered title to the underlying fee interest in the land that is the subject of the easement;

''(E) agree to comply with the terms of the easement and related restoration agreements; and

''(F) agree to the suspension of any existing cropland base and allotment history for the land under any program administered by the Secretary.

''(b) TERMS OF CONTRACTS AND EASEMENTS.—A contract or easement under the program shall—

''(1) permit—

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

''(B) haying, mowing, or haying for seed production, except that such uses shall not be permitted until after the end of the nesting season for birds in the local area which are in significant decline or are conserved pursuant to State or Federal law, as determined by the Natural Resources Conservation Service State conservationist; and

''(C) construction of fire breaks and fences, including placement of the posts necessary for fences;

''(2) prohibit—

''(A) the production of any agricultural commodity (other than hay); and

''(B) unless allowed under subsection (d), the conduct of any other activity that would disturb the surface of the land covered by the contract or easement; and

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

''(c) RANKING APPLICATIONS.—

''(1) ESTABLISHMENT OF CRITERIA.—The Secretary shall establish criteria to evaluate and rank applications for contracts or easements under this subchapter.

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

''(d) RESTORATION AGREEMENTS.—The Secretary shall prescribe the terms by which grassland that is subject to a contract or easement under the program shall be restored. The agreement shall include duties of the land owner and the Secretary, including the Federal share of restoration payments and technical assistance.

''(e) VIOLATIONS.—On the violation of the terms or conditions of a contract, easement, or restoration agreement entered into under the program—

''(1) the contract or easement shall remain in force; and

''(2) the Secretary may require the owner to refund all or part of any payments received by the owner under this subchapter, with interest on the payments as determined appropriate by the Secretary.

"SEC. 1238B. DUTIES OF SECRETARY.

''(a) IN GENERAL.—In return for the granting of an easement or the execution of a contract by an owner under this subchapter, the Secretary shall make payments under subsection (b), make payments of the Federal share of restoration under subsection (c), and provide technical assistance to the owner in accordance with this section.

''(b) CONTRACT AND EASEMENT PAYMENTS.—

''(1) CONTRACTS.—In return for entering into a contract by an owner under this subchapter, the Secretary shall make annual payments to the owner during the term of the contract in an amount that is not more than 75 percent of the grazing value of the land.

''(2) EASEMENTS.—

''(A) IN GENERAL.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall make easement payments to the owner in an amount equal to—

''(i) in the case of a permanent easement, the fair market value of the land less the

grazing value of the land encumbered by the easement; and

''(ii) in the case of a 30-year easement or an easement for the maximum duration allowed under applicable State law, 30 percent of the fair market value of the land less the grazing value of the land for the period that the land is encumbered by the easement.

''(B) PAYMENT SCHEDULE.—Easement payments may be made as a single payment or annual payments, but not to exceed 10 annual payments of equal or unequal amounts, as agreed to by the Secretary and the owner.

''(c) FEDERAL SHARE OF RESTORATION.—The Secretary shall make payments to the owner of not more than—

''(1) in the case of virgin (never cultivated) grassland, 90 percent of the costs of carrying out measures and practices necessary to restore grassland functions and values; or

''(2) in the case of restored grassland, 75 percent of such costs.

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

''(e) PAYMENTS TO OTHERS.—If an owner who is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all the circumstances.''.

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

''(c) GRASSLAND RESERVE PROGRAM.—For fiscal years 2002 through 2011, the Secretary shall use a total of $254,000,000 of the funds of the Commodity Credit Corporation to carry out subchapter D of chapter 1 of subtitle D.''.

SEC. 256. FARMLAND STEWARDSHIP PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830–3839bb) is amended by inserting after chapter 1 (and the matter added by section 255 of this Act) the following:

''CHAPTER 2—FARMLAND STEWARDSHIP PROGRAM

''SEC. 1239. DEFINITIONS.

''In this chapter:

''(1) AGREEMENT.—The terms 'farmland stewardship agreement' and 'agreement' mean a stewardship contract authorized by this chapter.

''(2) CONTRACTING AGENCY.—The term 'contracting agency' means a local conservation district, resource conservation and development council, local office of the Department of Agriculture, other participating government agency, or other nongovernmental organization that is designated by the Secretary to enter into farmland stewardship agreements on behalf of the Secretary.

''(3) ELIGIBLE AGRICULTURAL LANDS.—The term 'eligible agricultural lands' means private lands that are in primarily native or natural condition or are classified as cropland, pastureland, grazing lands, timberlands, or other lands as specified by the Secretary that—

''(A) contain wildlife habitat, wetlands, or other natural resources; or

''(B) provide benefits to the public at large, such as—

''(i) conservation of soil, water, and related resources;

''(ii) water quality protection or improvement;

''(iii) control of invasive and exotic species;

''(iv) wetland restoration, protection, and creation; and

''(v) wildlife habitat development and protection;

''(vi) preservation of open spaces, or prime, unique, or other productive farm lands; and

''(vii) and other similar conservation purposes.

''(4) FARMLAND STEWARDSHIP PROGRAM; PROGRAM.—The terms 'Farmland Stewardship Program' and 'Program' mean the conservation program of the Department of Agriculture established by this chapter.

''SEC. 1239A. ESTABLISHMENT AND PURPOSE OF PROGRAM.

''(a) ESTABLISHMENT.—The Secretary shall establish a conservation program of the Department of Agriculture, to be known as the Farmland Stewardship Program, that is designed to more precisely tailor and target existing conservation programs to the specific conservation needs and opportunities presented by individual parcels of eligible agricultural lands.

''(b) RELATION TO OTHER CONSERVATION PROGRAMS.—Under the Farmland Stewardship Program, the Secretary may implement, or combine together, the features of—

''(1) the Wetlands Reserve Program;

''(2) the Wildlife Habitat Incentives Program;

''(3) the Forest Land Enhancement Program;

''(4) the Farmland Protection Program; or

''(5) other conservation programs administered by other Federal agencies and State and local government entities, where feasible and with the consent of the administering agency or government.

''(c) FUNDING SOURCES.—

''(1) IN GENERAL.—The Farmland Stewardship Program and agreements under the Program shall be funded by the Secretary using—

''(A) the funding authorities of the conservation programs that are implemented in whole, or in part, through the use of agreements or easements; and

''(B) such funds as are provided to carry out the programs specified in paragraphs (1) through (4) of subsection (b).

''(2) COST-SHARING.—It shall be a requirement of the Farmland Stewardship Program that the majority of the funds to carry out the Program must come from other existing conservation programs, which may be Federal, State, regional, local, or private, that are combined into and made a part of an agreement, or from matching funding contributions made by State, regional, or local agencies and divisions of government or from private funding sources.

''(d) PERSONNEL COSTS.—The Secretary may use the Natural Resources Conservation Service to carry out the Farmland Stewardship Program.

''(e) TECHNICAL ASSISTANCE.—An owner or operator who is receiving a benefit under this chapter shall be eligible to receive technical assistance in accordance with section 1243(d) to assist the owner or operator in carrying out a contract entered into under this chapter.

''SEC. 1239B. USE OF FARMLAND STEWARDSHIP AGREEMENTS.

''(a) AGREEMENTS AUTHORIZED.—The Secretary shall carry out the Farmland Stewardship Program by entering into stewardship contracts as determined by the Secretary, to be known as farmland stewardship agreements, with the owners or operators of eligible agricultural lands to maintain and protect for the natural and agricultural resources on the lands.

''(b) BASIC PURPOSES.—An agreement with the owner or operator of eligible agricultural lands shall be used—

''(1) to negotiate a mutually agreeable set of guidelines, practices, and procedures under which conservation practices will be provided by the owner or operator to protect, maintain, and, where possible, improve, the natural resources on the lands covered by the agreement in return for annual payments to the owner or operator;

''(2) to implement a conservation program or series of programs where there is no such program or to implement conservation management activities where there is no such activity; and

''(3) to expand conservation practices and resource management activities to a property where it is not possible at the present time to negotiate or reach agreement on a public purchase of a fee-simple or less-than-fee interest in the property for conservation purposes.

''(c) MODIFICATION OF OTHER CONSERVATION PROGRAM ELEMENTS.—If most, but not all, of the limitations, conditions, and requirements of a conservation program that is implemented in whole, or in part, through the Farmland Stewardship Program are met with respect to a parcel of eligible agricultural lands, and the purposes to be achieved by the agreement to be entered into for such lands are consistent with the purposes of the conservation program, then the Secretary may waive any remaining limitations, conditions, or requirements of the conservation program that would otherwise prohibit or limit the agreement.

''(d) STATE AND LOCAL CONSERVATION PRIORITIES.—To the maximum extent practicable, agreements shall address the conservation priorities established by the State and locality in which the eligible agricultural lands are located.

''(e) WATERSHED ENHANCEMENT.—To the extent practicable, the Secretary shall encourage the development of Farmland Stewardship Program applications on a watershed basis.

''SEC. 1239C. PARTNERSHIP APPROACH TO PROGRAM.

''(a) AUTHORITY OF SECRETARY EXERCISED THROUGH PARTNERSHIPS.—The Secretary may administer agreements under the Farmland Stewardship Program in partnership with other Federal, State, and local agencies whose programs are incorporated into the Program under section 1239A.

''(b) DESIGNATION AND USE OF CONTRACTING AGENCIES.—Subject to subsection (c), the Secretary may authorize a local conservation district, resource conservation & development district, nonprofit organization, or local office of the Department of Agriculture or other participating government agency to enter into and administer agreements under the Program as a contracting agency on behalf of the Secretary.

''(c) CONDITIONS ON DESIGNATION.—The Secretary may designate an eligible district or office as a contracting agency under subsection (b) only if the district of office—

''(1) submits a written request for such designation to the Secretary;

''(2) affirms that it is willing to follow all guidelines for executing and administering an agreement, as promulgated by the Secretary;

''(3) demonstrates to the satisfaction of the Secretary that it has established working relationships with owners and operators of eligible agricultural lands, and based on the history of these working relationships, demonstrates that it has the ability to work with owners and operators of eligible agricultural lands in a cooperative manner;

''(4) affirms its responsibility for preparing all documentation for the agreement, negotiating its terms with an owner or operator, monitoring compliance, making annual reports to the Secretary, and administering the agreement throughout its full term; and

''(5) demonstrates to the satisfaction of the Secretary that it has or will have the necessary staff resources and expertise to carry out its responsibilities under paragraphs (3) and (4).

''SEC. 1239D. PARTICIPATION OF OWNERS AND OPERATORS OF ELIGIBLE AGRICULTURAL LANDS.

''(a) APPLICATION AND APPROVAL PROCESS.—To participate in the Farmland Stewardship Program, an owner or operator of eligible agricultural lands shall—

''(1) submit to the Secretary an application indicating interest in the Program and describing the owner's or operator's property, its resources, and their ecological and agricultural values;

''(2) submit to the Secretary a list of services to be provided, a management plan to be implemented, or both, under the proposed agreement;

''(3) if the application and list are accepted by the Secretary, enter into an agreement that details the services to be provided, management plan to be implemented, or both, and requires compliance with the other terms of the agreement.

''(b) APPLICATION ON BEHALF OF AN OWNER OR OPERATOR.—A designated contracting agency may submit the application required by subsection (a) on behalf of an owner or operator by if the contracting agency has secured the consent of the owner or operator to enter into an agreement.''.

SEC. 257. SMALL WATERSHED REHABILITATION PROGRAM.

Section 14(h) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)) is amended—

(1) by adding ''and'' at the end of paragraph (1); and

(2) by striking all that follows paragraph (1) and inserting the following:

''(2) $15,000,000 for fiscal year 2002 and each succeeding fiscal year.''.

Subtitle G—Repeals

SEC. 261. PROVISIONS OF THE FOOD SECURITY ACT OF 1985.

(a) WETLANDS MITIGATION BANKING PROGRAM.—Section 1222 of the Food Security Act of 1985 (16 U.S.C. 3822) is amended by striking subsection (k).

(b) CONSERVATION RESERVE PROGRAM.—

(1) REPEALS.—(A) Section 1234(f) of such Act (16 U.S.C. 3834(f)) is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(B) Section 1236 of such Act (16 U.S.C. 3836) is repealed.

(2) CONFORMING AMENDMENTS.—(A) Section 1232(a)(5) of such Act (16 U.S.C. 3832(a)(5)) is amended by striking ''in addition to the remedies provided under section 1236(d),''.

(B) Section 1234(d)(4) of such Act (16 U.S.C. 3834(d)(4)) is amended by striking ''subsection (f)(4)'' and inserting ''subsection (f)(3)''.

(c) WETLANDS RESERVE PROGRAM.—Section 1237D(c) of such Act (16 U.S.C. 3837d(c)) is amended by striking paragraph (3).

(d) ENVIRONMENTAL EASEMENT PROGRAM.—

(1) REPEAL.—Chapter 3 of subtitle D of title XII of such Act (16 U.S.C. 3839–3839d) is repealed.

(2) CONFORMING AMENDMENT.—Section 1243(b)(3) of such Act (16 U.S.C. 3843(b)(3)) is amended by striking ''or 3''.

(e) CONSERVATION FARM OPTION.—Chapter 5 of subtitle D of title XII of such Act (16 U.S.C. 3839bb) is repealed.

(f) TREE PLANTING INITIATIVE.—Section 1256 of such Act (16 U.S.C. 2101 note) is repealed.

SEC. 262. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION ACT.

Subtitle F of title III of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 5801–5809) is repealed.

TITLE III—TRADE

SEC. 301. MARKET ACCESS PROGRAM.

Section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended—

(1) by striking ''and not more'' and inserting ''not more'';

(2) by inserting ''and not more than $200,000,000 for each of fiscal years 2002 through 2011,'' after ''2002,''; and

(3) by striking ''2002'' and inserting ''2001''.

SEC. 302. FOOD FOR PROGRESS.

(a) IN GENERAL.—Subsections (f)(3), (g), (k), and (l)(1) of section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) are each amended by striking ''2002'' and inserting ''2011''.

(b) INCREASE IN FUNDING.—Section 1110(l)(1) of the Food Security Act of 1985 (7 U.S.C.1736o(l)(1)) is amended—

(1) by striking ''2002'' and inserting ''2011''; and

(2) by striking ''$10,000,000'' and inserting ''$15,000,000.

(c) EXCLUSION FROM LIMITATION.—Section 1110(e)(2) of the Food Security Act of 1985 (7 U.S.C. 1736o(e)(2)) is amended by inserting '', and subsection (g) does not apply to such commodities furnished on a grant basis or on credit terms under title I of the Agricultural Trade Development Act of 1954'' before the final period.

(d) TRANSPORTATION COSTS.—Section 1110(f)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(f)(3)) is amended by striking ''$30,000,000'' and inserting ''$40,000,000''.

(e) AMOUNTS OF COMMODITIES.—Section 1110(g) of the Food Security Act of 1985 (7 U.S.C. 1736o(g)) is amended by striking ''500,000'' and inserting ''1,000,000''.

(f) MULTIYEAR BASIS.—Section 1110(j) of the Food Security Act of 1985 (7 U.S.C. 1736o(j)) is amended—

(1) by striking ''may'' and inserting ''is encouraged''; and

(2) by inserting ''to'' before ''approve''.

(g) MONETIZATION.—Section 1110(l)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(l)(3)) is amended by striking ''local currencies'' and inserting ''proceeds''.

(h) NEW PROVISIONS.—Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is amended by adding at the end the following:

''(p) The Secretary is encouraged to finalize program agreements and resource requests for programs under this section before the beginning of the relevant fiscal year. By November 1 of the relevant fiscal year, the Secretary shall provide to the Committee on Agriculture and the Committee on International Relations of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of approved programs, countries, and commodities, and the total amounts of funds approved for transportation and administrative costs, under this section.''.

SEC. 303. SURPLUS COMMODITIES FOR DEVELOPING OR FRIENDLY COUNTRIES.

(a) USE OF CURRENCIES.—Section 416(b)(7)(D) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)) is amended—

(1) in clauses (i) and (iii), by striking ''foreign currency'' each place it appears;

(2) in clause (ii)—

(A) by striking ''Foreign currencies'' and inserting ''Proceeds''; and

(B) by striking ''foreign currency''; and

(3) in clause (iv)—

(A) by striking ''Foreign currency proceeds'' and inserting ''Proceeds'';

(B) by striking ''country of origin'' the second place it appears and all that follows through ''as necessary to expedite'' and inserting ''country of origin as necessary to expedite'';

(C) by striking ''; or'' and inserting a period; and

(D) by striking subclause (II).

(b) IMPLEMENTATION OF AGREEMENTS.—Section 416(b)(8)(A) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(8)(A)) is amended—

(1) by inserting ''(i)'' after ''(A)''; and

(2) by adding at the end the following new clauses:

''(ii) The Secretary shall publish in the Federal Register, not later than October 31 of each fiscal year, an estimate of the commodities that shall be available under this section for that fiscal year.

''(iii) The Secretary is encouraged to finalize program agreements under this section not later than December 31 of each fiscal year.''.

SEC. 304. EXPORT ENHANCEMENT PROGRAM.

Section 301(e)(1)(G) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by inserting ''and for each fiscal year thereafter through fiscal year 2011'' after ''2002''.

SEC. 305. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

(a) IN GENERAL.—Section 703 of the Agricultural Trade Act of 1978 (7 U.S.C.5723) is amended—

(1) by inserting ''(a) PRIOR YEARS.—'' before ''There'';

(2) by striking ''2002'' and inserting ''2001''; and

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

''(b) FISCAL 2002 AND LATER.—For each of fiscal years 2002 through 2011 there are authorized to be appropriated such sums as may be necessary to carry out this title, and, in addition to any sums so appropriated, the Secretary shall use $37,000,000 of the funds of, or an equal value of the commodities of, the Commodity Credit Corporation to carry out this title.''.

(b) VALUE ADDED PRODUCTS.—

(1) IN GENERAL.—Section 702(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5721 et seq.) is amended by inserting '', with a significant emphasis on the importance of the export of value-added United States agricultural products into emerging markets'' after ''products''.

(2) REPORT TO CONGRESS.—Section 702 of the Agricultural Trade Act of 1978 (7 U.S.C. 5722) is amended by adding at the end the following:

''(c) REPORT TO CONGRESS.—

''(1) IN GENERAL.—The Secretary shall report annually to appropriate congressional committees the amount of funding provided, types of programs funded, the value added products that have been targeted, and the foreign markets for those products that have been developed.

''(2) DEFINITION.—In this subsection, the term 'appropriate congressional committees' means—

''(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

''(B) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the Senate.''.

SEC. 306. EXPORT CREDIT GUARANTEE PROGRAM.

(a) REAUTHORIZATION.—Section 211(b)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is amended by striking ''2002'' and inserting ''2011''.

(b) PROCESSED AND HIGH VALUE PRODUCTS.—Section 202(k)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(k)(1)) is amended by striking '', 2001, and 2002'' and inserting ''through 2011''.

SEC. 307. FOOD FOR PEACE (PL 480).

The Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) is amended—

(1) in section 2 (7 U.S.C. 1691), by striking paragraph (2) and inserting the following:

''(2) promote broad-based, equitable, and sustainable development, including agricultural development as well as conflict prevention;'';

(2) in section 202(e)(1) (7 U.S.C. 1722(e)(1)), by striking ''not less than $10,000,000, and not more than $28,000,000'' and inserting ''not less than 5 percent and not more than 10 percent of such funds'';

(3) in section 203(a) (7 U.S.C. 1723(a)), by striking ''the recipient country, or in a country'' and inserting ''one or more recipient countries, or one or more countries'';

(4) in section 203(c) (7 U.S.C. 1723(c))—

(A) by striking ''foreign currency''; and

(B) by striking ''the recipient country, or in a country'' and inserting ''one or more recipient countries, or one or more countries'';

(5) in section 203(d) (7 U.S.C. 1723(d))—

(A) by striking ''Foreign currencies'' and inserting ''Proceeds'';

(B) in paragraph (2)—

(i) by striking ''income generating'' and inserting ''income-generating''; and

(ii) by striking ''the recipient country or within a country'' and inserting ''one or more recipient countries, or one or more countries''; and

(C) in paragraph (3), by inserting a comma after ''invested'' and ''used'';

(6) in section 204(a) (7 U.S.C. 1724(a))—

(A) by striking ''1996 through 2002'' and inserting ''2002 through 2011''; and

(B) by striking ''2,025,000'' and inserting ''2,250,000'';

(7) in section 205(f) (7 U.S.C. 1725(f)), by striking ''2002'' and inserting ''2011'';

(8) in section 207(a) (7 U.S.C. 1726a(a))—

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

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

''(1) RECIPIENT COUNTRIES.—A proposal to enter into a non-emergency food assistance agreement under this title shall identify the recipient country or countries subject to the agreement.

''(2) TIME FOR DECISION.—Not later than 120 days after receipt by the Administrator of a proposal submitted by an eligible organization under this title, the Administrator shall make a decision concerning such proposal.'';

(9) in section 208(f), by striking ''2002'' and inserting ''2011'';

(10) in section 403 (7 U.S.C. 1733), by inserting after subsection (k) the following:

''(l) SALES PROCEDURES.—Subsections (b) and (h) shall apply to sales of commodities to generate proceeds for titles II and III of this Act, section 416(b) of the Agricultural Act of 1949, and section 1110 of the Food and Security Act of 1985. Such sales transactions may be in United States dollars and other currencies.'';

(11) in section 407(c)(4), by striking ''2001 and 2002'' and inserting ''2001 through 2011'';

(12) in section 408, by striking ''2002'' and inserting ''2011''; and

(13) in section 501(c), by striking ''2002'' and inserting ''2011''.

SEC. 308. EMERGING MARKETS.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note) is amended—

(1) in subsections (a) and (d)(1)(A)(i), by striking ''2002'' and inserting ''2011''; and

(2) in subsection (d)(1)(H), by striking ''$10,000,000 in any fiscal year'' and inserting ''$13,000,000 for each of fiscal years 2002 through 2011''.

SEC. 309. BILL EMERSON HUMANITARIAN TRUST.

Subsections (b)(2)(B)(i), (h)(1), and (h)(2) of section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) are each amended by striking ''2002'' and inserting ''2011''.

SEC. 310. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish an export assistance program (referred to in this section as the ''program'') to address unique barriers that prohibit or threaten the export of United States specialty crops.

(b) PURPOSE.—The program shall provide direct assistance through public and private sector projects and technical assistance to remove, resolve, or mitigate sanitary and phytosanitary and related barriers to trade.

(c) PRIORITY.—The program shall address time sensitive and strategic market access projects based on—

(1) trade effect on market retention, market access, and market expansion; and

(2) trade impact.

(d) FUNDING.—The Secretary shall make available $3,000,000 for each of fiscal years 2002 through 2011 of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation.

SEC. 311. FARMERS FOR AFRICA AND CARIBBEAN BASIN PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) Many African farmers and farmers in Caribbean Basin countries use antiquated techniques to produce their crops, which result in poor crop quality and low crop yields.

(2) Many of these farmers are losing business to farmers in European and Asian countries who use advanced planting and production techniques and are supplying agricultural produce to restaurants, resorts, tourists, grocery stores, and other consumers in Africa and Caribbean Basin countries.

(3) A need exists for the training of African farmers and farmers in Caribbean Basin countries and other developing countries in farming techniques that are appropriate for the majority of eligible farmers in African or Caribbean countries, including standard growing practices, insecticide and sanitation procedures, and other farming methods that will produce increased yields of more nutritious and healthful crops.

(4) African-American and other American farmers, as well as banking and insurance professionals, are a ready source of agribusiness expertise that would be invaluable for African farmers and farmers in Caribbean Basin countries.

(5) A United States commitment is appropriate to support the development of a comprehensive agricultural skills training program for these farmers that focuses on—

(A) improving knowledge of insecticide and sanitation procedures to prevent crop destruction;

(B) teaching modern farming techniques, including the identification and development of standard growing practices and the establishment of systems for recordkeeping, that would facilitate a continual analysis of crop production;

(C) the use and maintenance of farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries;

(D) expansion of small farming operations into agribusiness enterprises through the development and use of village banking systems and the use of agricultural risk insurance pilot products, resulting in increased access to credit for these farmers; and

(E) marketing crop yields to prospective purchasers (businesses and individuals) for local needs and export.

(6) The participation of African-American and other American farmers and American agricultural farming specialists in such a training program promises the added benefit of improving access to African and Caribbean Basin markets for American farmers and United States farm equipment and products and business linkages for United States insurance providers offering technical assistance on, among other things, agricultural risk insurance products.

(7) Existing programs that promote the exchange of agricultural knowledge and expertise through the exchange of American and foreign farmers have been effective in promoting improved agricultural techniques and food security, and, thus, the extension of additional resources to such farmer-to- farmer exchanges is warranted.

(b) DEFINITIONS.—In this section:

(1) AGRICULTURAL FARMING SPECIALIST.—The term ''agricultural farming specialist'' means an individual trained to transfer information and technical support relating to agribusiness, food security, the mitigation and alleviation of hunger, the mitigation of agricultural and farm risk, maximization of crop yields, agricultural trade, and other needs specific to a geographical location as determined by the President.

(2) CARIBBEAN BASIN COUNTRY.—The term ''Caribbean Basin country'' means a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702).

(3) ELIGIBLE FARMER.—The term ''eligible farmer'' means an individual owning or working on farm land (as defined by a particular country's laws relating to property) in the sub-Saharan region of the continent of Africa, in a Caribbean Basin country, or in any other developing country in which the President determines there is a need for farming expertise or for information or technical support described in paragraph (1).

(4) PROGRAM.—The term ''Program'' means the Farmers for Africa and Caribbean Basin Program established under this section.

(c) ESTABLISHMENT OF PROGRAM.—The President shall establish a grant program, to be known as the ''Farmers for Africa and Caribbean Basin Program'', to assist eligible organizations in carrying out bilateral exchange programs whereby African-American and other American farmers and American agricultural farming specialists share technical knowledge with eligible farmers regarding—

(1) maximization of crop yields;

(2) use of agricultural risk insurance as financial tools and a means of risk management (as allowed by Annex II of the World Trade Organization rules);

(3) expansion of trade in agricultural products;

(4) enhancement of local food security;

(5) the mitigation and alleviation of hunger;

(6) marketing agricultural products in local, regional, and international markets; and

(7) other ways to improve farming in countries in which there are eligible farmers.

(d) ELIGIBLE GRANTEES.—The President may make a grant under the Program to—

(1) a college or university, including a historically black college or university, or a foundation maintained by a college or university; and

(2) a private organization or corporation, including grassroots organizations, with an established and demonstrated capacity to carry out such a bilateral exchange program.

(e) TERMS OF PROGRAM.—(1) It is the goal of the Program that at least 1,000 farmers participate in the training program by December 31, 2005, of which 80 percent of the total number of participating farmers will be African farmers or farmers in Caribbean Basin countries and 20 percent of the total number of participating farmers will be American farmers.

(2) Training under the Program will be provided to eligible farmers in groups to ensure

that information is shared and passed on to other eligible farmers. Eligible farmers will be trained to be specialists in their home communities and will be encouraged not to retain enhanced farming technology for their own personal enrichment.

(3) Through partnerships with American businesses, the Program will utilize the commercial industrial capability of businesses dealing in agriculture to train eligible farmers on farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries and to introduce eligible farmers to the use of insurance as a risk management tool.

(f) SELECTION OF PARTICIPANTS.—(1) The selection of eligible farmers, as well as African-American and other American farmers and agricultural farming specialists, to participate in the Program shall be made by grant recipients using an application process approved by the President.

(2) Participating farmers must have sufficient farm or agribusiness experience and have obtained certain targets regarding the productivity of their farm or agribusiness.

(g) GRANT PERIOD.—The President may make grants under the Program during a period of 5 years beginning on October 1 of the first fiscal year for which funds are made available to carry out the Program.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2011.

SEC. 312. GEORGE MCGOVERN-ROBERT DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

(a) IN GENERAL.—The President may, subject to subsection (j), direct the procurement of commodities and the provision of financial and technical assistance to carry out—

(1) preschool and school feeding programs in foreign countries to improve food security, reduce the incidence of hunger, and improve literacy and primary education, particularly with respect to girls; and

(2) maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children who are five years of age or younger.

(b) ELIGIBLE COMMODITIES AND COST ITEMS.—Notwithstanding any other provision of law—

(1) any agricultural commodity is eligible for distribution under this section;

(2) as necessary to achieve the purposes of this section—

(A) funds may be used to pay the transportation costs incurred in moving commodities (including prepositioned commodities) provided under this section from the designated points of entry or ports of entry of one or more recipient countries to storage and distribution sites in these countries, and associated storage and distribution costs;

(B) funds may be used to pay the costs of activities conducted in the recipient countries by a nonprofit voluntary organization, cooperative, or intergovernmental agency or organization that would enhance the effectiveness of the activities implemented by such entities under this section; and

(C) funds may be provided to meet the allowable administrative expenses of private voluntary organizations, cooperatives, or intergovernmental organizations which are implementing activities under this section; and

(3) for the purposes of this section, the term ''agricultural commodities'' includes any agricultural commodity, or the products thereof, produced in the United States.

(c) GENERAL AUTHORITIES.—The President shall designate one or more Federal agencies to—

(1) implement the program established under this section;

(2) ensure that the program established under this section is consistent with the foreign policy and development assistance objectives of the United States; and

(3) consider, in determining whether a country should receive assistance under this section, whether the government of the country is taking concrete steps to improve the preschool and school systems in its country.

(d) ELIGIBLE RECIPIENTS.—Assistance may be provided under this section to private voluntary organizations, cooperatives, intergovernmental organizations, governments and their agencies, and other organizations.

(e) PROCEDURES.—

(1) IN GENERAL.—In carrying out subsection (a) the President shall assure that procedures are established that—

(A) provide for the submission of proposals by eligible recipients, each of which may include one or more recipient countries, for commodities and other assistance under this section;

(B) provide for eligible commodities and assistance on a multi-year basis;

(C) ensure eligible recipients demonstrate the organizational capacity and the ability to develop, implement, monitor, report on, and provide accountability for activities conducted under this section;

(D) provide for the expedited development, review, and approval of proposals submitted in accordance with this section;

(E) ensure monitoring and reporting by eligible recipients on the use of commodities and other assistance provided under this section; and

(F) allow for the sale or barter of commodities by eligible recipients to acquire funds to implement activities that improve the food security of women and children or otherwise enhance the effectiveness of programs and activities authorized under this section.

(2) PRIORITIES FOR PROGRAM FUNDING.—In carrying out paragraph (1) with respect to criteria for determining the use of commodities and other assistance provided for programs and activities authorized under this section, the implementing agency may consider the ability of eligible recipients to—

(A) identify and assess the needs of beneficiaries, especially malnourished or undernourished mothers and their children who are five years of age or younger, and school-age children who are malnourished, undernourished, or do not regularly attend school;

(B)(i) in the case of preschool and school-age children, target low-income areas where children's enrollment and attendance in school is low or girls' enrollment and participation in preschool or school is low, and incorporate developmental objectives for improving literacy and primary education, particularly with respect to girls; and

(ii) in the case of programs to benefit mothers and children who are five years of age or younger, coordinate supplementary feeding and nutrition programs with existing or newly-established maternal, infant, and children programs that provide health-needs interventions, and which may include maternal, prenatal, and postnatal and newborn care;

(C) involve indigenous institutions as well as local communities and governments in the development and implementation to foster local capacity building and leadership; and

(D) carry out multiyear programs that foster local self-sufficiency and ensure the longevity of recipient country programs.

(f) USE OF FOOD AND NUTRITION SERVICE.—The Food and Nutrition Service of the Department of Agriculture may provide technical advice on the establishment of programs under subsection (a)(1) and on their implementation in the field in recipient countries.

(g) MULTILATERAL INVOLVEMENT.—The President is urged to engage existing international food aid coordinating mechanisms to ensure multilateral commitments to, and participation in, programs like those supported under this section. The President shall report annually to the Committee on International Relations and the Committee on Agriculture of the United States House of Representatives and the Committee on Foreign Relations and the Committee on Agriculture, Nutrition, and Forestry of the United States Senate on the commitments and activities of governments, including the United States government, in the global effort to reduce child hunger and increase school attendance.

(h) PRIVATE SECTOR INVOLVEMENT.—The President is urged to encourage the support and active involvement of the private sector, foundations, and other individuals and organizations in programs assisted under this section.

(i) REQUIREMENT TO SAFEGUARD LOCAL PRODUCTION AND USUAL MARKETING.—The requirement of section 403(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(a) and 1733(h)) applies with respect to the availability of commodities under this section.

(j) FUNDING.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary to carry out this section for each of fiscal years 2002 through 2011. Nothing in this section shall be interpreted to preclude the use of authorities in effect before the date of the enactment of this Act to carry out the ongoing Global Food for Education Initiative.

(2) ADMINISTRATIVE EXPENSES.—Funds made available to carry out the purposes of this section may be used to pay the administrative expenses of any agency of the Federal Government implementing or assisting in the implementation of this section.

SEC. 313. STUDY ON FEE FOR SERVICES.

(a) STUDY.—Not later than one year after the date of enactment of this Act, the Secretary shall provide a report to the designated congressional committees on the feasibility of instituting a program which would charge and retain a fee to cover the costs for providing persons with commercial services performed abroad on matters within the authority of the Department of Agriculture administered through the Foreign Agriculture Service or any successor agency.

(b) DEFINITION.—In this section, the term ''designated congressional committees'' means the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.

SEC. 314. NATIONAL EXPORT STRATEGY REPORT.

(a) REPORT.—Not later than one year after the date of enactment of this Act, the Secretary of Agriculture shall provide to the designated congressional committees a report on the policies and programs that the Department of Agriculture has undertaken to implement the National Export Strategy Report. The report shall contain a description of the effective coordination of these policies and programs through all other appropriate Federal agencies participating in the Trade Promotion Coordinating Committee and the steps the Department of Agriculture is taking to reduce the level of protectionism in agricultural trade, to foster market growth, and to improve the commercial potential of markets in both developed and developing countries for United States agricultural commodities.

(b) DEFINITION.—In this section, the term ''designated congressional committees''

means the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.

TITLE IV—NUTRITION PROGRAMS

Subtitle A—Food Stamp Program

SEC. 401. SIMPLIFIED DEFINITION OF INCOME.

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

(1) in paragraph (3)—

(A) by striking ''and (C)'' and inserting ''(C)''; and

(B) by inserting after ''premiums,'' the following:

''and (D) to the extent that any other educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like, are required to be excluded under title XIX of the Social Security Act, the state agency may exclude it under this subsection,'';

(2) by striking ''and (15)'' and inserting ''(15)'';

(3) by inserting before the period at the end the following:

'', (16) any state complementary assistance program payments that are excluded pursuant to subsections (a) and (b) of section 1931 of title XIX of the Social Security Act, and (17) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), except that this paragraph shall not authorize a State agency to exclude earned income, payments under title I, II, IV, X, XIV, or XVI of the Social Security Act, or such other types of income whose consideration the Secretary determines essential to equitable determinations of eligibility and benefit levels except to the extent that those types of income may be excluded under other paragraphs of this subsection''.

SEC. 402. STANDARD DEDUCTION.

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

(1) by striking ''of $134, $229, $189, $269, and $118'' and inserting ''equal to 9.7 percent of the eligibility limit established under section 5(c)(1) for fiscal year 2002 but not more than 9.7 percent of the eligibility limit established under section 5(c)(1) for a household of six for fiscal year 2002 nor less than $134, $229, $189, $269, and $118''; and

(2) by inserting before the period at the end the following:

'', except that the standard deduction for Guam shall be determined with reference to 2 times the eligibility limits under section 5(c)(1) for fiscal year 2002 for the 48 contiguous states and the District of Columbia''.

SEC. 403. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) IN GENERAL.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

''(s) TRANSITIONAL BENEFITS OPTION.—

''(1) IN GENERAL.—A State may provide transitional food stamp benefits to a household that is no longer eligible to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(2) TRANSITIONAL BENEFITS PERIOD.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.

''(3) AMOUNT.—During the transitional benefits period under paragraph (2), a household shall receive an amount equal to the allotment received in the month immediately preceding the date on which cash assistance is terminated. A household receiving benefits under this subsection may apply for recertification at any time during the transitional benefit period. If a household reapplies, its allotment shall be determined without regard to this subsection for all subsequent months.

''(4) DETERMINATION OF FUTURE ELIGIBILITY.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

''(A) require a household to cooperate in a redetermination of eligibility to receive an authorization card; and

''(B) renew eligibility for a new certification period for the household without regard to whether the previous certification period has expired.

''(5) LIMITATION.—A household sanctioned under section 6, or for a failure to perform an action required by Federal, State, or local law relating to such cash assistance program, shall not be eligible for transitional benefits under this subsection.''.

(b) CONFORMING AMENDMENTS.—(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: ''The limits in this section may be extended until the end of any transitional benefit period established under section 11(s).''.

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking ''No household'' and inserting ''Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household''.

SEC. 404. QUALITY CONTROL SYSTEMS.

(a) TARGETED QUALITY CONTROL SYSTEM.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended—

(1) in paragraph (1)(C)—

(A) in the matter preceding clause (i), by inserting ''the Secretary determines that a 95 percent statistical probability exists that for the 3d consecutive year'' after ''year in which''; and

(B) in clause (i)(II)(aa)(bbb) by striking ''the national performance measure for the fiscal year'' and inserting ''10 percent'';

(2) in the 1st sentence of paragraph (4)—

(A) by striking ''or claim'' and inserting ''claim''; and

(B) by inserting ''or performance under the measures established under paragraph (10),'' after ''for payment error,'';

(3) in paragraph (5), by inserting ''to comply with paragraph (10) and'' before ''to establish'';

(4) in the 1st sentence of paragraph (6), by inserting ''one percentage point more than'' after ''measure that shall be''; and

(5) by inserting at the end the following:

''(10)(A) In addition to the measures established under paragraph (1), the Secretary shall measure the performance of State agencies in each of the following regards—

''(i) compliance with the deadlines established under paragraphs (3) and (9) of section 11(e); and

''(ii) the percentage of negative eligibility decisions that are made correctly.

''(B) For each fiscal year, the Secretary shall make excellence bonus payments of $1,000,000 each to the 5 States with the highest combined performance in the 2 measures in subparagraph (A) and to the 5 States whose combined performance under the 2 measures in subparagraph (A) most improved in such fiscal year.

''(C) For any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that a State agency's performance with respect to any of the 2 performance measures established in subparagraph (A) is substantially worse than a level the Secretary deems reasonable, other than for good cause shown, the Secretary shall investigate that State agency's administration of the food stamp program. If this investigation determines that the State's administration has been deficient, the Secretary shall require the State agency to take prompt corrective action.''.

(b) IMPLEMENTATION.—The amendment made by subsection (a)(5) shall apply to all fiscal years beginning on or after October 1, 2001, and ending before October 1, 2007. All other amendments made by this section shall apply to all fiscal years beginning on or after October 1, 1999.

SEC. 405. SIMPLIFIED APPLICATION AND ELIGIBILITY DETERMINATION SYSTEMS.

Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by inserting at the end the following:

''(*l*) SIMPLIFICATION OF SYSTEMS.—The Secretary shall expend up to $10 million in each fiscal year to pay 100 percent of the costs of State agencies to develop and implement simple application and eligibility determination systems.''.

SEC. 406. AUTHORIZATION OF APPROPRIATIONS.

(a) EMPLOYMENT AND TRAINING PROGRAMS.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)(vii) by striking ''fiscal year 2002'' and inserting ''each of the fiscal years 2003 through 2011''; and

(2) in subparagraph (B) by striking ''2002'' and inserting ''2011''.

(b) COST ALLOCATION.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in subparagraph (A) by striking ''2002'' and inserting ''2011''; and

(2) in subparagraph (B)(ii) by striking ''2002'' and inserting ''2011''.

(c) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking ''2002'' and inserting ''2011''.

(d) OUTREACH DEMONSTRATION PROJECTS.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended by striking ''1992 through 2002'' and inserting ''2003 through 2011''.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking ''1996 through 2002'' and inserting ''2003 through 2011''.

(f) PUERTO RICO.—Section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended—

(1) in clause (ii) by striking ''and'' at the end;

(2) in clause (iii) by adding ''and'' at the end; and

(3) by inserting after clause (iii) the following:

''(iv) for each of fiscal years 2003 through 2011, the amount equal to the amount required to be paid under this subparagraph for the preceding fiscal year, as adjusted by the percentage by which the thrifty food plan is adjusted under section 3(o)(4) for the current fiscal year for which the amount is determined under this clause;''.

(g) TERRITORY OF AMERICAN SAMOA.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is amended by striking ''1996 through 2002'' and inserting ''2003 through 2011''.

(h) ASSISTANCE FOR COMMUNITY FOOD PROJECTS.—Section 25(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2034(b)(2)) is amended—

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

(2) in subparagraph (B)—

(A) by striking ''2002'' and inserting ''2001''; and

(B) by striking the period at the end and inserting ''; and''; and

(3) by inserting after subparagraph (B) the following:

''(C) $7,500,000 for each of the fiscal years 2002 through 2011.''.

(i) AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

(1) in subsection (a)—

(A) by striking ''1997 through 2002'' and inserting ''2002 through 2011''; and

(B) by striking ''$100,000,000'' and inserting ''$140,000,000''; and

(2) by adding at the end the following:

''(c) USE OF FUNDS FOR RELATED COSTS.—For each of the fiscal years 2002 through 2011, the Secretary shall use $10,000,000 of the funds made available under subsection (a) to pay for the direct and indirect costs of the States related to the processing, storing, transporting, and distributing to eligible recipient agencies of commodities purchased by the Secretary under such subsection and commodities secured from other sources, including commodities secured by gleaning (as defined in section 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note)).''.

(j) SPECIAL EFFECTIVE DATE.—The amendments made by subsections (h) and (i) shall take effect of October 1, 2001.

Subtitle B—Commodity Distribution

SEC. 441. DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.

Section 1114(a) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e) is amended by striking ''2002'' and inserting ''2011''.

SEC. 442. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

The Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

(1) in section 4(a) by striking ''1991 through 2002'' and inserting ''2003 through 2011''; and

(2) in subsections (a)(2) and (d)(2) of section 5 by striking ''1991 through 2002'' and inserting ''2003 through 2011''.

SEC. 443. EMERGENCY FOOD ASSISTANCE.

The 1st sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended—

(1) by striking ''1991 through 2002'' and inserting ''2003 through 2011'';

(2) by striking ''administrative''; and

(3) by inserting ''storage,'' after ''processing,''.

Subtitle C—Miscellaneous Provisions

SEC. 461. HUNGER FELLOWSHIP PROGRAM.

(a) SHORT TITLE; FINDINGS.—

(1) SHORT TITLE.—This section may be cited as the ''Congressional Hunger Fellows Act of 2001''.

(2) FINDINGS.—The Congress finds as follows:

(A) There is a critical need for compassionate individuals who are committed to assisting people who suffer from hunger as well as a need for such individuals to initiate and administer solutions to the hunger problem.

(B) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated his commitment to solving the problem of hunger in a bipartisan manner, his commitment to public service, and his great affection for the institution and the ideals of the United States Congress.

(C) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated his compassion for those in need, his high regard for public service, and his lively exercise of political talents.

(D) The special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all.

(E) These 2 outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, and therefore it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by creating a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(b) ESTABLISHMENT.—There is established as an independent entity of the legislative branch of the United States Government the Congressional Hunger Fellows Program (hereinafter in this section referred to as the ''Program'').

(c) BOARD OF TRUSTEES.—

(1) IN GENERAL.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) MEMBERS OF THE BOARD OF TRUSTEES.—

(A) APPOINTMENT.—The Board shall be composed of 6 voting members appointed under clause (i) and 1 nonvoting ex officio member designated in clause (ii) as follows:

(i) VOTING MEMBERS.—(I) The Speaker of the House of Representatives shall appoint 2 members.

(II) The minority leader of the House of Representatives shall appoint 1 member.

(III) The majority leader of the Senate shall appoint 2 members.

(IV) The minority leader of the Senate shall appoint 1 member.

(ii) NONVOTING MEMBER.—The Executive Director of the program shall serve as a nonvoting ex officio member of the Board.

(B) TERMS.—Members of the Board shall serve a term of 4 years.

(C) VACANCY.—

(i) AUTHORITY OF BOARD.—A vacancy in the membership of the Board does not affect the power of the remaining members to carry out this section.

(ii) APPOINTMENT OF SUCCESSORS.—A vacancy in the membership of the Board shall be filled in the same manner in which the original appointment was made.

(iii) INCOMPLETE TERM.—If a member of the Board does not serve the full term applicable to the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(D) CHAIRPERSON.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(E) COMPENSATION.—

(i) IN GENERAL.—Subject to clause (ii), members of the Board may not receive compensation for service on the Board.

(ii) TRAVEL.—Members of the Board may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the duties of the program.

(3) DUTIES.—

(A) BYLAWS.—

(i) ESTABLISHMENT.—The Board shall establish such bylaws and other regulations as may be appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) CONTENTS.—Such bylaws and other regulations shall include provisions—

(I) for appropriate fiscal control, funds accountability, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in the procurement and employment actions taken by the Board or by any officer or employee of the Board and in the selection and placement of individuals in the fellowships developed under the program;

(III) for the resolution of a tie vote of the members of the Board; and

(IV) for authorization of travel for members of the Board.

(iii) TRANSMITTAL TO CONGRESS.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall transmit to the appropriate congressional committees a copy of such bylaws.

(B) BUDGET.—For each fiscal year the program is in operation, the Board shall determine a budget for the program for that fiscal year. All spending by the program shall be pursuant to such budget unless a change is approved by the Board.

(C) PROCESS FOR SELECTION AND PLACEMENT OF FELLOWS.—The Board shall review and approve the process established by the Executive Director for the selection and placement of individuals in the fellowships developed under the program.

(D) ALLOCATION OF FUNDS TO FELLOWSHIPS.—The Board of Trustees shall determine the priority of the programs to be carried out under this section and the amount of funds to be allocated for the Emerson and Leland fellowships.

(d) PURPOSES; AUTHORITY OF PROGRAM.—

(1) PURPOSES.—The purposes of the program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service, to recognize the needs of people who are hungry and poor, and to provide assistance and compassion for those in need;

(B) to increase awareness of the importance of public service; and

(C) to provide training and development opportunities for such leaders through placement in programs operated by appropriate organizations or entities.

(2) AUTHORITY.—The program is authorized to develop such fellowships to carry out the purposes of this section, including the fellowships described in paragraph (3).

(3) FELLOWSHIPS.—

(A) IN GENERAL.—The program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) CURRICULUM.—

(i) IN GENERAL.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS OF BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(iii) FOCUS OF MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iv) WORKPLAN.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including specific duties and responsibilities related to those objectives.

(C) PERIOD OF FELLOWSHIP.—

(i) EMERSON FELLOW.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for no more than 1 year.

(ii) LELAND FELLOW.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for no more than 2 years. Not less than one year of the fellowship shall be

dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) SELECTION OF FELLOWS.—

(i) IN GENERAL.—A fellowship shall be awarded pursuant to a nationwide competition established by the program.

(ii) QUALIFICATION.—A successful applicant shall be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) a commitment to social change;

(III) leadership potential or actual leadership experience;

(IV) diverse life experience;

(V) proficient writing and speaking skills;

(VI) an ability to live in poor or diverse communities; and

(VII) such other attributes as determined to be appropriate by the Board.

(iii) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the program.

(II) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iv) RECOGNITION OF FELLOWSHIP AWARD.—

(I) EMERSON FELLOW.—An individual awarded a fellowship from the Bill Emerson Hunger Fellowship shall be known as an ''Emerson Fellow''.

(II) LELAND FELLOW.—An individual awarded a fellowship from the Mickey Leland Hunger Fellowship shall be known as a ''Leland Fellow''.

(4) EVALUATION.—The program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships. Such evaluations shall include the following:

(A) An assessment of the successful completion of the work plan of the fellow.

(B) An assessment of the impact of the fellowship on the fellows.

(C) An assessment of the accomplishment of the purposes of the program.

(D) An assessment of the impact of the fellow on the community.

(e) TRUST FUND.—

(1) ESTABLISHMENT.—There is established the Congressional Hunger Fellows Trust Fund (hereinafter in this section referred to as the ''Fund'') in the Treasury of the United States, consisting of amounts appropriated to the Fund under subsection (i), amounts credited to it under paragraph (3), and amounts received under subsection (g)(3)(A).

(2) INVESTMENT OF FUNDS.—The Secretary of the Treasury shall invest the full amount of the Fund. Each investment shall be made in an interest bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary in consultation with the Board, has a maturity suitable for the Fund.

(3) RETURN ON INVESTMENT.—Except as provided in subsection (f)(2), the Secretary of the Treasury shall credit to the Fund the interest on, and the proceeds from the sale or redemption of, obligations held in the Fund.

(f) EXPENDITURES; AUDITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the program from the amounts described in subsection (e)(3) and subsection (g)(3)(A) such sums as the Board determines are necessary to enable the program to carry out the provisions of this section.

(2) LIMITATION.—The Secretary may not transfer to the program the amounts appropriated to the Fund under subsection (i).

(3) USE OF FUNDS.—Funds transferred to the program under paragraph (1) shall be used for the following purposes:

(A) STIPENDS FOR FELLOWS.—To provide for a living allowance for the fellows.

(B) TRAVEL OF FELLOWS.—To defray the costs of transportation of the fellows to the fellowship placement sites.

(C) INSURANCE.—To defray the costs of appropriate insurance of the fellows, the program, and the Board.

(D) TRAINING OF FELLOWS.—To defray the costs of preservice and midservice education and training of fellows.

(E) SUPPORT STAFF.—Staff described in subsection (g).

(F) AWARDS.—End-of-service awards under subsection (d)(3)(D)(iii)(II).

(G) ADDITIONAL APPROVED USES.—For such other purposes that the Board determines appropriate to carry out the program.

(4) AUDIT BY GAO.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the program.

(B) BOOKS.—The program shall make available to the Comptroller General all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the program and necessary to facilitate such audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit a copy of the results of each such audit to the appropriate congressional committees.

(g) STAFF; POWERS OF PROGRAM.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall appoint an Executive Director of the program who shall administer the program. The Executive Director shall carry out such other functions consistent with the provisions of this section as the Board shall prescribe.

(B) RESTRICTION.—The Executive Director may not serve as Chairperson of the Board.

(C) COMPENSATION.—The Executive Director shall be paid at a rate not to exceed the rate of basic pay payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) STAFF.—

(A) IN GENERAL.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of additional personnel as the Executive Director considers necessary and appropriate to carry out the functions of the provisions of this section.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate of basic pay payable for level GS–15 of the General Schedule.

(3) POWERS.—In order to carry out the provisions of this section, the program may perform the following functions:

(A) GIFTS.—The program may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the program. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Fund and shall be available for disbursement upon order of the Board.

(B) EXPERTS AND CONSULTANTS.—The program may procure temporary and intermittent services under section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS–15 of the General Schedule.

(C) CONTRACT AUTHORITY.—The program may contract, with the approval of a majority of the members of the Board, with and compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(D) OTHER NECESSARY EXPENDITURES.—The program shall make such other expenditures which the program considers necessary to carry out the provisions of this section, but excluding project development.

(h) REPORT.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the program carried out during the previous fiscal year, and shall include the following:

(1) An analysis of the evaluations conducted under subsection (d)(4) (relating to evaluations of the Emerson and Leland fellowships and accomplishment of the program purposes) during that fiscal year.

(2) A statement of the total amount of funds attributable to gifts received by the program in that fiscal year (as authorized under subsection (g)(3)(A)), and the total amount of such funds that were expended to carry out the program that fiscal year.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $18,000,000 to carry out the provisions of this section.

(j) DEFINITION.—In this section, the term ''appropriate congressional committees'' means—

(1) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(2) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the Senate.

SEC. 462. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title shall take effect on October 1, 2002.

TITLE V—CREDIT

SEC. 501. ELIGIBILITY OF LIMITED LIABILITY COMPANIES FOR FARM OWNERSHIP LOANS, FARM OPERATING LOANS, AND EMERGENCY LOANS.

(a) Sections 302(a), 311(a), and 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a), 1941(a), and 1961(a)) are each amended by striking ''and joint operations'' each place it appears and inserting ''joint operations, and limited liability companies''.

(b) Section 321(a) of such Act (7 U.S.C. 1961(a)) is amended by striking ''or joint operations'' each place it appears and inserting ''joint operations, or limited liability companies''.

SEC. 502. SUSPENSION OF LIMITATION ON PERIOD FOR WHICH BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.

During the period beginning January 1, 2002, and ending December 31, 2006, section 319(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1949(b)) shall have no force or effect.

SEC. 503. ADMINISTRATION OF CERTIFIED LENDERS AND PREFERRED CERTIFIED LENDERS PROGRAMS.

(a) IN GENERAL.—Section 331(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)) is amended—

(1) by redesignating paragraphs (2) through (9) as paragraphs (3) through (10), respectively; and

(2) by inserting after paragraph (1) the following:

''(2) administer the loan guarantee program under section 339(c) through central offices established in States or in multi-State areas;''.

(b) CONFORMING AMENDMENT.—Section 331(c) of such Act (7 U.S.C. 1981(c)) is amended by striking ''(b)(5)'' and inserting ''(b)(6)''.

SEC. 504. SIMPLIFIED LOAN GUARANTEE APPLICATION AVAILABLE FOR LOANS OF GREATER AMOUNTS.

Section 333A(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(g)(1)) is amended by striking ''$50,000'' and inserting ''$150,000''.

SEC. 505. ELIMINATION OF REQUIREMENT THAT SECRETARY REQUIRE COUNTY COMMITTEES TO CERTIFY IN WRITING THAT CERTAIN LOAN REVIEWS HAVE BEEN CONDUCTED.

Section 333 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983) is amended by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively.

SEC. 506. AUTHORITY TO REDUCE PERCENTAGE OF LOAN GUARANTEED IF BORROWER INCOME IS INSUFFICIENT TO SERVICE DEBT.

Section 339 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1989) is amended—

(1) in subsection (c)(4)(A), by inserting '', except that the Secretary may guarantee such lesser percentage as the Secretary determines appropriate of such a loan if the income of the borrower is less than the income necessary to meet the requirements of subsection (b)'' before the period; and

(2) in subsection (d)(4)(A), by inserting '', except that the Secretary may guarantee such lesser percentage as the Secretary determines appropriate of such a loan if the income of the borrower is less than the income necessary to meet the requirements of subsection (b)'' before the semicolon.

SEC. 507. TIMING OF LOAN ASSESSMENTS.

Section 360(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(a)) is amended by striking ''After an applicant is determined eligible for assistance under this title by the appropriate county committee established pursuant to section 332, the'' and inserting ''The''.

SEC. 508. MAKING AND SERVICING OF LOANS BY PERSONNEL OF STATE, COUNTY, OR AREA COMMITTEES.

(a) IN GENERAL.—Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981–2008j) is amended by adding at the end the following:

''SEC. 376. MAKING AND SERVICING OF LOANS BY PERSONNEL OF STATE, COUNTY, OR AREA COMMITTEES.

''The Secretary shall employ personnel of a State, county or area committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C 590h(b)(5)) to make and service loans under this title to the extent the personnel have been trained to do so.''.

(b) INAPPLICABILITY OF FINALITY RULE.—Section 281(a)(1) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7001(a)(1)) is amended by inserting '', except functions performed pursuant to section 376 of the Consolidated Farm and Rural Development Act'' before the period.

SEC. 509. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY, OR AREA COMMITTEE FOR LOANS AND LOAN GUARANTEES.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981–2008j) is further amended by adding at the end the following:

''SEC. 377. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY, OR AREA COMMITTEE FOR LOANS AND LOAN GUARANTEES.

''The Secretary shall not prohibit an employee of a State, county or area committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)) or an employee of the Department of Agriculture from obtaining a loan or loan guarantee under subtitle A, B or C of this title if an office of the Department of Agriculture other than the office in which the employee is located determines that the employee is otherwise eligible for the loan or loan guarantee.''.

SEC. 510. EMERGENCY LOANS IN RESPONSE TO AN ECONOMIC EMERGENCY RESULTING FROM QUARANTINES AND SHARPLY INCREASING ENERGY COSTS.

(a) LOAN AUTHORITY.—Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended—

(1) in each of the 1st and 3rd sentences—

(A) by striking ''a natural disaster in the United States or by'' and inserting ''a quarantine imposed by the Secretary under the Plant Protection Act or the animal quarantine laws (as defined in section 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990), an economic emergency resulting from sharply increasing energy costs as described in section 329(b), a natural disaster in the United States, or''; and

(B) by inserting ''Robert T. Stafford'' before ''Disaster Relief and Emergency Assistance Act''; and

(2) in the 4th sentence—

(A) by striking ''a natural disaster'' and inserting ''such a quarantine, economic emergency, or natural disaster''; and

(B) by striking ''by such natural disaster'' and inserting ''by such quarantine, economic emergency, or natural disaster''.

(b) CONFORMING AMENDMENT.—Section 323 of such Act (7 U.S.C. 1963) is amended—

(1) by inserting ''quarantine,'' before ''natural disaster''; and

(2) by inserting ''referred to in section 321(a), including, notwithstanding any other provision of this title, an economic emergency resulting from sharply increasing energy costs as described in section 329(b)'' after ''emergency''.

(c) SHARPLY INCREASING ENERGY COSTS.—Section 329 of such Act (7 U.S.C. 1969) is amended—

(1) by striking all that precedes ''Secretary shall'' and inserting the following:

''SEC. 329. LOSS CONDITIONS.

''(a) IN GENERAL.—Except as provided in subsection (b), the''; and

(2) by adding after and below the end the following:

''(b) LOSS RESULTING FROM SHARPLY INCREASING ENERGY COSTS.—The Secretary shall make financial assistance under this subtitle available to any applicant seeking assistance based on an income loss resulting from sharply increasing energy costs referred to in section 323 if—

''(1) the price of electricity, gasoline, diesel fuel, natural gas, propane, or other equivalent fuel during any 3-month period is at least 50 percent greater than the average price of the same form of energy during the preceding 5 years, as determined by the Secretary; and

''(2) the income loss of the applicant is directly related to expenses incurred to prevent livestock mortality, the degradation of a perishable agricultural commodity, or damage to a field crop.''.

(d) MAXIMUM AMOUNT OF LOAN.—Section 324(a) of such Act (7 U.S.C. 1964(a)) is amended—

(1) by striking ''or'' at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(3) by adding at the end the following:

''(3) in the case of a loan made in response to a quarantine referred to in section 321, exceeds $500,000; or

''(4) in the case of a loan made in response to an economic emergency referred to in section 321, exceeds $200,000.''.

SEC. 511. EXTENSION OF AUTHORITY TO CONTRACT FOR SERVICING OF FARMER PROGRAM LOANS.

Section 331(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(d)) is amended—

(1) in the heading by striking ''TEMPORARY''; and

(2) in paragraph (5), by striking ''2002'' and inserting ''2011''.

SEC. 512. AUTHORIZATION FOR LOANS.

Section 346(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(1)) is amended by striking ''not more than the following amounts:'' and all that follows and inserting ''such sums as may be necessary.''.

SEC. 513. RESERVATION OF FUNDS FOR DIRECT OPERATING LOANS FOR BEGINNING FARMERS AND RANCHERS.

Section 346(b)(2)(A)(ii)(III) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(2)(A)(ii)(III)) is amended by striking ''2000 through 2002'' and inserting ''2002 through 2011''.

SEC. 514. EXTENSION OF INTEREST RATE REDUCTION PROGRAM.

Section 351(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999(a)(2)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 515. INCREASE IN DURATION OF LOANS UNDER DOWN PAYMENT LOAN PROGRAM.

(a) IN GENERAL.—Section 310E(b)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935(b)(3)) is amended by striking ''10'' and inserting ''15''.

(b) CONFORMING AMENDMENT.—Section 310E(c)(3)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935(c)(3)(B)) is amended by striking ''10-year'' and inserting ''15-year''.

SEC. 516. HORSE BREEDER LOANS.

(a) DEFINITION OF HORSE BREEDER.—In this section, the term ''horse breeder'' means a person that, as of the date of the enactment of this Act, derives more than 70 percent of the income of the person from the business of breeding, boarding, raising, training, or selling horses, during the shorter of—

(1) the 5-year period ending on January 1, 2001; or

(2) the period the person has been engaged in the business.

(b) LOAN AUTHORIZATION.—The Secretary shall make a loan to an eligible horse breeder to assist the breeder for losses suffered as a result of mare reproductive loss syndrome.

(c) ELIGIBILITY.—A horse breeder shall be eligible for a loan under this section if the Secretary determines that, as a result of mare reproductive loss syndrome—

(1) during the period beginning January 1, 2000, and ending October 1, 2000, or during the period beginning January 1, 2001, and ending October 1, 2001—

(A) 30 percent or more of the mares owned by the breeder failed to conceive, miscarried, aborted, or otherwise failed to produce a live healthy foal; or

(B) 30 percent or more of the mares boarded on a farm owned, operated, or leased by the breeder failed to conceive, miscarried, aborted, or otherwise failed to produce a live healthy foal;

(2) during the period beginning January 1, 2000, and ending on September 30, 2002, the breeder was unable to meet the financial obligations, or pay the ordinary and necessary expenses, of the breeder incurred in connection with breeding, boarding, raising, training, or selling horses; and

(3) the breeder is not able to obtain sufficient credit elsewhere (within the meaning of section 321(a) of the Consolidated Farm and Rural Development Act).

(d) AMOUNT.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall determine the amount of a loan to be made to a horse breeder under this section, on the basis of the amount of losses suffered by the breeder, and the financial needs of the breeder, as a result of mare reproductive loss syndrome.

(2) MAXIMUM AMOUNT.—The amount of a loan made under this section shall not exceed $500,000.

(e) TERM.—

(1) IN GENERAL.—Subject to paragraph (2), the term for repayment of a loan made to a horse breeder under this section shall be determined by the Secretary based on the ability of the breeder to repay the loan.

(2) MAXIMUM TERM.—The term of a loan made under this section shall not exceed 15 years.

(f) INTEREST RATE.—Interest shall be payable on a loan made under this section, at the rate prescribed under section 324(b)(1) of the Consolidated Farm and Rural Development Act.

(g) SECURITY.—Security shall be required on a loan made under this section, in accordance with section 324(d) of the Consolidated Farm and Rural Development Act.

(h) APPLICATION.—To be eligible to obtain a loan under this section, a horse breeder shall submit to the Secretary an application for the loan not later than September 30, 2002.

(i) FUNDING.—The Secretary shall carry out this section using funds available for emergency loans under subtitle C of the Consolidated Farm and Rural Development Act.

(j) TERMINATION.—The authority provided by this section shall terminate on September 30, 2003.

SEC. 517. SUNSET OF DIRECT LOAN PROGRAMS UNDER THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

(a) IN GENERAL.—Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981–2008j) is amended by inserting after section 344 the following:

"SEC. 345. SUNSET OF DIRECT LOAN PROGRAMS.

''(a) IN GENERAL.—Except as provided in subsection (b), beginning 5 years after the date of the enactment of this section, the Secretary may not make a direct loan under section 302 or 311.

''(b) EXCEPTIONS.—Subsection (a) shall not apply to any authority to make direct loans to youths, qualified beginning farmers or ranchers, or members of socially disadvantaged groups.

''(c) NO EFFECT ON EXISTING CONTRACTS.—Subsection (a) shall not be construed to permit the violation of any contract entered into before the 5-year period described in subsection (a).''.

(b) EVALUATIONS OF DIRECT AND GUARANTEED LOAN PROGRAMS.—

(1) STUDIES.—The Secretary of Agriculture shall conduct 2 studies of the direct and guaranteed loan progams under sections 302 and 311 of the Consolidated Farm and Rural Development Act, each of which shall include an examination of the number, average principal amount, and delinquency and default rates of loans provided or guaranteed during the period covered by the study.

(2) PERIODS COVERED.—

(A) FIRST STUDY.—1 study under paragraph (1) shall cover the 1-year period that begins 1 year after the date of the enactment of this section.

(B) SECOND STUDY.—1 study under paragraph (1) shall cover the 1-year period that begins 3 years after such date of enactment.

(3) REPORTS TO THE CONGRESS.—At the end of the period covered by a study under this subsection, the Secretary of Agriculture shall submit to the Congress a report that contains an evaluation of the results of the study, including an analysis of the effectiveness of loan programs referred to in paragraph (1) in meeting the credit needs of agricultural producers in an efficient and fiscally responsible manner.

SEC. 518. DEFINITION OF DEBT FORGIVENESS.

Section 343(a)(12)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(12)(B)) is amended to read as follows:

''(B) EXCEPTIONS.—The term 'debt forgiveness' does not include—

''(i) consolidation, rescheduling, reamortization, or deferral of a loan; or

''(ii) any write-down provided as a part of a resolution of a discrimination complaint against the Secretary.''.

SEC. 519. LOAN ELIGIBILITY FOR BORROWERS WITH PRIOR DEBT FORGIVENESS.

Section 373(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008h(b)(1)) is amended to read as follows:

''(1) PROHIBITIONS.—Except as provided in paragraph (2)—

''(A) the Secretary may not make a loan under this title to a borrower who, on more than 2 occasions, received debt forgiveness on a loan made or guaranteed under this title; and

''(B) the Secretary may not guarantee a loan under this title to a borrower who, on more than 3 occasions, received debt forgiveness on a loan made or guaranteed under this title.''.

SEC. 520. ALLOCATION OF CERTAIN FUNDS FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

The last sentence of section 355(c)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(c)(2)) is amended to read as follows: ''Any funds reserved and allocated under this paragraph but not used within a State shall, to the extent necessary to satisfy pending applications under this title, be available for use by socially disadvantaged farmers and ranchers in other States, as determined by the Secretary, and any remaining funds shall be reallocated within the State.''.

SEC. 521. HORSES CONSIDERED TO BE LIVESTOCK UNDER THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

Section 343 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991) is amended by adding at the end the following:

''(c) LIVESTOCK INCLUDES HORSES.—The term 'livestock' includes horses.''.

TITLE VI—RURAL DEVELOPMENT

SEC. 601. FUNDING FOR RURAL LOCAL TELEVISION BROADCAST SIGNAL LOAN GUARANTEES.

Section 1011(a) of the Launching Our Communities' Access to Local Television Act of 2000 (title X of H.R. 5548, as enacted by section 1(a)(2) of Public Law 106-553) is amended by adding at the end the following: ''In addition, a total of $200,000,000 of the funds of the Commodity Credit Corporation shall be available during fiscal years 2002 through 2006, without fiscal year limitation, for loan guarantees under this title.''.

SEC. 602. EXPANDED ELIGIBILITY FOR VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.

Section 231(a) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note) is amended—

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

''(1) ESTABLISHMENT AND PURPOSES.—In each of fiscal years 2002 through 2011, the Secretary shall use $50,000,000 of the funds of the Commodity Credit Corporation to award competitive grants—

''(A) to eligible independent producers (as determined by the Secretary) of value-added agricultural commodities and products of agricultural commodities to assist an eligible producer—

''(i) to develop a business plan for viable marketing opportunities for a value-added agricultural commodity or product of an agricultural commodity; or

''(ii) to develop strategies for the ventures that are intended to create marketing opportunities for the producers; and

''(B) to public bodies, institutions of higher learning, and trade associations to assist such entities—

''(i) to develop a business plan for viable marketing opportunities in emerging markets for a value-added agricultural commodity or product of an agricultural commodity; or

''(ii) to develop strategies for the ventures that are intended to create marketing opportunities in emerging markets for the producers.'';

(2) by striking ''producer'' each place it appears thereafter and inserting ''grantee''; and

(3) in the heading for paragraph (3), by striking ''PRODUCER'' and inserting ''GRANTEE''.

SEC. 603. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.

(a) PURPOSES.—The purposes of this section are to carry out a demonstration program under which agricultural producers are provided—

(1) technical assistance, including engineering services, applied research, scale production, and similar services to enable the producers to establish businesses for further processing of agricultural products;

(2) marketing, market development, and business planning; and

(3) overall organizational, outreach, and development assistance to increase the viability, growth, and sustainability of value-added agricultural businesses.

(b) NATURE OF PROGRAM.—The Secretary of Agriculture (in this section referred to as the ''Secretary'') shall—

(1) make grants to eligible applicants for the purposes of enabling the applicants to obtain the assistance described in subsection (a); and

(2) provide assistance to eligible applicants through the research and technical services of the Department of Agriculture.

(c) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—An applicant shall be eligible for a grant and assistance described in subsection (b) to establish an Agriculture Innovation Center if—

(A) the applicant—

(i) has provided services similar to those described in subsection (a); or

(ii) shows the capability of providing the services;

(B) the application of the applicant for the grant and assistance sets forth a plan, in accordance with regulations which shall be prescribed by the Secretary, outlining support of the applicant in the agricultural community, the technical and other expertise of the applicant, and the goals of the applicant for increasing and improving the ability of local producers to develop markets and processes for value-added agricultural products;

(C) the applicant demonstrates that resources (in cash or in kind) of definite value are available, or have been committed to be made available, to the applicant, to increase and improve the ability of local producers to develop markets and processes for value-added agricultural products; and

(D) the applicant meets the requirement of paragraph (2).

(2) BOARD OF DIRECTORS.—The requirement of this paragraph is that the applicant shall have a board of directors comprised of representatives of the following groups:

(A) The 2 general agricultural organizations with the greatest number of members in the State in which the applicant is located.

(B) The Department of Agriculture or similar State organization or department, for the State.

(C) Organizations representing the 4 highest grossing commodities produced in the State, according to annual gross cash sales.

(d) GRANTS AND ASSISTANCE.—

(1) IN GENERAL.—Subject to subsection (g), the Secretary shall make annual grants to eligible applicants under this section, each of which grants shall not exceed the lesser of—

(A) $1,000,000; or

(B) twice the dollar value of the resources (in cash or in kind) that the applicant has demonstrated are available, or have been committed to be made available, to the applicant in accordance with subsection (c)(1)(C).

(2) INITIAL LIMITATION.—In the first year of the demonstration program under this section, the Secretary shall make grants under this section, on a competitive basis, to not more than 5 eligible applicants.

(3) EXPANSION OF DEMONSTRATION PROGRAM.—In the second year of the demonstration program under this section, the Secretary may make grants under this section to not more than 10 eligible applicants, in addition to any entities to which grants are made under paragraph (2) for such year.

(4) STATE LIMITATION.—In the first 3 years of the demonstration program under this section, the Secretary shall not make an Agricultural Innovation Center Demonstration Program grant under this section to more than 1 entity in a single State.

(e) USE OF FUNDS.—An entity to which a grant is made under this section may use the grant only for the following purposes, but only to the extent that the use is not described in section 231(d) of the Agricultural Risk Protection Act of 2000:

(1) Applied research.

(2) Consulting services.

(3) Hiring of employees, at the discretion of the board of directors of the entity.

(4) The making of matching grants, each of which shall be not more than $5,000, to agricultural producers, so long as the aggregate amount of all such matching grants shall be not more than $50,000.

(5) Legal services.

(f) RULE OF INTERPRETATION.—This section shall not be construed to prevent a recipient of a grant under this section from collaborating with any other institution with respect to activities conducted using the grant.

(g) AVAILABILITY OF FUNDS.—Of the amount made available under section 231(a)(1) of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 7 U.S.C. 1621 note), the Secretary shall use to carry out this section—

(1) not less than $5,000,000 for fiscal year 2002; and

(2) not less than $10,000,000 for each of the fiscal years 2003 and 2004.

(h) REPORT ON BEST PRACTICES.—

(1) EFFECTS ON THE AGRICULTURAL SECTOR.—The Secretary shall utilize $300,000 per year of the funds made available pursuant to this section to support research at any university into the effects of value-added projects on agricultural producers and the commodity markets. The research should systematically examine possible effects on demand for agricultural commodities, market prices, farm income, and Federal outlays on commodity programs using linked, long-term, global projections of the agricultural sector.

(2) DEPARTMENT OF AGRICULTURE.—Not later than 3 years after the first 10 grants are made under this section, the Secretary shall prepare and submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives a written report on the effectiveness of the demonstration program conducted under this section at improving the production of value-added agricultural products and on the effects of the program on the economic viability of the producers, which shall include the best practices and innovations found at each of the Agriculture Innovation Centers established under the demonstration program under this section, and detail the number and type of agricultural projects assisted, and the type of assistance provided, under this section.

SEC. 604. FUNDING OF COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

(a) FUNDING.—In each of fiscal years 2002 through 2011, the Secretary of Agriculture shall use $30,000,000 of the funds of the Commodity Credit Corporation to carry out section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a).

(b) EXTENSION OF PROGRAM.—Section 306A(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)) is amended by striking ''2002'' and inserting ''2011''.

(c) MISCELLANEOUS AMENDMENTS.—Section 306A of such Act (7 U.S.C. 1926a) is amended—

(1) in the heading by striking ''**EMERGENCY**'';

(2) in subsection (a)(1)—

(A) by striking ''after'' and inserting ''when''; and

(B) by inserting ''is imminent'' after ''communities''; and

(3) in subsection (c), by striking ''shall—'' and all that follows and inserting ''shall be a public or private nonprofit entity.''.

SEC. 605. LOAN GUARANTEES FOR THE FINANCING OF THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.

Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) is amended—

(1) by inserting ''(a)'' before ''The Secretary''; and

(2) by adding after and below the end the following:

''(b) LOAN GUARANTEES FOR THE FINANCING OF THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.—The Secretary may provide a loan guarantee, on such terms and conditions as the Secretary deems appropriate, for the purpose of financing the purchase of a renewable energy system, including a wind energy system and anaerobic digestors for the purpose of energy generation, by any person or individual who is a farmer, a rancher, or an owner of a small business (as defined by the Secretary) that is located in a rural area (as defined by the Secretary). In providing guarantees under this subsection, the Secretary shall give priority to loans used primarily for power generation on a farm, ranch, or small business (as so defined).''.

SEC. 606. LOANS AND LOAN GUARANTEES FOR RENEWABLE ENERGY SYSTEMS.

Section 310B(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(3)) is amended by inserting ''and other renewable energy systems including wind energy systems and anaerobic digestors for the purpose of energy generation'' after ''solar energy systems''.

SEC. 607. RURAL BUSINESS OPPORTUNITY GRANTS.

Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 608. GRANTS FOR WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

Section 306D(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d(d)(1)) is amended by striking ''and 2002'' and inserting ''through 2011''.

SEC. 609. RURAL COOPERATIVE DEVELOPMENT GRANTS.

Section 310B(e)(9) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(9)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 610. NATIONAL RESERVE ACCOUNT OF RURAL DEVELOPMENT TRUST FUND.

Section 381E(e)(3)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009d(e)(3)(F)) is amended by striking ''fiscal year 2002'' and inserting ''each of the fiscal years 2002 through 2011''.

SEC. 611. RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.

Section 381O(b)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009n(b)(3)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 612. INCREASE IN LIMIT ON CERTAIN LOANS FOR RURAL DEVELOPMENT.

Section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)) is amended by striking ''$25,000,000'' and inserting ''$100,000,000''.

SEC. 613. PILOT PROGRAM FOR DEVELOPMENT AND IMPLEMENTATION OF STRATEGIC REGIONAL DEVELOPMENT PLANS.

(a) DEVELOPMENT.—

(1) SELECTION OF STATES.—The Secretary of Agriculture (in this section referred to as the ''Secretary'') shall select 10 States in which to implement strategic regional development plans developed under this subsection.

(2) GRANTS.—

(A) AUTHORITY.—

(i) IN GENERAL.—From the funds made available to carry out this subsection, the Secretary shall make a matching grant to 1 or more entities in each State selected under subsection (a), to develop a strategic regional development plan that provides for rural economic development in a region in the State in which the entity is located.

(ii) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to entities that represent a regional coalition of community-based planning, development, governmental, and business organizations.

(B) TERMS OF MATCH.—In order for an entity to be eligible for a matching grant under this subsection, the entity shall make a commitment to the Secretary to provide funds for the development of a strategic regional development plan of the kind referred to in subparagraph (A) in an amount that is not less than the amount of the matching grant.

(C) LIMITATION.—The Secretary shall not make a grant under this subsection in an amount that exceeds $150,000.

(3) FUNDING.—

(A) IN GENERAL.—The Secretary shall use $2,000,000 of the funds of the Commodity Credit Corporation in each of fiscal years 2002 through 2011 to carry out this subsection.

(B) AVAILABILITY.—Funds made available pursuant to subparagraph (A) shall remain available without fiscal year limitation.

(b) STRATEGIC PLANNING IMPLEMENTATION.—

(1) The Secretary shall use the authorities provided in the provisions of law specified in section 793(c)(1)(A)(ii) of the Federal Agriculture Improvement and Reform Act of 1996 to implement the strategic regional development plans developed pursuant to subsection (a) of this section.

(2) FUNDING.—

(A) IN GENERAL.—The Secretary shall use $13,000,000 of the funds of the Commodity Credit Corporation in each of fiscal years 2002 through 2011 to carry out this subsection.

(B) AVAILABILITY.—Funds made available pursuant to subparagraph (A) shall remain available without fiscal year limitation.

(c) USE OF FUNDS.—The amounts made available under subsections (a) and (b) may be used as the Secretary deems appropriate to carry out any provision of this section.

SEC. 614. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

(a) IN GENERAL.—Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922–1949) is amended by inserting after section 306D the following:

"SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

''(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this section, the term 'eligible individual' means an individual who is a member of a household, the combined income of whose members for the most recent 12-month period for which the information is available, is not more than 100 percent of the median nonmetropolitan household income for the State or territory in which the individual resides, according to the most recent decennial census of the United States.

''(b) GRANTS.—The Secretary may make grants to private nonprofit organizations for the purpose of assisting eligible individuals in obtaining financing for the construction, refurbishing, and servicing of individual household water well systems in rural areas that are owned (or to be owned) by the eligible individuals.

''(c) USE OF FUNDS.—A grant made under this section may be—

''(1) used, or invested to provide income to be used, to carry out subsection (b); and

''(2) used to pay administrative expenses associated with providing the assistance described in subsection (b).

''(d) PRIORITY IN AWARDING GRANTS.—In awarding grants under this section, the Secretary shall give priority 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.''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on October 1, 2001.

SEC. 615. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

Subtitle E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009–2009n) is amended by adding at the end the following:

"SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

''(a) RURAL AREA DEFINED.—In this section, the term 'rural area' means such areas as the Secretary may determine.

''(b) ESTABLISHMENT.—There is established a National Rural Development Partnership (in this section referred to as the 'Partnership'), which shall be composed of—

''(1) the National Rural Development Coordinating Committee established in accordance with subsection (c); and

''(2) State rural development councils established in accordance with subsection (d).

''(c) NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.—

''(1) COMPOSITION.—The National Rural Development Coordinating Committee (in this section referred to as the 'Coordinating Committee') may be composed of—

''(A) representatives of all Federal departments and agencies with policies and programs that affect or benefit rural areas;

''(B) representatives of national associations of State, regional, local, and tribal governments and intergovernmental and multijurisdictional agencies and organizations;

''(C) national public interest groups; and

''(D) other national nonprofit organizations that elect to participate in the activities of the Coordinating Committee.

''(2) FUNCTIONS.—The Coordinating Committee may—

''(A) provide support for the work of the State rural development councils established in accordance with subsection (d); and

''(B) develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting rural areas.

''(d) STATE RURAL DEVELOPMENT COUNCILS.—

''(1) COMPOSITION.—A State rural development council may—

''(A) be composed of representatives of Federal, State, local, and tribal governments, and nonprofit organizations, the private sector, and other entities committed to rural advancement; and

''(B) have a nonpartisan and nondiscriminatory membership that is broad and representative of the economic, social, and political diversity of the State.

''(2) FUNCTIONS.—A State rural development council may—

''(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and non-profit sectors in the planning and implementation of programs and policies that affect the rural areas of the State, and to do so in such a way that provides the greatest degree of flexibility and innovation in responding to the unique needs of the State and the rural areas; and

''(B) in conjunction with the Coordinating Committee, develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting the rural areas of the State.

''(e) ADMINISTRATION OF THE PARTNERSHIP.—The Secretary may provide for any additional support staff to the Partnership as the Secretary determines to be necessary to carry out the duties of the Partnership.

''(f) TERMINATION.—The authority provided by this section shall terminate on the date that is 5 years after the date of the enactment of this section.''.

SEC. 616. ELIGIBILITY OF RURAL EMPOWERMENT ZONES, RURAL ENTERPRISE COMMUNITIES, AND CHAMPION COMMUNITIES FOR DIRECT AND GUARANTEED LOANS FOR ESSENTIAL COMMUNITY FACILITIES.

Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) is amended by inserting after the 1st sentence the following: ''The Secretary may also make or insure loans to communities that have been designated as rural empowerment zones or rural enterprise communities pursuant to part I of subchapter U of chapter 1 of the Internal Revenue Code of 1986, as rural enterprise communities pursuant to section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, or as champion communities (as determined by the Secretary), to provide for the installation or improvement of essential community facilities including necessary related equipment, and to furnish financial assistance or other aid in planning projects for such purposes.''.

SEC. 617. GRANTS TO TRAIN FARM WORKERS IN NEW TECHNOLOGIES AND TO TRAIN FARM WORKERS IN SPECIALIZED SKILLS NECESSARY FOR HIGHER VALUE CROPS.

(a) IN GENERAL.—The Secretary of Agriculture may make a grant to a nonprofit organization with the capacity to train farm workers, or to a consortium of non-profit organizations, agribusinesses, State and local governments, agricultural labor organizations, and community-based organizations with that capacity.

(b) USE OF FUNDS.—An entity to which a grant is made under this section shall use the grant to train farm workers to use new technologies and develop specialized skills for agricultural development.

(c) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this section, there are authorized to be appropriated to the Secretary of Agriculture not more than $10,000,000 for each of fiscal years 2002 through 2011.

SEC. 618. LOAN GUARANTEES FOR THE PURCHASE OF STOCK IN A FARMER COOPERATIVE SEEKING TO MODERNIZE OR EXPAND.

Section 310B(g)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)(2)) is amended by striking ''start-up'' and all that follows and inserting ''capital stock of a farmer cooperative established for an agricultural purpose.''.

SEC. 619. INTANGIBLE ASSETS AND SUBORDINATED UNSECURED DEBT REQUIRED TO BE CONSIDERED IN DETERMINING ELIGIBILITY OF FARMER-OWNED COOPERATIVE FOR BUSINESS AND INDUSTRY GUARANTEED LOAN.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding at the end the following:

''(h) INTANGIBLE ASSETS AND SUBORDINATED UNSECURED DEBT REQUIRED TO BE CONSIDERED IN DETERMINING ELIGIBILITY OF FARMER-OWNED COOPERATIVE FOR BUSINESS AND INDUSTRY GUARANTEED LOAN.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary may consider the value of the intangible assets and subordinated unsecured debt of the cooperative organization.''.

SEC. 620. BAN ON LIMITING ELIGIBILITY OF FARMER COOPERATIVE FOR BUSINESS AND INDUSTRY LOAN GUARANTEE BASED ON POPULATION OF AREA IN WHICH COOPERATIVE IS LOCATED.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is further amended by adding at the end of the following:

''(i) SPECIAL RULES APPLICABLE TO FARMER COOPERATIVES UNDER THE BUSINESS AND INDUSTRY LOAN PROGRAM.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary shall not apply any lending restriction based on population to the area in which the cooperative organization is located.''.

SEC. 621. RURAL WATER AND WASTE FACILITY GRANTS.

Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended by striking ''aggregating not to exceed $590,000,000 in any fiscal year''.

SEC. 622. RURAL WATER CIRCUIT RIDER PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a national rural water and wastewater circuit rider grant program that shall be modeled after the National Rural Water Association Rural Water Circuit Rider Program that receives funding from the Rural Utilities Service.

(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Secretary of Agriculture $15,000,000 for each fiscal year.

SEC. 623. RURAL WATER GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a national grassroots source water protection program that will utilize the on-site technical assistance capabilities of State rural water associations that are operating wellhead or ground water protection programs in each State.

(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Secretary of Agriculture $5,000,000 for each fiscal year.

TITLE VII—RESEARCH AND RELATED MATTERS

Subtitle A—Extensions

SEC. 700. MARKET EXPANSION RESEARCH.

Section 1436(b)(3)(C) of the Food Security Act of 1985 (7 U.S.C. 1632(b)(3)(C)) is amended by striking ''1990'' and inserting ''2011''.

SEC. 701. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 702. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

Section 1417(*l*) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(*l*)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 703. POLICY RESEARCH CENTERS.

Section 1419A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 704. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1424(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 705. PILOT RESEARCH PROGRAM TO COMBINE MEDICAL AND AGRICULTURAL RESEARCH.

Section 1424A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 706. NUTRITION EDUCATION PROGRAM.

Section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 707. CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 708. APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS.

Section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 709. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 710. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS AT 1890 LAND-GRANT INSTITUTIONS.

Sections 1448(a)(1) and (f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c(a)(1) and (f)) are amended by striking ''2002'' each place it appears and inserting ''2011''.

SEC. 711. HISPANIC-SERVING INSTITUTIONS.

Section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 712. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

Section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 713. UNIVERSITY RESEARCH.

Subsections (a) and (b) of section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a) and (b)) are amended by striking ''2002'' each place it appears and inserting ''2011''.

SEC. 714. EXTENSION SERVICE.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking ''2002'' and inserting ''2011''.

SEC. 715. SUPPLEMENTAL AND ALTERNATIVE CROPS.

Section 1473D(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 716. AQUACULTURE RESEARCH FACILITIES.

The first sentence of section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking ''2002'' and inserting ''2011''.

SEC. 717. RANGELAND RESEARCH.

Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 718. NATIONAL GENETICS RESOURCES PROGRAM.

Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 719. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.

Section 1672(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 720. NUTRIENT MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.

Section 1672A(g) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 721. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 1664(g)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5908(g)(1)) is amended by striking ''2002'' and inserting ''2011''.

(b) CAPITALIZATION.—Section 1664(g)(2) of such Act (7 U.S.C. 5908(g)(2)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 723. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 724. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 402(g) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7622(g)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 725. BIOBASED PRODUCTS.

(a) PILOT PROJECT.—Section 404(e)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking ''2001'' and inserting ''2011''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 404(h) of such Act (7 U.S.C. 7624(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 726. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

Section 406(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(e)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 727. INSTITUTIONAL CAPACITY BUILDING GRANTS.

(a) GENERALLY.—Section 535(b)(1) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''2000'' and inserting ''2011''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 535(c) of such Act is amended by striking ''2000'' and inserting ''2011''.

SEC. 728. 1994 INSTITUTION RESEARCH GRANTS.

Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''2002'' and inserting ''2011''.

SEC. 729. ENDOWMENT FOR 1994 INSTITUTIONS.

The first sentence of section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''$4,600,000'' and all that follows through the period and inserting ''such sums as are necessary to carry out this section for each of fiscal years 1996 through 2011.''.

SEC. 730. PRECISION AGRICULTURE.

Section 403(i) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623(i)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 731. THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.

Section 405(h) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 732. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.

Section 408(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 733. OFFICE OF PEST MANAGEMENT POLICY.

Section 614(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 734. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

Section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 735. GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching

Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 736. BIOMASS RESEARCH AND DEVELOPMENT.

Title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note) is amended—

(1) in section 307(f), by striking ''2005'' and inserting ''2011''; and

(2) in section 310, by striking ''2005'' and inserting ''2011''.

SEC. 737. AGRICULTURAL EXPERIMENT STATIONS RESEARCH FACILITIES.

Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 738. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS NATIONAL RESEARCH INITIATIVE.

Section 2(b)(10) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(10)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 739. FEDERAL AGRICULTURAL RESEARCH FACILITIES AUTHORIZATION OF APPROPRIATIONS.

Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1556) is amended by striking ''2002'' and inserting ''2011''.

SEC. 740. COTTON CLASSIFICATION SERVICES.

The first sentence of section 3a of the Act of March 3, 1927 (commonly known as the ''Cotton Statistics and Estimates Act''; 7 U.S.C. 473a) is amended by striking ''2002'' and inserting ''2011''.

SEC. 740A. CRITICAL AGRICULTURAL MATERIALS RESEARCH.

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking ''2002'' and inserting ''2011''.

Subtitle B—Modifications

SEC. 741. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 534(a)(1)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''$50,000'' and inserting ''$100,000''.

(b) WITHDRAWALS AND EXPENDITURES.—Section 533(c)(4)(A) of such Act is amended by striking ''section 390(3)'' and all that follows through ''1998)'' and inserting ''section 2(a)(7) of the Tribally Controlled College or University Assistance Act of 1978)''.

(c) ACCREDITATION.—Section 533(a)(3) of such Act is amended by striking ''under sections 534 and 535'' and inserting ''under sections 534, 535, and 536''.

(d) 1994 INSTITUTIONS.—Section 532 of such Act is amended by striking paragraphs (1) through (30) and inserting the following:

''(1) Bay Mills Community College.

''(2) Blackfeet Community College.

''(3) Cankdeska Cikana Community College.

''(4) College of Menominee Nation.

''(5) Crownpoint Institute of Technology.

''(6) D–Q University.

''(7) Diné College.

''(8) Dull Knife Memorial College.

''(9) Fond du Lac Tribal and Community College.

''(10) Fort Belknap College.

''(11) Fort Berthold Community College.

''(12) Fort Peck Community College.

''(13) Haskell Indian Nations University.

''(14) Institute of American Indian and Alaska Native Culture and Arts Development.

''(15) Lac Courte Oreilles Ojibwa Community College.

''(16) Leech Lake Tribal College.

''(17) Little Big Horn College.

''(18) Little Priest Tribal College.

''(19) Nebraska Indian Community College.

''(20) Northwest Indian College.

''(21) Oglala Lakota College.

''(22) Salish Kootenai College.

''(23) Sinte Gleska University.

''(24) Sisseton Wahpeton Community College.

''(25) Si Tanka/Huron University.

''(26) Sitting Bull College.

''(27) Southwestern Indian Polytechnic Institute.

''(28) Stone Child College.

''(29) Turtle Mountain Community College.

''(30) United Tribes Technical College.''.

SEC. 742. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.

Section 1404(4) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(4)) is amended—

(1) by striking the period at the end of subparagraph (E) and inserting '', or''; and

(2) by adding at the end the following: ''(F) is one of the 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994).''.

SEC. 743. AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION REFORM ACT OF 1998.

(a) PRIORITY MISSION AREAS.—Section 401(c)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(c)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting ''; and''; and

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

''(G) alternative fuels and renewable energy sources.''.

(b) PRECISION AGRICULTURE.—Section 403 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623) is amended—

(1) in subsection (a)(5)(F), by inserting ''(including improved use of energy inputs)'' after ''farm production efficiencies''; and

(2) in subsection (d)—

(A) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(B) by inserting after paragraph (3) the following new paragraph:

''(4) Improve on farm energy use efficiencies.''.

(c) THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.—Section 405(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(a)) is amended by striking ''and marketing'' and inserting '', marketing, and efficient use''.

(d) COORDINATED PROGRAM OF RESEARCH, EXTENSION, AND EDUCATION TO IMPROVE VIABILITY OF SMALL- AND MEDIUM-SIZE DAIRY, LIVESTOCK, AND POULTRY OPERATIONS.—Section 407(b)(3) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7627(b)(3)) is amended by inserting ''(including improved use of energy inputs)'' after ''poultry systems that increase efficiencies''.

(e) SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.—

(1) RESEARCH GRANT AUTHORIZED.—Section 408(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(a)) is amended to read as follows:

''(a) RESEARCH GRANT AUTHORIZED.—The Secretary of Agriculture may make grants to consortia of land-grant colleges and universities to enhance the ability of the consortia to carry out multi-State research projects aimed at understanding and combating diseases of wheat, triticale, and barley caused by Fusarium graminearum and related fungi (referred to in this section as 'wheat scab') or by Tilletia indica and related fungi (referred to in this section as 'Karnal bunt').''.

(2) RESEARCH COMPONENTS.—Section 408(b) of such Act (7 U.S.C. 7628(b)) is amended—

(A) in paragraph (1), by inserting ''or of Karnal bunt,'' after ''epidemiology of wheat scab'';

(B) in paragraph (1), by inserting '', triticale,'' after ''occurring in wheat'';

(C) in paragraph (2), by inserting ''or Karnal bunt'' after ''wheat scab'';

(D) in paragraph (3)(A), by striking ''and barley for the presence of'' and inserting '', triticale, and barley for the presence of Karnal bunt or of'';

(E) in paragraph (3)(B), by striking ''and barley infected with wheat scab'' and inserting '', triticale, and barley infected with wheat scab or with Karnal bunt'';

(F) in paragraph (3)(C), by inserting ''wheat scab'' after ''to render'';

(G) in paragraph (4), by striking ''and barley to wheat scab'' and inserting '', triticale, and barley to wheat scab and to Karnal bunt''; and

(H) in paragraph (5)—

(i) by inserting ''and Karnal bunt'' after ''wheat scab''; and

(ii) by inserting '', triticale,'' after ''resistant wheat''.

(3) COMMUNICATIONS NETWORKS.—Section 408(c) of such Act (7 U.S.C. 7628(c)) is amended by inserting ''or Karnal bunt'' after ''wheat scab''.

(4) TECHNICAL AMENDMENTS.—(A) The section heading for section 408 of such Act is amended by striking ''**AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM**'' and inserting ''**, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA**''.

(B) The table of sections for such Act is amended by striking ''and barley caused by fusarium graminearum'' in the item relating to section 408 and inserting '', triticale, and barley caused by Fusarium graminearum or by Tilletia indica''.

(f) PROGRAM TO CONTROL JOHNE'S DISEASE.—Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is amended by adding at the end the following new section:

''SEC. 409. BOVINE JOHNE'S DISEASE CONTROL PROGRAM.

''(a) ESTABLISHMENT.—The Secretary of Agriculture, in coordination with State veterinarians and other appropriate State animal health professionals, may establish a program to conduct research, testing, and evaluation of programs for the control and management of Johne's disease in livestock.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section for each of fiscal years 2003 through 2011.''.

SEC. 744. FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.

(a) AGRICULTURAL GENOME INITIATIVE.—Section 1671(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924(b)) is amended—

(1) in paragraph (3), by inserting ''pathogens and'' before ''diseases causing economic hardship'';

(2) in paragraph (6), by striking ''and'' at the end;

(3) by redesignating paragraph (7) as paragraph (8); and

(4) by inserting after paragraph (6) the following new paragraph:

''(7) reducing the economic impact of plant pathogens on commercially important crop plants; and''.

(b) HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.—Section 1672(e) of the Food, Agriculture, Conservation, and Trade

Act of 1990 (7 U.S.C. 5925) is amended by adding at the end the following new paragraphs:

''(25) RESEARCH TO PROTECT THE UNITED STATES FOOD SUPPLY AND AGRICULTURE FROM BIOTERRORISM.—Research grants may be made under this section for the purpose of developing technologies, which support the capability to deal with the threat of agricultural bioterrorism.

''(26) WIND EROSION RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of validating wind erosion models.

''(27) CROP LOSS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of validating crop loss models.

''(28) LAND USE MANAGEMENT RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purposes of evaluating the environmental benefits of land use management tools such as those provided in the Farmland Protection Program.

''(29) WATER AND AIR QUALITY RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of better understanding agricultural impacts to air and water quality and means to address them.

''(30) REVENUE AND INSURANCE TOOLS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purposes of better understanding the impact of revenue and insurance tools on farm income.

''(31) AGROTOURISM RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of better understanding the economic, environmental, and food systems impacts on agrotourism.

''(32) HARVESTING PRODUCTIVITY FOR FRUITS AND VEGETABLES.—Research and extension grants may be made under this section for the purpose of improving harvesting productivity for fruits and vegetables (including citrus), including the development of mechanical harvesting technologies and effective, economical, and safe abscission compounds.

''(33) NITROGEN-FIXATION BY PLANTS.—Research and extension grants may be made under this section for the purpose of enhancing the nitrogen-fixing ability and efficiency of legumes, developing new varieties of legumes that fix nitrogen more efficiently, and developing new varieties of other commercially important crops that potentially are able to fix nitrogen.

''(34) AGRICULTURAL MARKETING.—Extension grants may be made under this section for the purpose of providing education materials, information, and outreach programs regarding commodity and livestock marketing strategies for agricultural producers and for cooperatives and other marketers of any agricultural commodity, including livestock.

''(35) ENVIRONMENT AND PRIVATE LANDS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of researching the use of computer models to aid in assessment of best management practices on a watershed basis, working with government, industry, and private landowners to help craft industry-led solutions to identified environmental issues, researching and monitoring water, air, or soil environmental quality to aid in the development of new approaches to local environmental concerns, and working with local, State, and federal officials to help craft effective environmental solutions that respect private property rights and agricultural production realities.

''(36) LIVESTOCK DISEASE RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of identifying possible livestock disease threats, educating the public regarding livestock disease threats, training persons to deal with such threats, and conducting related research.

''(37) PLANT GENE EXPRESSION.—Research and development grants may be made under this section for the purpose of plant gene expression research to accelerate the application of basic plant genomic science to the development and testing of new varieties of enhanced food crops, crops that can be used as renewable energy sources, and other alternative uses of agricultural crops.''.

SEC. 745. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.

(a) NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMIC ADVISORY BOARD.—Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended—

(1) in subsection (b)(3)—

(A) by redesignating subparagraphs (R) through (DD) as subparagraphs (S) through (EE), respectively; and

(B) by inserting after subparagraph (Q) the following new subparagraph:

''(R) 1 member representing a nonland grant college or university with a historic commitment to research in the food and agricultural sciences.'';

(2) in subsection (c)(1), by striking ''and land-grant colleges and universities'' and inserting '', land-grant colleges and universities, and the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies of the Committee on Appropriations of the House of Representatives, and the Subcommittee on Agriculture, Rural Development and Related Agencies of the Committee on Appropriations of the Senate'';

(3) in subsection (d)(1), inserting ''consult with any appropriate agencies of the Department of Agriculture and'' after ''the Advisory Board shall''; and

(4) in subsection (b)(1), by striking ''30 members'' and inserting ''31 members''.

(b) GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.—Section 1419 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154) is amended—

(1) in subsection (a)(2), by inserting ''and animal fats and oils'' after ''industrial oilseed crops''; and

(2) in subsection (a)(4), by inserting ''or triglycerides'' after ''other industrial hydrocarbons''.

(c) FAS OVERSEAS INTERN PROGRAM.—Section 1458(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is amended—

(1) by striking ''and'' at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting ''; and''; and

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

''(10) establish a program, to be coordinated by the Cooperative State Research, Education, and Extension Service and the Foreign Agricultural Service, to place interns from United States colleges and universities at Foreign Agricultural Service field offices overseas.''.

SEC. 746. BIOMASS RESEARCH AND DEVELOPMENT.

Title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note) is amended—

(1) in section 302(3), by inserting ''or biodiesel'' after ''such as ethanol'';

(2) in section 303(3), by inserting ''animal byproducts,'' after ''fibers,''; and

(3) in section 306(b)(1)—

(A) by redesignating subparagraphs (E) through (J) as subparagraphs (F) through (K), respectively; and

(B) by inserting after subparagraph (D) the following new subparagraph:

''(E) an individual affiliated with a livestock trade association;''.

SEC. 747. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

Section 1668 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5921) is amended to read as follows:

''SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

''(a) PURPOSE.—It is the purpose of this section—

''(1) to authorize and support environmental assessment research to help identify and analyze environmental effects of biotechnology; and

''(2) to authorize research to help regulators develop long-term policies concerning the introduction of such technology.

''(b) GRANT PROGRAM.— The Secretary of Agriculture shall establish a grant program within the Cooperative State Research, Education, and Extension Service and the Agricultural Research Service to provide the necessary funding for environmental assessment research concerning the introduction of genetically engineered plants and animals into the environment.

''(c) TYPES OF RESEARCH.— Types of research for which grants may be made under this section shall include the following:

''(1) Research designed to identify and develop appropriate management practices to minimize physical and biological risks associated with genetically engineered animals and plants once they are introduced into the environment.

''(2) Research designed to develop methods to monitor the dispersal of genetically engineered animals and plants.

''(3) Research designed to further existing knowledge with respect to the characteristics, rates and methods of gene transfer that may occur between genetically engineered plants and animals and related wild and agricultural organisms.

''(4) Environmental assessment research designed to provide analysis, which compares the relative impacts of plants and animals modified through genetic engineering to other types of production systems.

''(5) Other areas of research designed to further the purposes of this section.

''(d) ELIGIBILITY REQUIREMENTS.—Grants under this section shall be—

''(1) made on the basis of the quality of the proposed research project; and

''(2) available to any public or private research or educational institution or organization.

''(e) CONSULTATION.— In considering specific areas of research for funding under this section, the Secretary of Agriculture shall consult with the Administrator of the Animal and Plant Health Inspection Service and the National Agricultural Research, Extension, Education, and Economics Advisory Board.

''(f) PROGRAM COORDINATION.— The Secretary of Agriculture shall coordinate research funded under this section with the Office of Research and Development of the Environmental Protection Agency in order to avoid duplication of research activities.

''(g) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.— There are authorized to be appropriated such sums as necessary to carry out this section.

''(2) WITHHOLDINGS FROM BIOTECHNOLOGY OUTLAYS.—The Secretary of Agriculture shall withhold from outlays of the Department of Agriculture for research on biotechnology, as defined and determined by the Secretary, at least one percent of such amount for the purpose of making grants under this section for research on biotechnology risk assessment. Except that, funding from this authorization should be collected and applied to the maximum extent practicable to risk assessment research on all categories identified as biotechnology by the Secretary.''.

SEC. 748. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS.

Section 2(a) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(a)) is amended by adding at the end the following new paragraph:

''(3) DETERMINATION OF HIGH PRIORITY RESEARCH.—Research priorities shall be determined by the Secretary on an annual basis, taking into account input as gathered by the Secretary through the National Agricultural Research, Extension, Education, and Economics Advisory Board.''.

SEC. 749. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES OF 1890 INSTITUTIONS.

Section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d) is amended—

(1) by amending subsection (c) to read as follows:

''(c) MATCHING FORMULA.—For each of fiscal years 2003 through 2011, the State shall provide matching funds from non-Federal sources. Such matching funds shall be for an amount equal to not less than 60 percent of the formula funds to be distributed to the eligible institution, and shall increase by 10 percent each fiscal year thereafter until fiscal year 2007.''; and

(2) by amending subsection (d) to read as follows:

''(d) WAIVER AUTHORITY.—Notwithstanding subsection (f), the Secretary may waive the matching funds requirement under subsection (c) above the 50 percent level for fiscal years 2003 through 2011 for an eligible institution of a State if the Secretary determines that the State will be unlikely to satisfy the matching requirement.''.

SEC. 749A. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES FOR THE UNITED STATES TERRITORIES.

(a) RESEARCH MATCHING REQUIREMENT.—Section 3(d)(4) of the Hatch Act of 1887 (7 U.S.C. 361c(d)(4)) is amended by striking ''the same matching funds'' and all that follows through the end of the sentence and inserting ''matching funds requirements from non-Federal sources for fiscal years 2003 through 2011 in an amount equal to not less than 50 percent of the formula funds to be distributed to the Territory. The Secretary may waive the matching funds requirements for a Territory for any of the fiscal years 2003 through 2011 if the Secretary determines that the Territory will be unlikely to satisfy the matching funds requirement for that fiscal year.''.

(b) EXTENSION MATCHING REQUIREMENT.—Section 3(e)(4) of the Smith-Lever Act (7 U.S.C. 343(e)(4)) is amended by striking ''the same matching funds'' and all that follows through the end of the sentence and inserting ''matching funds requirements from non-Federal sources for fiscal years 2003 through 2011 in an amount equal to not less than 50 percent of the formula funds to be distributed to the Territory. The Secretary may waive the matching funds requirements for a Territory for any of the fiscal years 2003 through 2011 if the Secretary determines that the Territory will be unlikely to satisfy the matching funds requirement for that fiscal year.''.

SEC. 750. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

(a) FUNDING.—Section 401(b)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(1)) is amended to read as follows:

''(1) IN GENERAL.—

''(A) TOTAL AMOUNT TO BE TRANSFERRED.—On October 1, 2003, and each October 1 thereafter through September 30, 2011, the Secretary of Agriculture shall deposit funds of the Commodity Credit Corporation into the Account. The total amount of Commodity Credit Corporation funds deposited into the Account under this subparagraph shall equal $1,160,000,000.

''(B) EQUAL AMOUNTS.—To the maximum extent practicable, the amounts deposited into the Account pursuant to subparagraph (A) shall be deposited in equal amounts for each fiscal year.

''(C) AVAILABILITY OF FUNDS.—Amounts deposited into the Account pursuant to subparagraph (A) shall remain available until expended.''.

(b) AVAILABILITY OF FUNDS.—Section 401(f)(6) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(f)(6)) is amended to read as follows:

''(6) AVAILABILITY OF FUNDS.—Funds made available under this section to the Secretary prior to October 1, 2003, for grants under this section shall be available to the Secretary for a 2-year period.''.

SEC. 751. CARBON CYCLE RESEARCH.

Section 221 of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 114 Stat. 407) is amended—

(1) in subsection (a), by striking ''Of the amount'' and all that follows through ''to provide'' and inserting ''To the extent funds are made available for this purpose, the Secretary shall provide'';

(2) in subsection (d), by striking ''under subsection (a)'' and inserting ''for this section''; and

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

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal years 2002 through 2011 such sums as may be necessary to carry out this section.''

SEC. 752. DEFINITION OF FOOD AND AGRICULTURAL SCIENCES.

Section 2(3) of the Research Facilities Act (7 U.S.C. 390(2)(3)) is amended to read as follows:

''(3) FOOD AND AGRICULTURAL SCIENCES.—The term 'food and agricultural sciences' has the meaning given that term in section 1404(8) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(8)).''.

SEC. 753. FEDERAL EXTENSION SERVICE.

Section 3(b)(3) of the Smith-Lever Act (7 U.S.C. 343(b)(3)) is amended by striking ''$5,000,000'' and inserting ''such sums as are necessary''.

SEC. 754. POLICY RESEARCH CENTERS.

Section 1419A(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(c)(3)) is amended by striking ''collect and analyze data'' and inserting ''collect, analyze, and disseminate data''.

Subtitle C—Related Matters

SEC. 761. RESIDENT INSTRUCTION AT LAND-GRANT COLLEGES IN UNITED STATES TERRITORIES.

(a) PURPOSE.—It is the purpose of this section to promote and strengthen higher education in the food and agricultural sciences at agricultural and mechanical colleges located in the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau (hereinafter referred to in this section as ''eligible institutions'') by formulating and administering programs to enhance teaching programs in agriculture, natural resources, forestry, veterinary medicine, home economics, and disciplines closely allied to the food and agriculture production and delivery system.

(b) GRANTS.—The Secretary of Agriculture shall make competitive grants to those eligible institutions having a demonstrable capacity to carry out the teaching of food and agricultural sciences.

(c) USE OF GRANT FUNDS.—Grants made under subsection (b) shall be used to—

(1) strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international education needs in the food and agricultural sciences;

(2) attract and support undergraduate and graduate students in order to educate them in identified areas of national need to the food and agriculture sciences;

(3) facilitate cooperative initiatives between two or more eligible institutions or between eligible institutions and units of State Government, organizational in the private sector, to maximize the development and use of resources such as faculty, facilities, and equipment to improve food and agricultural sciences teaching programs; and

(4) conduct undergraduate scholarship programs to assist in meeting national needs for training food and agricultural scientists.

(d) GRANT REQUIREMENTS.—

(1) The Secretary of Agriculture shall ensure that each eligible institution, prior to receiving grant funds under subsection (b), shall have a significant demonstrable commitment to higher educations programs in the food and agricultural sciences and to each specific subject area for which grant funds under this subsection are to be used.

(2) The Secretary of Agriculture may require that any grant awarded under this section contain provisions that require funds to be targeted to meet the needs identified in section 1402 of the National Agriculture Research, Extension, and Teaching Policy Act of 1977.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary for each of the fiscal years 2002 through 2011 to carry out this section.

SEC. 762. DECLARATION OF EXTRAORDINARY EMERGENCY AND RESULTING AUTHORITIES.

(a) REVIEW OF PAYMENT OF COMPENSATION.—Section 415(e) of the Plant Protection Act (7 U.S.C. 7715(e)) is amended by inserting before the final period the following: ''or review by any officer of the Government other than the Secretary or the designee of the Secretary''.

(b) REVIEW OF CERTAIN DECISIONS.—

(1) PLANT PROTECTION ACT.—Section 442 of the Plant Protection Act (7 U.S.C. 7772) is amended by adding at the end following new subsection:

''(f) SECRETARIAL DISCRETION.—The action of any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized to be made under this section, shall not be subject to review by any

officer of the Government other than the Secretary or the designee of the Secretary.''.

(2) OTHER PLANT AND ANIMAL PEST AND DISEASE LAWS.—Section 11 of the Act of May 29, 1884 (21 U.S.C. 114a; commonly known as the ''Animal Industry Act'') and the first section of the Act of September 25, 1981 (7 U.S.C. 147b), are each amended by adding at the end the following new sentence: ''The action of any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized to be made under this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary.''.

(c) METHYL BROMIDE.—The Plant Protection Act (7 U.S.C. 7701 et seq.) is amended by inserting after section 418 the following new section:

''SEC. 419. METHYL BROMIDE.

''(a) IN GENERAL.—The Secretary, upon request of State, local, or tribal authorities, shall determine whether methyl bromide treatments or applications required by State, local, or tribal authorities to prevent the introduction, establishment, or spread of plant pests (including diseases) or noxious weeds should be authorized as an official control or official requirement.

''(b) ADMINISTRATION.—

''(1) TIMELINE FOR DETERMINATION.—The Secretary shall make the determination required by subsection (a) not later than 90 days after receiving the request for such a determination.

''(2) REGULATIONS.—The promulgation of regulations for and the administration of this section shall be made without regard to—

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

''(B) 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

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

''(c) REGISTRY.—Not later than 180 days after the date of the enactment of this section, the Secretary shall publish, and thereafter maintain, a registry of State, local, and tribal requirements authorized by the Secretary under this section.''.

Subtitle D—Repeal of Certain Activities and Authorities

SEC. 771. FOOD SAFETY RESEARCH INFORMATION OFFICE AND NATIONAL CONFERENCE.

(a) REPEAL.—Subsections (b) and (c) of section 615 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7654(b) and (c)) are repealed.

(b) CONFORMING AMENDMENTS.—

(1) GENERALLY.—Section 615 of such Act is amended—

(A) in the section heading, by striking ''**AND NATIONAL CONFERENCE**'';

(B) by striking ''(a) FOOD SAFETY RESEARCH INFORMATION OFFICE.—'';

(C) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c), respectively, and moving the margins 2 ems to the left;

(D) in subsection (b) (as so redesignated), by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively, and moving the margins 2 ems to the left; and

(E) in subsection (c) (as so redesignated), by striking ''this subsection'' and inserting ''this section''.

(2) TABLE OF SECTIONS.—The table of sections for such Act is amended by striking ''and National Conference'' in the item relating to section 615.

SEC. 772. REIMBURSEMENT OF EXPENSES UNDER SHEEP PROMOTION, RESEARCH, AND INFORMATION ACT OF 1994.

Section 617 of the Agricultural Research, Extension, and Education Reform Act of 1998 (Public Law 105–185; 112 Stat. 607) is repealed.

SEC. 773. NATIONAL GENETIC RESOURCES PROGRAM.

Section 1634 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5843) is repealed.

SEC. 774. NATIONAL ADVISORY BOARD ON AGRICULTURAL WEATHER.

(a) REPEAL.—Section 1639 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5853) is repealed.

(b) CONFORMING AMENDMENT.—Section 1640(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5854(b)) is amended by striking ''take into'' and all that follows through ''Weather and''.

SEC. 775. AGRICULTURAL INFORMATION EXCHANGE WITH IRELAND.

Section 1420 of the National Agricultural Research, Extension and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1551) is repealed.

SEC. 776. PESTICIDE RESISTANCE STUDY.

Section 1437 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1558) is repealed.

SEC. 777. EXPANSION OF EDUCATION STUDY.

Section 1438 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1559) is repealed.

SEC. 778. SUPPORT FOR ADVISORY BOARD.

(a) REPEAL.—Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) is repealed.

(b) CONFORMING AMENDMENT.—Section 1413(c) of such Act (7 U.S.C. 3128(c)) is amended by striking ''section 1412 of this title and''.

SEC. 779. TASK FORCE ON 10-YEAR STRATEGIC PLAN FOR AGRICULTURAL RESEARCH FACILITIES.

(a) REPEAL.—Section 4 of the Research Facilities Act (7 U.S.C. 390b) is repealed.

(b) CONFORMING AMENDMENT.—Section 2 of such Act (7 U.S.C. 390) is amended by striking paragraph (5).

Subtitle E—Agriculture Facility Protection

SEC. 790. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES.

(a) DEFINITIONS.—The Research Facilities Act (7 U.S.C. 390 et seq.) is amended—

(1) by redesignating section 6 as section 7; and

(2) by inserting after section 5 the following new section:

''SEC. 6. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES AGAINST DISRUPTION.

''(a) DEFINITIONS.—For the purposes of this section, the following definitions apply:

''(1) ANIMAL OR AGRICULTURAL ENTERPRISE.—The term 'animal or agricultural enterprise' means any of the following:

''(A) A commercial, governmental, or academic enterprise that uses animals, plants, or other biological materials for food or fiber production, breeding, processing, research, or testing.

''(B) A zoo, aquarium, circus, rodeo, or other entity that exhibits or uses animals, plants, or other biological materials for educational or entertainment purposes.

''(C) A fair or similar event intended to advance agricultural arts and sciences.

''(D) A facility managed or occupied by an association, federation, foundation, council, or other group or entity of food or fiber producers, processors, or agricultural or biomedical researchers intended to advance agricultural or biomedical arts and sciences.

''(2) ECONOMIC DAMAGE.—The term 'economic damage' means the replacement of the following:

''(A) The cost of lost or damaged property (including all real and personal property) of an animal or agricultural enterprise.

''(B) The cost of repeating an interrupted or invalidated experiment.

''(C) The loss of revenue (including costs related to business recovery) directly related to the disruption of an animal or agricultural enterprise.

''(D) The cost of the tuition and expenses of any student to complete an academic program that was disrupted, or to complete a replacement program, when the tuition and expenses are incurred as a result of the damage or loss of the property of an animal or agricultural enterprise.

''(3) PROPERTY OF AN ANIMAL OR AGRICULTURAL ENTERPRISE.—The term 'property of an animal or agricultural enterprise' means real and personal property of or used by any of the following:

''(A) An animal or agricultural enterprise.

''(B) An employee of an animal or agricultural enterprise.

''(C) A student attending an academic animal or agricultural enterprise.

''(4) DISRUPTION.—The term 'disruption' does not include any lawful disruption that results from lawful public, governmental, or animal or agricultural enterprise employee reaction to the disclosure of information about an animal or agricultural enterprise.

''(b) VIOLATION.—A person may not recklessly, knowingly, or intentionally cause, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

''(c) ASSESSMENT OF CIVIL PENALTY.—

''(1) IN GENERAL.—The Secretary may impose on any person that the Secretary determines violates subsection (b) a civil penalty in an amount determined under paragraphs (2) and (3). The civil penalty may be assessed only on the record after an opportunity for a hearing.

''(2) RECOVERY OF DEPARTMENT COSTS.—The civil penalty assessed by the Secretary against a person for a violation of subsection (b) shall be not less than the total cost incurred by the Secretary for investigation of the violation, conducting any hearing regarding the violation, and assessing the civil penalty.

''(3) RECOVERY OF ECONOMIC DAMAGE.—In addition to the amount determined under paragraph (2), the amount of the civil penalty shall include an amount not less than the total cost (or, in the case of knowing or intentional disruption, not less than 150 percent of the total cost) of the economic damage incurred by the animal or agricultural enterprise, any employee of the animal or agricultural enterprise, or any student attending an academic animal or agricultural enterprise as a result of the damage or loss of the property of an animal or agricultural enterprise.

''(d) IDENTIFICATION.—The Secretary shall identify for each civil penalty assessed under subsection (c), the portion of the amount of the civil penalty that represents the recovery of Department costs and the portion that represents the recovery of economic losses.

''(e) OTHER FACTORS IN DETERMINING PENALTY.— In determining the amount of a civil penalty under subsection (c), the Secretary shall consider the following:

''(1) The nature, circumstance, extent, and gravity of the violation or violations.

''(2) The ability of the injured animal or agricultural enterprise to continue to operate, costs incurred by the animal or agricultural enterprise to recover lost business, and the effect of the violation on earnings of employees of the animal or agricultural enterprise.

''(3) The interruptions experienced by students attending an academic animal or agricultural enterprise.

''(4) Whether the violator has previously violated subsection (a).

''(5) The violator's degree of culpability.

''(f) FUND TO ASSIST VICTIMS OF DISRUPTION.—

''(1) FUND ESTABLISHED.—There is established in the Treasury a fund which shall consist of that portion of each civil penalty collected under subsection (c) that represents the recovery of economic damages.

''(2) USE OF AMOUNTS IN FUND.—The Secretary of Agriculture shall use amounts in the fund to compensate animal or agricultural enterprises, employees of an animal or agricultural enterprise, and student attending an academic animal or agricultural enterprise for economic losses incurred as a result of the disruption of the functioning of an animal or agricultural enterprise in violation of subsection (b).''.

TITLE VIII—FORESTRY INITIATIVES

SEC. 801. REPEAL OF FORESTRY INCENTIVES PROGRAM AND STEWARDSHIP INCENTIVE PROGRAM.

The Cooperative Forestry Assistance Act of 1978 is amended by striking section 4 (16 U.S.C. 2103) and section 6 (16 U.S.C. 2103b).

SEC. 802. ESTABLISHMENT OF FOREST LAND ENHANCEMENT PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) There is a growing dependence on private nonindustrial forest lands to supply the necessary market commodities and nonmarket values, such as habitat for fish and wildlife, aesthetics, outdoor recreation opportunities, and other forest resources, required by a growing population.

(2) There is a strong demand for expanded assistance programs for owners of nonindustrial private forest land since the majority of the wood supply of the United States comes from nonindustrial private forest land.

(3) The soil, carbon stores, water and air quality of the United States can be maintained and improved through good stewardship of nonindustrial private forest lands.

(4) The products and services resulting from stewardship of nonindustrial private forest lands provide income and employment that contribute to the economic health and diversity of rural communities.

(5) Wildfires threaten human lives, property, forests, and other resources, and Federal and State cooperation in forest fire prevention and control has proven effective and valuable, in that properly managed forest stands are less susceptible to catastrophic fire, as dramatized by the catastrophic fire seasons of 1998 and 2000.

(6) Owners of private nonindustrial forest lands are being faced with increased pressure to convert their forestland to development and other uses.

(7) Complex, long-rotation forest investments, including sustainable hardwood management, are often the most difficult commitment for small, nonindustrial private forest landowners and, thus, should receive equal consideration under cost-share programs.

(8) The investment of one Federal dollar in State and private forestry programs is estimated to leverage $9 on average from State, local, and private sources.

(b) PURPOSE.—It is the purpose of this section to strengthen the commitment of the Department of Agriculture to sustainable forestry and to establish a coordinated and cooperative Federal, State, and local sustainable forest program for the establishment, management, maintenance, enhancement, and restoration of forests on nonindustrial private forest lands in the United States.

(c) FOREST LAND ENHANCEMENT PROGRAM.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 3 (16 U.S.C. 2102) the following new section 4:

''SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.

''(a) ESTABLISHMENT.—

''(1) ESTABLISHMENT; PURPOSE.—The Secretary shall establish a Forest Land Enhancement Program (in this section referred to as the 'Program') for the purpose of providing financial, technical, educational, and related assistance to State foresters to encourage the long-term sustainability of nonindustrial private forest lands in the United States by assisting the owners of such lands in more actively managing their forest and related resources by utilizing existing State, Federal, and private sector resource management expertise, financial assistance, and educational programs.

''(2) ADMINISTRATION.—The Secretary shall carry out the Program within, and administer the Program through, the Natural Resources Conservation Service.

''(3) COORDINATION.—The Secretary shall implement the Program in coordination with State foresters.

''(b) PROGRAM OBJECTIVES.—In implementing the Program, the Secretary shall target resources to achieve the following objectives:

''(1) Investment in practices to establish, restore, protect, manage, maintain, and enhance the health and productivity of the nonindustrial private forest lands in the United States for timber, habitat for flora and fauna, water quality, and wetlands.

''(2) Ensuring that afforestation, reforestation, improvement of poorly stocked stands, timber stand improvement, practices necessary to improve seedling growth and survival, and growth enhancement practices occur where needed to enhance and sustain the long-term productivity of timber and nontimber forest resources to help meet future public demand for all forest resources and provide environmental benefits.

''(3) Reduce the risks and help restore, recover, and mitigate the damage to forests caused by fire, insects, invasive species, disease, and damaging weather.

''(4) Increase and enhance carbon sequestration opportunities.

''(5) Enhance implementation of agroforestry practices.

''(6) Maintain and enhance the forest landbase and leverage State and local financial and technical assistance to owners that promote the same conservation and environmental values.

''(c) ELIGIBILITY.—

''(1) IN GENERAL.—An owner of nonindustrial private forest land is eligible for cost-sharing assistance under the Program if the owner—

''(A) agrees to develop and implement an individual stewardship, forest, or stand management plan addressing site specific activities and practices in cooperation with, and approved by, the State forester, state official, or private sector program in consultation with the State forester;

''(B) agrees to implement approved activities in accordance with the plan for a period of not less than 10 years, unless the State forester approves a modification to such plan; and

''(C) meets the acreage restrictions as determined by the State forester in conjunction with the State Forest Stewardship Coordinating Committee established under section 19.

''(2) STATE PRIORITIES.—The Secretary, in consultation with the State forester and the State Forest Stewardship Coordinating Committee may develop State priorities for cost sharing under the Program that will promote forest management objectives in that State.

''(3) DEVELOPMENT OF PLAN.—An owner shall be eligible for cost-share assistance for the development of the individual stewardship, forest, or stand management plan required by paragraph (1).

''(d) APPROVED ACTIVITIES.—

''(1) DEVELOPMENT.—The Secretary, in consultation with the State forester and the State Forest Stewardship Coordinating Committee, shall develop a list of approved forest activities and practices that will be eligible for cost-share assistance under the Program within each State.

''(2) TYPE OF ACTIVITIES.—In developing a list of approved activities and practices under paragraph (1), the Secretary shall attempt to achieve the establishment, restoration, management, maintenance, and enhancement of forests and trees for the following:

''(A) The sustainable growth and management of forests for timber production.

''(B) The restoration, use, and enhancement of forest wetlands and riparian areas.

''(C) The protection of water quality and watersheds through the application of State-developed forestry best management practices.

''(D) Energy conservation and carbon sequestration purposes.

''(E) Habitat for flora and fauna.

''(F) The control, detection, and monitoring of invasive species on forestlands as well as preventing the spread and providing for the restoration of lands affected by invasive species.

''(G) Hazardous fuels reduction and other management activities that reduce the risks and help restore, recover, and mitigate the damage to forests caused by fire.

''(H) The development of forest or stand management plans.

''(I) Other activities approved by the Secretary, in coordination with the State forester and the State Forest Stewardship Coordinating Committee.

''(e) COOPERATION.—In implementing the Program, the Secretary shall cooperate with other Federal, State, and local natural resource management agencies, institutions of higher education, and the private sector.

''(f) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

''(1) IN GENERAL.—The Secretary shall share the cost of implementing the approved activities that the Secretary determines are appropriate, in the case of an owner that has entered into an agreement to place nonindustrial private forest lands of the owner in the Program.

''(2) RATE.—The Secretary shall determine the appropriate reimbursement rate for cost-share payments under paragraph (1) and the schedule for making such payments.

''(3) MAXIMUM.—The Secretary shall not make cost-share payments under this subsection to an owner in an amount in excess of 75 percent of the total cost, or a lower percentage as determined by the State forester, to such owner for implementing the practices under an approved plan. The maximum payments to any one owner shall be determined by the Secretary.

''(4) CONSULTATION.—The Secretary shall make determinations under this subsection in consultation with the State forester.

''(g) RECAPTURE.—

''(1) IN GENERAL.—The Secretary shall establish and implement a mechanism to recapture payments made to an owner in the event that the owner fails to implement any approved activity specified in the individual stewardship, forest, or stand management plan for which such owner received cost-share payments.

''(2) ADDITIONAL REMEDY.—The remedy provided in paragraph (1) is in addition to any other remedy available to the Secretary.

''(h) DISTRIBUTION.—The Secretary shall distribute funds available for cost sharing under the Program among the States only after giving appropriate consideration to—

''(1) the total acreage of nonindustrial private forest land in each State;

''(2) the potential productivity of such land;

''(3) the number of owners eligible for cost sharing in each State;

''(4) the opportunities to enhance non-timber resources on such forest lands;

''(5) the anticipated demand for timber and nontimber resources in each State;

''(6) the need to improve forest health to minimize the damaging effects of catastrophic fire, insects, disease, or weather; and

''(7) the need and demand for agroforestry practices in each State.

''(i) DEFINITIONS.—In this section:

''(1) NONINDUSTRIAL PRIVATE FOREST LANDS.—The term 'nonindustrial private forest lands' means rural lands, as determined by the Secretary, that—

''(A) have existing tree cover or are suitable for growing trees; and

''(B) are owned or controlled by any nonindustrial private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) so long as the individual, group, association, corporation, tribe, or entity has definitive decision-making authority over the lands, including through long-term leases and other land tenure systems, for a period of time long enough to ensure compliance with the Program.

''(2) OWNER.—The term 'owner' includes a private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) that has definitive decision-making authority over nonindustrial private forest lands through a long-term lease or other land tenure systems.

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

''(4) STATE FORESTER.—The term 'State forester' means the director or other head of a State Forestry Agency or equivalent State official.

''(j) AVAILABILITY OF FUNDS.—The Secretary shall use $200,000,000 of funds of the Commodity Credit Corporation to carry out the Program during the period beginning on October 1, 2001, and ending on September 30, 2011.''.

(d) CONFORMING AMENDMENT.—Section 246(b)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(2)) is amended by striking ''forestry incentive program'' and inserting ''Forest Land Enhancement Program''.

SEC. 803. RENEWABLE RESOURCES EXTENSION ACTIVITIES.

(a) EXTENSION AND AUTHORIZATION INCREASE.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended—

(1) by striking ''$15,000,000'' and inserting ''$30,000,000''; and

(2) by striking ''2002'' and inserting ''2011''.

(b) SUSTAINABLE FORESTRY OUTREACH INITIATIVE.—The Renewable Resources Extension Act of 1978 is amended by inserting after section 5A (16 U.S.C. 1674a) the following new section:

''SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.

''The Secretary shall establish a program to be known as the 'Sustainable Forestry Outreach Initiative' for the purpose of educating landowners regarding the following:

''(1) The value and benefits of practicing sustainable forestry.

''(2) The importance of professional forestry advice in achieving their sustainable forestry objectives.

''(3) The variety of public and private sector resources available to assist them in planning for and practicing sustainable forestry.''.

SEC. 804. ENHANCED COMMUNITY FIRE PROTECTION.

(a) FINDINGS.—Congress finds the following:

(1) The severity and intensity of wildland fires has increased dramatically over the past few decades as a result of past fire and land management policies.

(2) The record 2000 fire season is a prime example of what can be expected if action is not taken.

(3) These wildfires threaten not only the nation's forested resources, but the thousands of communities intermingled with the wildlands in the wildland-urban interface.

(4) The National Fire Plan developed in response to the 2000 fire season is the proper, coordinated, and most effective means to address this wildfire issue.

(5) Whereas adequate authorities exist to tackle the wildfire issues at the landscape level on Federal lands, there is limited authority to take action on most private lands where the largest threat to life and property lies.

(6) There is a significant Federal interest in enhancing community protection from wildfire.

(b) ENHANCED PROTECTION.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 10 (16 U.S.C. 2106) the following new section:

''SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.

''(a) COOPERATIVE MANAGEMENT RELATED TO WILDFIRE THREATS.—The Secretary may cooperate with State foresters and equivalent State officials in the management of lands in the United States for the following purposes:

''(1) Aid in wildfire prevention and control.

''(2) Protect communities from wildfire threats.

''(3) Enhance the growth and maintenance of trees and forests that promote overall forest health.

''(4) Ensure the continued production of all forest resources, including timber, outdoor recreation opportunities, wildlife habitat, and clean water, through conservation of forest cover on watersheds, shelterbelts, and windbreaks.

''(b) COMMUNITY AND PRIVATE LAND FIRE ASSISTANCE PROGRAM.—

''(1) ESTABLISHMENT; PURPOSE.—The Secretary shall establish a Community and Private Land Fire Assistance program (in this section referred to as the 'Program')—

''(A) to focus the Federal role in promoting optimal firefighting efficiency at the Federal, State, and local levels;

''(B) to augment Federal projects that establish landscape level protection from wildfires;

''(C) to expand outreach and education programs to homeowners and communities about fire prevention; and

''(D) to establish defensible space around private landowners homes and property against wildfires.

''(2) ADMINISTRATION AND IMPLEMENTATION.—The Program shall be administered by the Forest Service and implemented through the State forester or equivalent State official.

''(3) COMPONENTS.—In coordination with existing authorities under this Act, the Secretary may undertake on both Federal and non-Federal lands—

''(A) fuel hazard mitigation and prevention;

''(B) invasive species management;

''(C) multi-resource wildfire planning;

''(D) community protection planning;

''(E) community and landowner education enterprises, including the program known as FIREWISE;

''(F) market development and expansion;

''(G) improved wood utilization;

''(H) special restoration projects.

''(4) CONSIDERATIONS.—The Secretary shall use local contract personnel wherever possible to carry out projects under the Program.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated to the Secretary $35,000,000 for each of fiscal years 2002 through 2011, and such sums as may be necessary thereafter, to carry out this section.''.

SEC. 805. INTERNATIONAL FORESTRY PROGRAM.

Section 2405(d) of the Global Climate Change Prevention Act of 1990 (title XXIV of Public Law 101–624; 7 U.S.C. 6704(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 806. LONG-TERM FOREST STEWARDSHIP CONTRACTS FOR HAZARDOUS FUELS REMOVAL AND IMPLEMENTATION OF NATIONAL FIRE PLAN.

(a) ANNUAL ASSESSMENT OF TREATMENT ACREAGE.—Not later than March 1 of each of fiscal years 2002 through 2006, the Secretary of Agriculture shall submit to Congress an assessment of the number of acres of forested National Forest System lands recommended to be treated during the next fiscal year using stewardship end result contracts authorized by subsection (c). The assessment shall be based on the treatment schedules contained in the report entitled ''Protecting People and Sustaining Resources in Fire-Adapted Ecosystems'', dated October 13, 2000, and incorporated into the National Fire Plan. The assessment shall identify the acreage by condition class, type of treatment, and treatment year to achieve the restoration goals outlined in the report within 10-, 15-, and 20-year time periods. The assessment shall also include changes in the restoration goals based on the effects of fire, hazardous fuel treatments pursuant to the National Fire Plan, or updates in data.

(b) FUNDING RECOMMENDATION.—The Secretary of Agriculture shall include in the annual assessment a request for funds sufficient to implement the recommendations contained in the assessment using stewardship end result contracts under subsection (c) when the Secretary determines that the objectives of the National Fire Plan are best accomplished through forest stewardship end result contracting.

(c) STEWARDSHIP END RESULT CONTRACTING.—

(1) AUTHORITY.—Subject to the amount of funds made available pursuant to subsection (b), the Secretary of Agriculture may enter into stewardship end result contracts to implement the National Fire Plan on National Forest System lands based upon the stewardship treatment schedules provided in the annual assessments under subsection (a). The contracting goals and authorities described in subsections (b) through (f) of section 347 of the Department of the Interior and Related

Agencies Appropriations Act, 1999 (as contained in section 101(e) of division A of Public Law 105–277; 16 U.S.C. 2104 note; commonly known as the Stewardship End Result Contracting Demonstration Project) shall apply to contracts entered into under this subsection, except that the period of the contract shall be 10 years.

(2) DURATION.—The authority of the Secretary of Agriculture to enter into contracts under this subsection expires September 30, 2007.

(d) STATUS REPORT.—Beginning with the assessment required under subsection (a) in 2003, the Secretary of Agriculture shall include in the annual assessment a status report of the stewardship end result contracts entered into under the authority of this section.

SEC. 807. MCINTIRE-STENNIS COOPERATIVE FORESTRY RESEARCH PROGRAM.

It is the sense of Congress to reaffirm the importance of Public Law 87–88 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Cooperative Forestry Act.

TITLE IX—MISCELLANEOUS PROVISIONS

Subtitle A—Tree Assistance Program

SEC. 901. ELIGIBILITY.

(a) LOSS.—Subject to the limitation in subsection (b), the Secretary of Agriculture shall provide assistance, as specified in section 902, to eligible orchardists that planted trees for commercial purposes but lost such trees as a result of a natural disaster, as determined by the Secretary.

(b) LIMITATION.—An eligible orchardist shall qualify for assistance under subsection (a) only if such orchardist's tree mortality, as a result of the natural disaster, exceeds 15 percent (adjusted for normal mortality).

SEC. 902. ASSISTANCE.

The assistance provided by the Secretary of Agriculture to eligible orchardists for losses described in section 901 shall consist of either—

(1) reimbursement of 75 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

(2) at the discretion of the Secretary, sufficient seedlings to reestablish the stand.

SEC. 903. LIMITATION ON ASSISTANCE.

(a) LIMITATION.—The total amount of payments that a person shall be entitled to receive under this subtitle may not exceed $50,000, or an equivalent value in tree seedlings.

(b) REGULATIONS.—The Secretary of Agriculture shall issue regulations—

(1) defining the term ''person'' for the purposes of this subtitle, which shall conform, to the extent practicable, to the regulations defining the term ''person'' issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) and the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note); and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section.

SEC. 904. DEFINITIONS.

In this subtitle:

(1) ELIGIBLE ORCHARDIST.—The term ''eligible orchardist'' means a person who produces annual crops from trees for commercial purposes and owns 500 acres or less of such trees.

(2) NATURAL DISASTER.—The term ''natural disaster'' includes plant disease, insect infestation, drought, fire, freeze, flood, earthquake, and other occurrences, as determined by the Secretary.

(3) TREE.—The term ''tree'' includes trees, bushes, and vines.

Subtitle B—Other Matters

SEC. 921. HAZARDOUS FUEL REDUCTION GRANTS TO PREVENT WILDFIRE DISASTERS AND TRANSFORM HAZARDOUS FUELS TO ELECTRIC ENERGY, USEFUL HEAT, OR TRANSPORTATION FUELS.

(a) FINDINGS.—Congress finds the following:

(1) The damages caused by wildfire disasters have been equivalent in magnitude to the damage resulting from the Northridge earthquake, Hurricane Andrew, and the recent flooding of the Mississippi River and the Red River.

(2) More than 20,000 communities in the United States are at risk to wildfire and approximately 11,000 of these communities are located near Federal lands. More than 72,000,000 acres of National Forest System lands and 57,000,000 acres of lands managed by the Secretary of the Interior are at risk of catastrophic fire in the near future. The accumulation of heavy forest fuel loads continues to increase as a result of disease, insect infestations, and drought, further raising the risk of fire each year.

(3) Modification of forest fuel load conditions through the removal of hazardous fuels will minimize catastrophic damage from wildfires, reducing the need for emergency funding to respond to wildfires and protecting lives, communities, watersheds, and wildlife habitat.

(4) The hazardous fuels removed from forest lands represent an abundant renewable resource as well as a significant supply of biomass for biomass-to-energy facilities.

(b) HAZARDOUS FUELS TO ENERGY GRANT PROGRAM.—The Secretary concerned may make a grant to a person that operates a biomass-to-energy facility to offset the costs incurred to purchase hazardous fuels from forest lands for use by the facility in the production of electric energy, useful heat, or transportation fuels. The Secretary concerned shall select grant recipients on the basis of their planned purchases of hazardous fuels and the level of anticipated benefits to reduced wildfire risk.

(c) GRANT AMOUNTS.—A grant under this section shall be equal to at least $5 per ton of hazardous fuels delivered, but not to exceed $10 per ton of hazardous fuels delivered, based on the distance of the hazardous fuels from the biomass-to-energy facility.

(d) MONITORING OF GRANT RECIPIENT ACTIVITIES.—As a condition on a grant under this section, the grant recipient shall keep such records as the Secretary concerned may require to fully and correctly disclose the use of the grant funds and all transactions involved in the purchase of hazardous fuels derived from forest lands. Upon notice by a duly authorized representative of the Secretary concerned, the operator of a biomass-to-energy facility that purchases or uses the resulting hazardous fuels shall afford the representative reasonable access to the facility and an opportunity to examine the inventory and records of the facility.

(e) MONITORING OF EFFECT OF TREATMENTS.—The Secretary concerned shall monitor Federal lands from which hazardous fuels are removed and sold to a biomass-to-energy facility to determine and document the reduction in fire hazards on such lands.

(f) DEFINITIONS.—In this section:

(1) BIOMASS-TO-ENERGY FACILITY.—The term ''biomass-to-energy facility'' means a facility that uses forest biomass as a raw material to produce electric energy, useful heat, or transportation fuels.

(2) FOREST BIOMASS.—The term ''forest biomass'' means hazardous fuels and biomass accumulations from precommercial thinnings, slash, and brush on forest lands that do not satisfy the definition of hazardous fuels.

(3) HAZARDOUS FUELS.—The term ''hazardous fuels'' means any unnaturally excessive accumulation of organic material, particularly in areas designated as condition class 2 or condition class 3 (as defined in the report entitled ''Protecting People and Sustainable Resources in Fire-Adapted Ecosystems'', prepared by the Forest Service, and dated October 13, 2000), on forest lands that the Secretary concerned determines poses a substantial present or potential hazard to forest ecosystems, wildlife, human, community, or firefighter safety in the case of a wildfire, particularly a wildfire in a drought year.

(4) SECRETARY CONCERNED.—The term ''Secretary concerned'' means—

(A) the Secretary of Agriculture or the designee of the Secretary of Agriculture with respect to the National Forest System lands and private lands; and

(B) the Secretary of the Interior or the designee of the Secretary of the Interior with respect to Federal lands under the jurisdiction of the Secretary of the Interior and Indian lands.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $50,000,000 for each fiscal year to carry out this section.

SEC. 922. BIOENERGY PROGRAM.

Notwithstanding any limitations in the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.) or part 1424 of title 7, Code of Federal Regulations, the Commodity Credit Corporation shall designate animal fats, agricultural byproducts, and oils as eligible agricultural commodities for use in the Bioenergy Program to promote industrial consumption of agricultural commodities for the production of ethanol and biodiesel fuels.

SEC. 923. AVAILABILITY OF SECTION 32 FUNDS.

The 2d undesignated paragraph of section 32 of the Act of August 24, 1935 (Public Law 320; 49 Stat. 774; 7 U.S.C. 612c), is amended by striking ''$300,000,000'' and inserting ''$500,000,000''.

SEC. 924. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

(a) ESTABLISHMENT.—For each of the fiscal years 2002 through 2011, the Secretary of Agriculture shall use $15,000,000 of the funds available to the Commodity Credit Corporation to carry out and expand a seniors farmers' market nutrition program.

(b) PROGRAM PURPOSES.— The purposes of the seniors farmers' market nutrition program are—

(1) to provide resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers' markets, roadside stands and community supported agriculture programs to low-income seniors;

(2) to increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic farmers' markets, roadside stands, and community supported agriculture programs; and

(3) to develop or aid in the development of new and additional farmers' markets, roadside stands, and community supported agriculture programs.

(c) REGULATIONS.—The Secretary may issue such regulations as the Secretary considers necessary to carry out the seniors farmers' market nutrition program.

SEC. 925. DEPARTMENT OF AGRICULTURE AUTHORITIES REGARDING CANEBERRIES.

(a) AUTHORITY FOR MARKETING ORDER AND RESEARCH AND PROMOTION ORDER.—Section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in subsection (2)—

(A) in paragraph (A), by inserting ''caneberries (including raspberries, blackberries, and logenberries),'' after ''other than pears, olives, grapefruit,''; and

(B) in the second sentence, by inserting ''caneberries (including raspberries, blackberries, and logenberries),'' after ''effective as to cherries, apples,''; and

(2) in subsection (6)(I), by inserting ''caneberries (including raspberries, blackberries, and logenberries)'' after ''tomatoes,''.

(b) AUTHORITY WITH RESPECT TO IMPORTS.—Section 8e(a) of such Act (7 U.S.C. 608e–1(a)) is amended by inserting ''caneberries (including raspberries, blackberries, and logenberries),'' after ''pistachios,''.

SEC. 926. NATIONAL APPEALS DIVISION.

Section 278 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6998) is amended by adding at the end the following new subsection:

''(f) FINALITY OF CERTAIN APPEAL DECISIONS.—If an appellant prevails at the regional level in an administrative appeal of a decision by the Division, the agency may not pursue an administrative appeal of that decision to the national level.''.

SEC. 927. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

Subsection (a) of section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended to read as follows:

''(a) OUTREACH AND ASSISTANCE.—

''(1) IN GENERAL.—The Secretary of Agriculture (in this section referred to as the 'Secretary') shall provide outreach and technical assistance programs specifically to encourage and assist socially disadvantaged farmers and ranchers to own and operate farms and ranches and to participate equitably in the full range of agricultural programs. This assistance, which should enhance coordination and make more effective the outreach, technical assistance, and education efforts authorized in specific agriculture programs, shall include information and assistance on commodity, conservation, credit, rural, and business development programs, application and bidding procedures, farm and risk management, marketing, and other essential information to participate in agricultural and other programs of the Department.

''(2) GRANTS AND CONTRACTS.—The Secretary may make grants and enter into contracts and other agreements in the furtherance of this section with the following entities:

''(A) Any community-based organization, network, or coalition of community-based organizations that—

''(i) has demonstrated experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers;

''(ii) provides documentary evidence of its past experience of working with socially disadvantaged farmers and ranchers during the two years preceding its application for assistance under this section; and

''(iii) does not engage in activities prohibited under section 501(c)(3) of the Internal Revenue Code of 1986.

''(B) 1890 Land-Grant Colleges, including Tuskegee Institute, Indian tribal community colleges and Alaska native cooperative colleges, Hispanic serving post-secondary educational institutions, and other post-secondary educational institutions with demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged family farmers and ranchers in their region.

''(C) Federally recognized tribes and national tribal organizations with demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged family farmers and ranchers in their region.

''(3) FUNDING.—There are authorized to be appropriated $25,000,000 for each fiscal year to make grants and enter into contracts and other agreements with the entities described in paragraph (2) and to otherwise carry out the purposes of this subsection.''.

SEC. 928. EQUAL TREATMENT OF POTATOES AND SWEET POTATOES.

Section 508(a)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(2)) is amended by striking ''and potatoes'' and inserting '', potatoes, and sweet potatoes''.

SEC. 929. REFERENCE TO SEA GRASS AND SEA OATS AS CROPS COVERED BY NONINSURED CROP DISASTER ASSISTANCE PROGRAM.

Section 196(a)(2)(B) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(a)(2)(B)) is amended by inserting ''sea grass and sea oats,'' after ''fish),''.

SEC. 930. OPERATION OF GRADUATE SCHOOL OF DEPARTMENT OF AGRICULTURE.

(a) COMPETITION.—Section 921 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2279b) is amended—

(1) in subsection (c)—

(A) by striking ''Under'' and inserting the following:

''(1) EDUCATIONAL, TRAINING, AND PROFESSIONAL DEVELOPMENT ACTIVITIES.—Under''; and

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

''(2) COMPETITION.—The Graduate School may not enter into a contract or agreement with a Federal agency to provide services or conduct activities described in paragraph (1) unless, before the awarding of the contract or agreement, the contract or agreement was subject to competition that was open to individuals and entities of the private sector.''; and

(2) in subsection (i), by striking ''The'' and inserting ''Subject to subsection (c)(2), the''.

(b) AUDITS OF RECORDS.—Such section is further amended by adding at the end the following new subsection:

''(k) AUDITS OF RECORDS.—The financial records of the Graduate School relating to contracts and agreements for services or activities described in subsection (c)(1) shall be made available to the Comptroller General for purposes of conducting an audit.''.

(c) CONFORMING REPEAL.—Section 1669 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5922) is repealed.

SEC. 931. ASSISTANCE FOR LIVESTOCK PRODUCERS.

(a) AVAILABILITY OF ASSISTANCE.—In such amounts as are provided in advance in appropriation Acts, the Secretary may provide assistance to dairy and other livestock producers to cover economic losses incurred by such producers in connection with the production of livestock.

(b) TYPES OF ASSISTANCE.—The assistance provided to livestock producers may be in the form of—

(1) indemnity payments to livestock producers who incur livestock mortality losses;

(2) livestock feed assistance to livestock producers affected by shortages of feed;

(3) compensation for sudden increases in production costs; and

(4) such other assistance, and for such other economic losses, as the Secretary considers appropriate.

(c) LIMITATIONS.—Notwithstanding section 181(a), the Secretary may not use the funds of the Commodity Credit Corporation to provide assistance under this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section.

The CHAIRMAN. No amendment to that amendment, as modified, shall be in order except those printed before October 3, 2001, in the portion of the CONGRESSIONAL RECORD designated for that purpose and pro forma amendments for the purpose of debate. Amendments printed in the RECORD may be offered only by the Member who caused it to be printed or his designee and shall be considered read.

Are there any amendments to the bill?

AMENDMENT NO. 54 OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 54 offered by Mr. STENHOLM:

In section 167(a), strike paragraphs (4) and (5) (page 119, line 9, through page 120, line 2), and insert the following:

(4) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e) may be obtained at the option of the peanut producer through—

(A) a designated marketing association of peanut producers that is approved by the Secretary; or

(B) the Farm Service Agency.

Mr. STENHOLM. Mr. Chairman, this amendment authorizes both the Farm Service Agency, FSA, and designated marketing associations of peanut producers that are approved by the Secretary to make marketing assistance loans and loan deficiency payments. The amendment deletes a provision that would allow the Secretary to approve other loan servicing agents. In addition, it would make a conforming amendment to delete the provisions that would require loan servicing agents to provide storage to other loan servicing agents and marketing associations.

The purpose of this amendment is clearly stated here. We are making some drastic changes in the manner in which our peanut program works for purposes of making our peanuts more competitive in the marketplace. We believe that this amendment is necessary in order that our producers are given the best option of increasing their pricing capabilities under a more market-oriented program which is what we are doing with the peanut section of this bill this year.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I would like to state for the record that CBO has determined that there is no cost associated with this amendment. I would like to tell the gentleman from Texas that I support his amendment and would be happy to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. STENHOLM).

The amendment was agreed to.

AMENDMENT NO. 13 OFFERED BY MR. BOSWELL

Mr. BOSWELL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 13 offered by Mr. BOSWELL:

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

SEC. ___. RENEWABLE ENERGY RESERVE.

(a) PURPOSES.—It is the purpose of this section to create a reserve of agricultural commodities to—

(1) provide feedstocks to support and further the production of the renewable energy; and

(2) support the renewable energy industry in times when production is at risk of decline due to reduced feedstock supplies or significant commodity price increases.

(b) ESTABLISHMENT.—During fiscal years 2002 through 2011, the Secretary shall establish and administer a government-owned and farmer-stored renewable energy reserve program under which producers of agricultural commodities will be able to—

(1) sell agricultural commodities authorized by the Secretary into the reserve; and

(2) store such agricultural commodities.

(c) NAME.—The agricultural commodity reserve established under this section shall be known as the ''Renewable Energy Reserve''.

(d) PURCHASES.—The Secretary shall purchase agricultural commodities at commercial rates in order to establish, maintain, or enhance the reserve when—

(1) such commodities are in abundant supply; and

(2) there is need for adequate carryover stocks to ensure a reliable supply of the commodities to meet the purposes of the reserve or it is otherwise necessary to fulfill the needs and purposes of the renewable energy program administered or assisted by the Secretary.

(e) LIMITATION.—Purchases under this section shall be limited to—

(1) the type and quantities of agricultural commodities necessary to provide approximately four-month's estimated utilization for renewable energy purposes;

(2) an additional amount of commodities to provide incentives for research and development of new renewable fuels and bio-energy initiatives; and

(3) such maximum quantities of agricultural commodities determined by the Secretary as will enable the purposes of the renewable energy program to be achieved.

(f) RELEASE OF STOCKS.—Stocks shall be released at cost of acquisition, and in amounts determined appropriate by the Secretary, when market prices of the agricultural commodity exceed 100 percent of the full economic cost of production of those commodities. Cost of production for the commodity shall be determined by the Economic Research Service using the best available information, and based on a three year moving average.

(g) STORAGE PAYMENTS.—The Secretary shall provide storage payments to producers of agricultural commodities to maintain the reserve established under this section. Storage payments shall—

(1) be in such amounts and under such conditions as the Secretary determines appropriate to encourage producers to participate in the program;

(2) reflect local, commercial storage rates subject to appropriate conditions concerning quality management and other factors; and

(3) not be less than comparable local commercial rates, except as may be provided by paragraph (2).

(h) COMMODITY CREDIT CORPORATION.—

(1) IN GENERAL.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to fulfill the purposes of this section. To the maximum extent practicable consistent with the purposes, and effective and efficient administration of this section, the Secretary shall utilize the usual and customary channels, facilities and arrangement of trade and commerce.

(2) REDUCTION IN FIXED, DECOUPLED PAYMENTS FOR FUNDING OFFSET.—Notwithstanding section 104, the Secretary shall reduce the total amount payable under such section as fixed, decoupled payments, on a pro rata basis across covered commodities, so that the total amount of such reductions equals $277,000,000 in fiscal year 2004, $93,000,000 in fiscal year 2005, $80,000,000 in fiscal year 2006, $88,000,000 in fiscal year 2007, $96,000,000 in fiscal year 2008, $95,000,000 in fiscal year 2009, $96,000,000 in fiscal year 2010, and $97,000,000 in fiscal year 2011.

Mr. BOSWELL. Mr. Chairman, first off I would like to compliment, as many others have done, and justly so, Chairman COMBEST and Ranking Member STENHOLM for the manner in which they have worked on this bill. In my years in the legislature and in the years I have been here, I have never seen a better effort. They deserve a lot of appreciation for their hard work.

As we all know, America has a long established strategic oil reserve in the event of a petroleum shortage or supply interruption. The creation of this reserve is a responsible policy that has protected our country and its industrial foundation from potential instability in oil and fuel markets as well as from disruption of foreign oil supplies. Since the inception of the reserve, our energy needs have become more diverse, and our capacity to develop and produce large amounts of clean burning renewable fuels has been tested and proved.

Consumers, car manufacturers, commodity processors and farmers recognize that renewable fuels are quickly becoming a vital and integral part of our national supply of clean-air transportation fuels. The time is right to establish a strategic renewable energy reserve. Farmers can help America's energy security by dedicating a renewable commodity reserve to emergency renewable fuel production.

For these reasons, I am offering a renewable energy reserve amendment, using product grown from the land that can be repeated year after year and give us some independence from OPEC and a chance to show the country and the world we are serious about alternatives.

I am offering the renewable energy amendment to, one, establish a government-owned and farmer-stored renewable energy reserve containing an amount of farm commodities equal to 4 months' production of ethanol and biodiesel. These commodities will be stored on-farm in corn and soybean base and will be designated solely for the production of renewable fuels.

Two, create a renewable energy reserve that will complement all bio-based fuel initiatives and add to America's emergency energy preparedness plan.

Three, shift some of our national energy consumption away from high-priced imported oil and towards renewable energy products grown on our Nation's farms. This strategy is compatible with our national environmental objectives and will strengthen our economy and our national security.

And, lastly, create a renewable energy reserve that will ensure a steady supply of feed stock for energy production in the event of a national emergency, crop production shortfall, increased commodity prices or a gasoline/diesel shortage.

The cost of this amendment will be approximately $650 million over 10 years. The funding for the renewable energy reserve will be taken from the commodity title through an across-the-board percentage reduction in the overall funding of less than 1 percent.

According to USDA estimates, as the U.S. moves toward banning MTBE and increasing the use of ethanol as a transportation fuel, the tripling of demand for ethanol would increase U.S. farm income by an average of $1.3 billion each year and would save the country over $4 billion annually in imported oil and hundreds of millions of dollars annually in taxpayer outlays for farm programs.

I urge my colleagues to join me in the support of this amendment.

Mr. COMBEST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let me, first of all, say there is no one on our committee who works harder in behalf of his farmers than the gentleman from Iowa (Mr. BOSWELL). There is no one on our committee that I have more respect for than the gentleman from Iowa.

□ 1300

But I do rise in opposition to the amendment, Mr. Chairman, basically for two reasons. Number one is the most critical.

As I have indicated, one of the words you are going to hear throughout the discussion of this farm bill for the next however long is going to be balance. The maintaining of that balance is important because that is what has been brought together as far as a broad base of support.

Now, granted, the gentleman in making some changes in the fixed decoupled payment does not greatly rob that account, but I am also aware that there are numerous amendments that, bit by bit by bit by bit, begin to attack that. I am concerned about going down that road, because if this balance becomes undone, I think this thing may go into free-fall.

Secondly, in terms of what the amendment does, we discussed this subject in the committee during markup of this bill. I can appreciate where the gentleman is coming from, but I have concerns about a program which sets up reserves of commodities.

History historically has shown us that reserves can result in large quantities of commodities that eventually may become government stocks. I think it creates the removal of commodities from the market in order to put into storage, which I think gives a false market signal; and I think it can have some impact on production. Under current law, and I think most of us agree, the government is not and should not be in the business of managing supply. Eventually, with stocks as they build up, it leads to lower prices, therefore, I think potentially costlier program payments in order to keep the farm economy going. I am not questioning the intent, but I think what this does is it establishes a precedent for reserve programs of the past that have not worked well. They have been tried, and they have failed.

Finally, I think what it does is it takes from again a balance that reaches across-the-board and it shifts that balance into only dealing with and providing assistance for a much smaller number of people.

For that reason, Mr. Chairman, I would oppose the gentleman's amendment.

Mr. BOSWELL. Mr. Chairman, I ask unanimous consent for one additional minute to make a response.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BOSWELL. Mr. Chairman, I thank the gentleman from Texas (Chairman COMBEST) for his comments. This reserve will not hang over the market. These commodities are designated specifically for energy reserve. 66.2 million annually for 300 million gallons of renewable fuel seems like a reasonable request.

I appreciate the gentleman's comments and concerns. The gentleman mentions all the other amendments. This just happens to be the most important one.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. BOSWELL).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BOSWELL. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on amendment No. 13 offered by the gentleman from Iowa (Mr. BOSWELL) will be postponed.

Are there further amendments?

AMENDMENT NO. 26 OFFERED BY MR. HALL OF OHIO

Mr. HALL of Ohio. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 26 offered by Mr. HALL of Ohio:

In section 307, insert after paragraph (7) (page 188, after line 22) the following (and conform the subsequent paragraphs accordingly):

(8) by striking section 206 (7 U.S.C. 1726);

In section 307, insert after paragraph (11) as redesignated (page 189, after line 21) the following (and conform the subsequent paragraphs accordingly):

(12) in section 407(c)(1) (7 U.S.C. 1736a(c)(1))—

(A) by striking ''The Administrator'' and inserting ''(A) The Administrator''; and

(B) by adding at the end the following:

(B) In the case of commodities made available for nonemergency assistance under title II or III for countries in transition from crisis to development or for least developed, net food-importing countries, the Administrator may pay the transportation costs incurred in moving the commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs.

MODIFICATION OF AMENDMENT NO. 26 OFFERED BY MR. HALL OF OHIO

Mr. HALL of Ohio. Mr. Chairman, I ask unanimous consent to modify the amendment with the modification that has been placed at the desk.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

MODIFICATION TO AMENDMENT NO. 26 OFFERED BY MR. HALL OF OHIO

The amendment as modified is as follows:

In section 307, insert after paragraph (7) (page 188, after line 22) the following (and conform the subsequent paragraphs accordingly):

(8) by striking section 206 (7 U.S.C. 1726);

In section 307, insert after paragraph (11) as redesignated (page 189, after line 21) the following (and conform the subsequent paragraphs accordingly):

(12) in section 407(c)(1) (7 U.S.C. 1736a(c)(1))—

(A) by striking ''The Administrator'' and inserting ''(A) The Administrator''; and

(B) by adding at the end the following:

(B) In the case of commodities made available for nonemergency assistance under title II for least developed countries that meet the poverty and other eligibility criteria established by the International Bank for Reconstruction and Development for financing under the International Development Association, the Administrator may pay the transportation costs incurred in moving the commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs.

Mr. HALL of Ohio (during the reading). Mr. Chairman, I ask unanimous consent that the modification be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. Without objection, the amendment is modified.

There was no objection.

The CHAIRMAN. The gentleman from Ohio (Mr. HALL) is recognized for 5 minutes on his modified amendment.

Mr. HALL of Ohio. Mr. Chairman, my amendment makes a slight technical change to the Food for Peace, P.L. 480 Program. This is one of our primary food aid programs, along with section 416(b) and Food for Progress. These vital programs allow the bounty our farmers produce to go to feed the least among us. America is great because America is good, and this is the best America has to offer the world.

This modified amendment further defines the poor countries that would be able to receive U.S. commodities and the transportation costs to get them to the hungry. It is supported by the World Food Program and private aid organizations.

I am pleased that the gentleman from Texas (Chairman COMBEST) supports this amendment. I thank the gentleman and his staff, especially Lynn Gallagher, for all of their assistance. I also appreciate the gentleman from Texas (Mr. STENHOLM) and his concern for our food aid program.

This amendment is a very small step towards my larger hope that the United States would increase our food aid for the poorest nations of the world. While we donate more food than any other country, to whom much is given, much is expected. In reality, we provide only one-half of one percent of our budget for humanitarian aid, and this should be much higher.

I spoke earlier of the good will our food aid buys around the world. My travels to poor countries around the world have convinced me that our enemies and allies respect us because of our compassion and our generosity. We are a compassionate and generous country, and our food aid programs are a terrific example of this.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. HALL of Ohio. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I thank the gentleman for yielding, and I thank him for his courtesy in discussing his amendment process with us prior to offering it.

I would say that there is no one in the House who can stand taller than the gentleman from Ohio (Mr. HALL) in his concern about hunger around the world. I respect him for that, and am very happy to accept the amendment.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from Ohio (Mr. HALL).

The amendment, as modified, was agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT NO. 53 OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 53 offered by Mr. STENHOLM:

At the end of title I (page 133, after line 13), insert the following new section:

SEC. ___. REPORT ON EFFECT OF CERTAIN FARM PROGRAM PAYMENTS ON ECONOMIC VIABILITY OF PRODUCERS AND FARMING INFRASTRUCTURE.

(a) REVIEW REQUIRED.—The Secretary of Agriculture shall conduct a review of the effects that payments under production flexibility contracts and market loss assistance

payments have had, and that fixed, decoupled payments and counter-cyclical payments are likely to have, on the economic viability of producers and the farming infrastructure, particularly in areas where climate, soil types, and other agronomic conditions severely limit the covered crops that producers can choose to successfully and profitably produce.

(b) CASE STUDY RELATED TO RICE PRODUCTION.—The review shall include a case study of the effects that the payments described in subsection (a), and the forecast effects of increasing these or other decoupled payments, are likely to have on rice producers (including tenant rice producers), the rice milling industry, and the economies of rice farming areas in Texas, where harvested rice acreage has fallen from 320,000 acres in 1995 to only 211,000 acres in 2001.

(c) REPORT AND RECOMMENDATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary 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 describing the information collected for the review and the case study and any findings made on the basis of such information. The report shall include recommendations for minimizing the adverse effects on producers, with a special focus on producers who are tenants, on the agricultural economies in farming areas generally, on those particular areas described in subsection (a), and on the area that is the subject of the case study in subsection (b).

Mr. STENHOLM. Mr. Chairman, this amendment requires USDA to review the effects that decoupled payments under the Agriculture Market Transition Act have had on the economic viability of farmers and farming infrastructure, especially in areas where conditions limit the program crops that can be grown.

The review must include a case study of the effects that decoupled payments, increases in decreases payments, for example, disaster assistance, and other countercyclical decoupled payments, will have on rice producers and the rice industry in Texas. USDA has 90 days from enactment to report its findings and recommendations on ways to minimize adverse impacts on rice farmers and the rice industry to the Committee on Agriculture.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I appreciate the gentleman's yielding, and want to also indicate again for the record that this is a no cost amendment. There are a number of people in rice-producing areas of Texas that share the gentleman's concerns, as I do; and I would be happy to accept the amendment.

Mr. STENHOLM. Mr. Chairman, reclaiming my time, I would point out the relevance of this study in that we are also, in the bill before us, going to have similar situations perhaps develop in other regions of the country; and I think the relevance of this study may be very helpful to us to avoid some of the problems that have already occurred in portions of rice country, namely in Texas.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. STENHOLM).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT NO. 55 OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 55 offered by Mr. STENHOLM:

Page 213, line 6, strike ''$10 million'' and insert ''$9,500,000''.

Beginning on page 214, strike line 13 and all that follows through line 6 on page 215, and insert the following:

(f) PUERTO RICO.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A)—

(A) in clause (ii) by striking ''and'' at the end;

(B) in clause (iii) by adding ''and'' at the end; and

(C) by inserting after clause (iii) the following:

''(iv) for each of fiscal years 2003 through 2011, the amount equal to the amount required to be paid under this subparagraph for the preceding fiscal year, as adjusted by the percentage by which the thrifty food plan is adjusted under section 3(o)(4) for the current fiscal year for which the amount is determined under this clause;''; and

(2) in subparagraph (B)—

(A) by inserting ''(i)'' after ''(B)''; and

(B) by adding at the end the following:

''(ii) Notwithstanding subparagraph (A) and clause (i), the Commonwealth may spend up to $6,000,000 of the amount required under subparagraph (A) to be paid for fiscal year 2002 to pay 100 percent of the cost to upgrade and modernize the electronic data processing system used to provide such food assistance and to implement systems to simplify the determination of eligibility to receive such assistance.''.

(g) TERRITORY OF AMERICAN SAMOA.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is amended—

(1) by striking ''Effective October 1, 1995, from'' and inserting ''From''; and

(2) by striking ''$5,300,000 for each of fiscal years 1996 through 2002'' and inserting ''$5,750,000 for fiscal year 2002 and $5,800,000 for each of fiscal years 2003 though 2011''.

Page 216, line 18, strike ''(h) and (i) shall take effect of'' and insert ''(g), (h), and (i) shall take effect on''.

Mr. STENHOLM. Mr. Chairman, this amendment adds two provisions regarding Puerto Rico and American Samoa in the nutrition programs. For Puerto Rico, the amendment would allow Puerto Rico to spend up to $6 million of the 100 percent Federal funds in fiscal year 2002 on upgrading and modernizing the electronic data processing systems used to provide food assistance and to implement systems to simplify the determination of eligibility.

For American Samoa, the amendment decreases the amount available for simplified application and eligibility determination systems in section 405 from $10 million each year to $9.5 million each year. The amendment raises the amount available for American Samoa in section 406(g) from $5.75 million in fiscal year 2002 to $5.8 million in each of fiscal year 2003 through 2011.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I appreciate the gentleman yielding.

Mr. Chairman, I also want to indicate this is a no net cost provision of the amendment. I am glad to accept the amendment. I appreciate the gentleman's introducing it.

Mr. STENHOLM. Mr. Chairman, reclaiming my time, I would point out to the House that the delegate from American Samoa and the delegate from Puerto Rico have agreed to this. This is done at their request, as well as ours today.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. STENHOLM).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

Mr. COMBEST. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we are in the process of trying to work through a number of amendments in which we have had an opportunity to deal with a variety of Members, and I think that the process is moving potentially somewhat more expeditiously than was anticipated.

But I want to take just a moment, if I might, Mr. Chairman, to expand somewhat on a comment that I made in my opening statement relative to the amount of work that has gone into this committee print that we have before the House today.

The people who do so much of the hard, heavy lifting in our committees are those people who do not sit around the dais or who do not cast votes, but who sit in those offices sometimes three or four deep and literally, as the case was in the development of this farm program, spent all night. That happened on the majority and the minority side, working in concert.

My friend, the gentleman from Texas (Mr. STENHOLM), has numerous times mentioned the bipartisanship of this committee. This goes well beyond just Members. This goes to the staff as well.

Certainly there are, from time to time, some philosophical differences. That is the nature of the process. That is the nature of the legislative process. But there is a recognition of the bigger goal, and that bigger goal is to try to achieve something in a manner in which we are seeing an extension of handshakes across the aisle.

I have personally never felt that we can pass a farm bill that only receives Republican support. Number one, it probably would say a great deal about the inadequacies of that farm bill if it in fact was a partisan bill.

It is also many times difficult. Of the 51 members on the committee whose service on that committee is requested and whose service on that committee is

asked for and who have deep interests in agriculture, we have many varying opinions from time to time. But all of that is finally put aside when we have the opportunity to come together and to look at the interests of agriculture as a whole, recognizing there are some regional differences, recognizing that there are differences in philosophy, recognizing there are differences in weather, recognizing there are differences in cropping habits, that corn grown in the chairman's district of Illinois is substantially different than corn grown in the ranking member's district or this gentleman's district. Yet, it is a program which we have to try to develop that fits all of it.

Without adequate input and without taking into consideration those people who produce that, those people who market that, those people whose livelihood depends upon that, we, in fact, would not be able to write a farm bill that has such a broad base of support.

Not enough can be said about the people who work for us on that committee. I might just mention if the statistic still holds true to this day, Mr. Chairman, I believe it is the only full committee of the House in which the Members exceed the number of staff. So it does, I think, show how much work that is dumped upon them from time to time. I will say that we could not be better served than we currently are.

□ 1315

Mr. STENHOLM. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we are now having another demonstration of what has been so frustrating to the House Committee on Agriculture as we have moved to get to this point. We had 60 amendments notified and here we are, none of the Members who felt compelled to make amendments and change are here to offer their amendments. Under House procedure, what we should do is we should move to final passage of the bill, because obviously, all of those who have felt so compelled to argue and to offer amendments are nowhere to be found. So we feel compelled now to take 5 minutes to talk about whatever we are going to talk about. Really, I guess we have the Boswell amendment, we could vote on it; but I understand that is not what they want to do.

So let me make a comment or two. I did not get recognized on the Boswell amendment a moment ago. Let me take just a moment and talk about the energy section of the bill that is before us.

Mr. Chairman, it was not but about 2 years ago that we had a depression not only in the corn and cotton patch, but also in the oil patch. At that point in time, since I represent the cotton patch and the oil patch, I was concerned about low energy prices, I was concerned about energy and energy policy as a national security; and that concern is still there. But one of the things that we recognize is that we cannot produce food and fiber without oil and gas; we cannot produce oil and gas without food and fiber; and, therefore, it is time for us to start working together, which is exactly what we have done in this bill.

In fact, something happened when we had hearings on the energy title that I did not believe I would ever see. We had independent oil and gas producers testifying in behalf of bioenergy, biodiesel, ethanol, because those in the independent oil industry began to realize just as we today are making our, we hope, compelling argument on behalf of the remaining farmers and ranchers in this country, that we have to work together, and that we do need to produce more energy. I had looked for ways to be supportive of an energy reserve today, because I think the gentleman from Iowa (Mr. BOSWELL) is on the cutting edge of what we are eventually going to need to do.

But as we looked into it and we got into, as the chairman pointed out, the trade-offs that have to occur, this fine balance that we are talking about and with some of the divisions that we have within the bioenergy industry regarding the merits of such, I do not and cannot support his amendment today. But I will point out that we have in the bill emergency loans for sharply increasing energy costs. We have loans and loan guarantees for renewable energy systems. We have biomass derived from conservation reserve program lands. We have wind turbines on conservation reserve program lands. We have the reauthorization of the Biomass Research and Development Act, which gives us the road map to get to where the gentleman from Iowa wants to be, and I want to be with him in getting there. We have the requirement of the Secretary to give priority to improved energy efficiency on farms and farm energy. We have the hazardous fuel reduction grants in this bill, and we also recognize the role of bioenergy in promoting the industrial consumption of agriculture products for the production of ethanol and biodiesel. We expand the program by directing the Secretary to include animal fats, agricultural by-products and oils as eligible commodities under existing bioenergy programs.

Now, the USDA is already carrying out the CCC bioenergy program and $150 million is being provided for fiscal year 2002, the same as fiscal year 2001. So it is certainly not without sympathy for the gentleman's amendment. It is there, but it is the question, as we have already talked about, and the precise balance, and I understand that it is very important to him.

AMENDMENT NO. 62 OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 62 offered by Mr. TRAFICANT:

At the end of title IX (page ——, after line ——), insert the following new section:

SEC. . COMPLIANCE WITH BUY AMERICAN ACT AND SENSE OF CONGRESS REGARDING PURCHASE OF AMERICAN-MADE EQUIPMENT, PRODUCTS, AND SERVICES USING FUNDS PROVIDED UNDER THIS ACT.

(a) COMPLIANCE WITH BUY AMERICAN ACT.—No funds made available under this Act, whether directly using funds of the Commodity Credit Corporation or pursuant to an authorization of appropriations contained in this Act, may be provided to a producer or other person or entity unless the producer, person, or entity agrees to comply with the Buy American Act (41 U.S.C. 10a–10c) in the expenditure of the funds.

(b) SENSE OF CONGRESS.—In the case of any equipment, products, or services that may be authorized to be purchased using funds provided under this Act, it is the sense of Congress that producers and other recipients of such funds should, in expending the funds, purchase only American-made equipment, products, and services.

(c) NOTICE TO RECIPIENTS OF FUNDS.—In providing payments or other assistance under this Act, the Secretary of Agriculture shall provide to each recipient of the funds a notice describing the requirements of subsection (a) and the statement made in subsection (b) by Congress.

Mr. TRAFICANT. Mr. Chairman, I want to thank the gentleman from Illinois (Mr. LAHOOD), who always seems to be in the chair at the right time and does a fine job.

I want to commend the chairman of this committee and the ranking member. I want to spend just a second talking about the ranking member. He has shown bipartisanship in this House for all of the years I have been here; and he has exemplified that, I believe, as well throughout everything he has done. Even when his principles are in opposition to that being offered by others, he has always been a gentleman and tried to find that common ground.

This amendment is well known by all. It is the right thing to do. If, in fact, there is money made available under this bill, the recipients of it shall get a notice that the Congress of the United States would like to see those funds expended for the purchase of American-made goods. I think the farm community understands it and may be one of the biggest supporters of this legislation.

We have very few trade surpluses in America. I believe agriculture, if I am not mistaken, is still a trade surplus. I am not sure of that. But we are now beginning to average over and close to $300 billion a year in trade deficits; and if it was not for our farmers, God forbid.

But my second amendment will deal with an issue that concerns the cattle and animal husbandry industry of this Nation. Ground beef was coming across our border, beef that originated in Australia coming across our border, uninspected, and being sold as ground beef in marketplaces throughout the United States of America. So the first one is a Buy American amendment.

Mr. Chairman, I yield to the distinguished gentleman from Texas (Mr.

COMBEST), the chairman of the committee, to ask for his support on the amendment.

Mr. COMBEST. Mr. Chairman, absolutely, I am happy to support the gentleman's amendment and appreciate his tenaciousness in this area.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I would point out that the preliminary data for 2001 show that we are exporting $5.5 billion and we are importing $39 billion. That leaves us a trade balance of $14.5 billion.

Mr. Chairman, I have no objection to the gentleman's amendment. I enthusiastically support it, and I thank him for his kind remarks.

Mr. TRAFICANT. Mr. Chairman, I would like to say that the reason we have that trade surplus is the result of the leadership we have had from gentlemen like this.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. TRAFICANT).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. TRAFICANT. Mr. 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 Ohio (Mr. TRAFICANT) will be postponed.

REQUEST TO OFFER AMENDMENT NOT PREPRINTED IN THE CONGRESSIONAL RECORD

Mr. TRAFICANT. Mr. Chairman, I ask unanimous consent to offer at this point a second amendment I have at the desk that was not printed October 3.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. COMBEST. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard and the Chair would object as being precluded by the order of the House from entertaining the request.

Are there further amendments?

AMENDMENT NO. 52 OFFERED BY MR. SMITH OF MICHIGAN

Mr. SMITH of Michigan. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 52 offered by Mr. SMITH of Michigan:

At the end of section 183 (page ____, beginning line ____), insert the following new subsection:

(d) PAYMENT LIMITATION REGARDING MARKETING ASSISTANCE LOANS TO COVER ALL PRODUCER GAINS.—In applying the payment limitation contained in section 1001(2) of the Food Security Act of 1985 (7 U.S.C. 1308(2)) on the total amount of payments and gains that a person may receive for one or more covered commodities during any crop year, the Secretary of Agriculture shall include each of the following:

(1) Any gain realized by a producer from repaying a marketing assistance loan for a crop of any covered commodity at a lower level than the original loan rate established for the commodity.

(2) Any loan deficiency payment received for a loan commodity.

(3) Any gain realized by a producer through the use of the generic certificate authority or through the actual forfeiture of the crop covered by a nonrecourse marketing assistance loan.

Mr. SMITH of Michigan. Mr. Chairman, I think this is a very important amendment if we are going to keep public support for agricultural programs. The amendment puts an absolute limit on all benefits derived from price support programs of the Federal Government.

I am a farmer. I have spent time as chairman of the ASCS committee in Michigan administering farm programs. I help write them in Washington. If anybody has read the papers, they know that there have been many stories from AP and other news sources about the millions of dollars that are going to some of the big landowners. I think that we are hoodwinking the American people if we say that there is a limit of $150,000 in this case; and by the way, up until last year, the limit was only $75,000; but we now have a limit of $150,000. If you have a wife, you can go to the USDA office and have that spouse also included as an additional producer, making it $300,000.

I think we are hoodwinking the American people if we lead them to believe that there is any limit on benefits that can be derived from Federal programs on price support. That is because in a rather complicated program, we have nonresource loans, which means that even if one does not get the marketing loan payment, even if one does not get the price support from a loan deficiency payment, one always has the opportunity of forfeiting a crop or, in many cases, the Government says instead of the forfeiture, we will give a certificate.

So in reality, there is no limit. What we are faced with is people like NBA star Scotty Pippen, billionaire tycoon J.R. Simlot, and 20 Fortune 500 companies receiving Federal checks from the programs.

The President, the administration said today, one problem he has with this farm bill, and allow me to read the statement that came out this morning from the statement of administration policy: ''This bill fails to help farmers most in need. While overall farm income is strengthening, there is no question that some of our Nation's producers are in serious financial straits, especially smaller farmers and ranchers. Rather than address these unmet needs, H.R. 2646 would continue to direct the greatest share of resources to those least in need of government assistance. Nearly half of all recent government payments have gone to the largest 8 percent of farms, usually very large producers, while more than half of all U.S. farmers share only 13 percent of the payments. H.R. 2646, without this amendment, would continue this disparity.''

I call on my colleagues to do something that helps farmers, and we help farmers because we are going to be inundated. Anybody that read the Wall Street Journal today knows that, again, they criticized this program because it goes to the big producers. Let me suggest to my colleagues why there is momentum to not have any limitations on price support benefits. It is because of the grain dealers, the grain deals, the car deals, the Purinas, the Archer Daniel Midlands. Every grain operator profits by their volume. They have so much income for every bushel, every hundred weight; and so there is that momentum, plus the huge farmers. We have an 80,000-, 130,000-acre farmer that controls 130,000 acres down in Florida where he lives, ended up with something way in excess of $1 million. Mr. Chairman, 154 recipients, in total, quoting the AP story, collected more than $1 million and wealthy recipients are doing it.

We need to home in on this program. One way to do it is to say that there is going to be a real limit of $150,000 that includes not only the LDPs and the marketing loans, but also includes if you will, the end run that these huge landowners exercise to get benefits from forfeitures and so-called certificates.

□ 1330

My amendment would save, according to the CBO, $1.2 billion in benefits, or what is the figure, $1.3 billion.

So this amendment, by limiting it to these giant producers, saves $1.3 billion. The giant producers are located, many of them, in cotton farms in Texas, and of course, rice in Arkansas.

Mr. Chairman, I include for the RECORD a Dear Colleague letter on this matter.

The document referred to is as follows:

WASHINGTON, DC,
October 3, 2001.

''There's a lot of medium-sized farmers that need help, and one of the things that we're going to make sure of as we restructure the farm program next year is that the money goes to the people it's meant to help.''—President George W. Bush, August, 2001

DEAR COLLEAGUE: Few people are aware that many of our farm commodity programs, for all of their good intentions, are set up to disburse payments with little regard to farm size or financial need. Often in our rush to provide support for struggling farmers we overlook just where that support is going:

This amendment only limits price supports, not AMTA, conservation, or any other type of farm payment.

The largest 18 percent of farms receive 74 percent of federal farm program payments.

In 1999, 47 percent of farm payments went to large commercial farms, which had an average household income of $135,000.

The bulk of benefits over $150 thousand paid out on the 2000 harvest went to cotton and rice farmers—in fact, two large rice cooperatives in Arkansas collected nearly $150 million between them.

Unlimited government price supports for program commodities disproportionately skews federal farm aid to the largest of producers while encouraging overproduction and allowing the largest producers to become even larger. Let's do more to be fair to small and moderate size family farm operations by establishing meaningful, effective payment limitations.

Sincerely,

NICK SMITH,
Member of Congress.

Mr. COMBEST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let us talk about this amendment for a moment. This amendment was offered in committee; and after USDA was called upon for comment, the amendment failed by voice vote. This is not just a limitation amendment. What this does is it dramatically changes the way that the loan program works.

Following the farm crisis in the 1980s, the marketing loan program was created. Its purpose was to aid a producer in marketing commodities to minimize the government accumulation of stocks, to minimize the potential loan forfeitures, and to minimize the cost.

The information which the gentleman from Michigan (Mr. SMITH) put in the committee report in ''additional views'' talks about the imposition of this limitation would only affect the largest one-half of 1 percent of farmers. It claims that the average acreage harvested to reach that loan limitation would be, for example, 1,950 acres of cotton for 1,700 acres of rice.

In reality, it would take 701 acres of rice in Arkansas or 432 acres of cotton in California, and I do not think that a 432-acre farm is in the top 1 percent in size.

Let me give an example of how this would work, in reality. Today, a cotton farmer in California with 432 acres and an average yield would be affected by this amendment. Let us assume that the farmer put all of his cotton from the 432 acres in the loan. With a 19 to 20 billion bail crop, the loan deficiencies would continue downward to 30 cents.

Even though the farmer could have forfeited the cotton to the Government in the past, this amendment would limit the amount which they could forfeit, which would therefore then force that farmer to take that loan out when he could have gotten 50 cents and a market price of 30 cents.

It is a dramatic change in the way that a non-recourse loan program in the past has worked for the past 50 years, and it is not simply a matter of concern about the largest one-half percent of the farmers. Again, I want to reiterate, a 701-acre rice field in Arkansas or a 432-acre cotton field in California is not an exceptionally large 1 percent of the top farms in the country. That is a very average-sized farm. It is not simply a limitation on the payments; it is a dramatic change in the way the program operates.

I would strongly oppose the gentleman's amendment.

Mr. MILLER of Florida. Mr. Chairman, I rise in support of the amendment offered by my colleague, the gentleman from Michigan. It just makes common sense that we try to make this a more fair and equitable type of bill, because it really does help very, very wealthy people.

I was kind of embarrassed, a newspaper article on the front page of my Sarasota paper, unfortunately it was back on September 11, on the front page showed President Bush waving upon his arrival the night before.

The other big article was an AP wire service story about how most farm subsidies go to a few. It talks about how 1,200 universities and government farms and State prisons get money. It talks about how Ted Turner gets $190,000 from it, Scotty Pippin, the basketball player making $14 million a year, gets $26,000. It talks about people after people who get $1 million, hundreds of thousands of dollars.

All that the amendment of the gentleman from Michigan (Mr. SMITH) does is try to make a little more equity and tries to make a little more fairness in this program.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Florida. I yield to the gentleman from Michigan.

Mr. SMITH of Michigan. Mr. Chairman, I thank the gentleman for yielding.

Just to respond to the gentleman from Texas (Chairman COMBEST), we have a recourse loan program, so we do not glut the program, available to these farmers as a recourse loan. That means we do not have to sell the product at harvest time, so this does not diminish the effort we have made over the years to allow orderly marketing. It is still there.

Let me also say that according to the Congressional Research Service, averaging the last 2 years, we would have had to have had 6,142 acres of corn to reach the $150,000 limit; 6,600 acres of soybeans; 13,000 acres of wheat; 13,000 acres of sorghum; 1,951 acres of cotton; and 17,000 acres of rice. Prices vary over the years, so the acreage is going to vary over the years. These are all huge farmers.

There are 80,000-acre landlords that are sucking in a lot of the benefits that could go to small farmers. Again, scored, this saves $1.3 billion. At a time when we are desperately looking for finance, at a time when we are desperately looking for fairness, I would ask my colleagues to consider something that takes the great advantage away from the big farmers, slows down the motivation of those big farmers to get even bigger, buying up the small farms. It is not the kind of farm policy we should have in the United States.

Mr. MILLER of Florida. Mr. Chairman, just in conclusion, one of the concerns I have about this total bill, it has 70-some billion of new spending over and above what has been spent over the past year. It is supposed to come out of our non-Social Security surplus. Now, not only do we not have a Social Security surplus, we are going to be into deficit spending.

Anything we can do to reduce that 70-some billion of new spending that was put in the budget back in May of this year, that I supported, that was expecting these $300 billion surpluses. Now that we do not have these huge surpluses, it makes it very difficult for us fiscal conservatives to support a bill like this.

So anything that can reduce the total cost of this bill by $1 billion I would hope would be supported by this House.

Mr. POMEROY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I strongly favor the underlying bill; but as I mentioned in my opening comments in general debate, the underlying bill is not perfect. I believe one of the more visible imperfections is its failure to address payment limits.

I think, as an advocate for family farmers, that our ability to sustain the Nation's commitment to farm programs depends upon the American public feeling like their taxpayer dollars are supporting family farmers, not large corporate enterprises that simply do not have the same compelling case to make for the Nation's resources.

The GAO has reported that one-half of all farm payments went to just 7 percent of all farms, the largest farms. This is misdirected policy. By passing the Smith amendment, we place a limit that actually works, that limit $150,000 in Federal payments, a significant amount of Federal support. I believe it would work.

I recognize that there are economic differences in the production of various commodities and that the production of rice and cotton, Southern-based commodities, requires larger economic operations.

At the same time, by moving this payment limit from where it was just 2 years ago, from $75,000 up to the $150,000, I think much has been done to accommodate the different scale of economics undergirding production in that part of the region.

Make no mistake about it: in the end, payment limits make sense. We devote our resources to keeping the family commercial operations in the business; we do not divert half of all money in the bill to the largest 7 percent of the farms; and we have a program that going forward, year after year, will be one less likely to be attacked for squandering Federal resources.

This is about bringing integrity and common sense to farm programs. I urge support of the amendment.

Mr. CHAMBLISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment; and I would take issue with my friend, the gentleman from Florida, who mentioned some folks by name who are getting payments.

He mentioned Scotty Pippin. According to the figures he mentioned, this provision, this amendment, would not apply to that individual because he does not reach that payment limitation.

Mr. Chairman, what we are asking to be done here with this amendment is to change the rules in the middle of the stream. We have got farmers who have been operating under the current law for years and years and years, and they have structured their farming operations within the confines of the law.

That law now seeks to be changed in the short term. We could have farmers reconstruct their farming operations; but if they did, the tax consequences to the American farmer would be huge. That would be enough to put the farmer out of business.

I take issue with my friend, the gentleman from Michigan, that this does not have anything to do with the marketing loan provision. It absolutely does. We have to look at the payment limitation and work it in coordination with the marketing loan provision. That is why we have the payment limitation and why we have the marketing loan provision.

But more importantly, I was up here a little bit earlier. I had an example of the Walker farm that we used in Alabama, where it was deemed to be, by a lot of people, a corporate farm. What it is is a 7,000-acre operation that is operated by seven families, all of whom, seven of whom, qualify as producers, as actively engaged in farming, who have money at risk in the operation.

Those are the folks who this amendment would seek to really hurt. That provision would really destroy that operation; and if those folks have money at risk, then they ought to be able to come under the payment limitation rule and not be excluded.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CHAMBLISS. I yield to the gentleman from Michigan.

Mr. SMITH of Michigan. Mr. Chairman, each one of these individuals is eligible, if they go to the local FSA office, to be a separate producer entity, each available to that $150,000 limit.

Mr. CHAMBLISS. They are now. That is my point.

Mr. SMITH of Michigan. This would not touch that.

Mr. CHAMBLISS. Yes, it would, too. It would limit that operation.

Mr. SMITH of Michigan. No, sir, this is a limit per individual producer. Excuse me.

Mr. CHAMBLISS. The limit is there now. We have the certificate provision to take care of it, over and above that.

But we would destroy the current structure of the way farms are set up if we changed the payment limitation at this point in time. I would urge a no vote on this amendment.

Mr. BLUMENAUER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment is an example of how we can today at least take a system that was designed two-thirds of a century ago and attempt to make it a little better, a little more relevant.

I strongly support the amendment offered by the gentleman from Michigan (Mr. SMITH) and am proud to associate myself as a cosponsor of it.

Mr. Chairman, we have heard on this floor how narrowly channeled our support is. Seventy-four percent of the total subsidies go to 18 percent of the producers; two-thirds of the farm support goes to just 10 percent. The last speaker pointed out that half goes to just 7 percent.

George Bush has, as recently as this last month, pointed out that there are a lot of medium-sized farmers that need help; and one of the things that we are going to do is make sure that we restructure the farm program to make sure the money goes to the people it is meant to help.

I think what the gentleman from Michigan has done is to attempt to give a dimension to the words of our President. The numbers of the gentleman from Michigan (Mr. SMITH) have indicated, and we have all received the reports from CRS that talk about how much acreage is necessary to trigger that limit. I think this is a modest step in the right direction.

I know the gentleman from Michigan has some further thoughts on this, and he has my strong support for the amendment.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BLUMENAUER. I yield to the gentleman from Michigan.

Mr. SMITH of Michigan. Mr. Chairman, I thank the gentleman for yielding.

This is going to come back to harm the average farmer in the United States. We have farm organizations that support it, and some of the big ones do not support it; but we are looking at a situation where the President has indicated to us this morning that this overpayment to the big farmers is a problem.

Let me read a quote that he made last month. The President said: ''There are a lot of medium-size farmers that need help, and one of the things we are going to make sure of as we restructure the farm programs is that the money goes to the people that it is meant to help.''

I hope we consider doing this, because, number one, we encourage more production, overproduction, if we say the big farmers that already have a lower unit cost of production are getting that fixed payment, so they tend to get bigger. They tend to buy out other farms, the medium-sized farmer that is struggling to make a go of it and tries to buy out the smaller farmer. So we are perpetuating the large, corporate-type farming operations.

Maybe that is what some people want to call a family farm. I do not think that is what the public policy of the United States Congress should be, supporting and expanding with the kind of farm program that does not have some real limits on farm payments.

This does not apply to the average sized farm, which is a little over 500 acres. One has to have 6,000 acres of most any of these crops to reach the $150,000 limit.

Mr. BLUMENAUER. I appreciate the gentleman's framing the words of our President. I could not have said it better myself.

This is an opportunity for some bipartisan support to take an important step for making these important programs work a little better, inspire more confidence from the American public, save some money, and be able to target it where it is most needed. I strongly urge support for this amendment.

□ 1345

Mr. SIMPSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I can assure the gentleman from Michigan that the average size farm in Idaho is larger than 500 acres, substantially larger than 500 acres.

The Smith amendment seeks to include marketing certificates under established payment limits on the farm program benefits, but would effectively limit the use of marketing certificates and inhibit the following benefits: Marketing certificates enhance competitiveness of U.S. commodities. Marketing certificates enable the marketing loan program to work effectively when commodity prices are low, thereby making U.S. commodities available at market clearing prices. This enhances demand and market share and maintains the entire agricultural infrastructure.

Marketing certificates prevent stock overhang. Without certificates there will be a larger stock overhang going into next year, weakening next year's prices, making it more difficult for farmers to secure operating loans. Large farmers will hold stocks depressing prices for small and medium farmers.

Marketing certificates prevent loan forfeitures. Without marketing certificates, producers would place their crops into the commodity credit corporation loan and would likely forfeit the commodity, tying up storage and leaving the government to market commodities almost certainly at a substantial loss and at competition with the private sector during the following year's harvest. Merchants would buy from the government, and the farmer would receive less for his crop.

Mr. Chairman, I get interested in this talk about large corporate farms versus family farms. So far I have never really been able to figure out what is a large corporate farm versus a family farm. I know individuals in Idaho that are corporations. Four brothers together. They own a very, very large farm, probably 30,000 acres

or so. The USDA, as I said earlier, said $250,000 of gross sales makes you a large farmer. It does not take a large acreage farm to create $250,000 of gross sales.

Actually, 99.5 percent of those large farms are family-owned; 99.5 percent of those are family-owned. Of those farms, those large farms that we say are large, somehow bad corporate farms or whatever, and sometimes families create corporations for tax purposes, they create 53 percent of the crop value but only get 47 percent of the payments. They get less than the value of the crop that they produce compared to the small farmer. We are already tilting it toward the small farmer.

When it comes to Scotty Pippen, we always throw those names out there because they are great in the paper. Here we have a guy making a ton of money playing basketball. He would receive this payment even if this amendment passed because he got it under the forestry program. It is forest land that he has. If you limited this payment to zero, he would still get his $26,000 under the forestry program.

Mr. Chairman, I would urge my colleagues to reject this amendment and stay with the underlying bill.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the gentleman's amendment and would like to ask the gentleman from Michigan (Mr. SMITH) his source of the savings.

The gentleman from Florida made the allegation that this is saving $1.3 billion. I am asking the gentleman as to what is his source of that number.

Mr. Chairman, I yield to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Chairman, I would tell the gentleman from Texas it is the Congressional Budget Office.

Mr. STENHOLM. There is a CBO estimate?

Mr. SMITH of Michigan. Yes.

Mr. STENHOLM. The gentleman's amendment is the one that deals with marketing certificates?

Mr. SMITH of Michigan. The $150,000 now only applies to the marketing loans and the loan deficiency payments. This would expand it to also include the other benefits from price support of the forfeitures and the certificates. This is a new CBO estimate that they just gave us this morning. The old CBO estimate said that it was going to be something like $600 million. They gave us the new estimate this morning of $1.33 billion.

Mr. STENHOLM. Reclaiming my time, I would love to see that information because that certainly is contrary to anything that I have seen.

Marketing certificates, which I believe this is aimed at limiting, have been around for 14 years. They have been used for a very good purpose, and that is to avoid building up CCC stocks. The effect of the gentleman's amendment would simply be to build-up stocks, because to equate the loan with a price support cash payment is totally fallacious. This is not the way that marketing certificates work. What we try to do is avoid CCC build-up of stocks.

If we are going to make it ineligible, if we want to make them ineligible for loans, that is one thing, but that is not what the gentleman is attempting to do. I do not believe that that is what his intent is; but the amendment before us does not do that, which I believe the gentleman is saying that it does.

Market certificates avoid market disruptions caused by payment limits. When you run up against that payment limit, then we have one choice. We put it into the loan, and then the government pays us for it or we then market it.

Under the theory of the Freedom to Farm Act of which as we held the hearings last year, farmers loved the Freedom to Farm, but they do not like the results, the price.

This is a fundamental change in the direction of farm programs. Fundamental. If one wants to go down that route, then vote for the gentleman's amendment. I would think though that the gentleman would be better served by his intent if he went back through the committee process, looking ahead to another year, and saying that if we want to limit the size of operations, then let us do it in a predictable way, not in a retroactive way.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Michigan.

Mr. SMITH of Michigan. Mr. Chairman, I just want to say that what USDA suggests on implementing this amendment, it would be simply, instead of a nonrecourse loan that means you can forfeit, it would be a recourse loan. So you can still borrow the money, but eventually you will have to pay it back at the lower interest rate.

Mr. STENHOLM. Reclaiming my time, I thank the gentleman for his explanation. I, even more enthusiastically, oppose the gentleman at this stage of the game.

Mr. KIND. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will try to be brief. I, too, want to rise in support of the gentleman from Michigan's (Mr. SMITH) amendment. I think basically what it is saying is when is enough enough when it comes to the subsidy payments that direct Federal payments to some of the biggest producers in the country? We all know that the producers do not operate in a vacuum. They are making economic decisions day in and day out.

Unfortunately, when I talk to a lot of the economists and those that study agriculture policy, they are fearful and very concerned that most of the economic decisions that are made is not based on what the market will support and what would drive market forces, but rather, for the government paycheck, and that is why I think we have seen an explosion of growth in various commodity producers around the country because they are looking at certain largess coming from Washington and these Federal payments and making their economic and business decisions accordingly.

The Members have heard this from many, many different people. They are saying the same thing on the Senate side. Even the administration, in their policy statement they released this morning, is making the same exact point. So the Members do not have to believe the gentleman from Michigan. The Members do not have to believe me and what is being said about it. Look at our own administration right now and what they say. They are very clear in their statement of policy when they come out in opposition to the base bill.

One of the reasons they do so is because it encourages overproduction while prices are low and I quote, ''A direct consequence of American farm policy for many decades has been excessive production and low prices. This policy began to change in the last farm bill. The administration believes strongly that our national farm policy should not distort market signals, thereby directly or indirectly depressing farm prices. H.R. 2646 would continue to contribute to overproduction caused partially by increased production-based payments to farmers per bushel grown at above-market prices.''

They go on to say that the approach under the base bill also fails to help the farmers most in need, and again, I quote the administration's policy statement in which they said, ''While overall farm income is strengthening, there is no question that some of our Nation's producers are in serious financial straits, especially smaller farmers and ranchers. Rather than address these unmet needs, H.R. 2646 would continue to direct the greatest share of resources to those least in need of government assistance. Nearly half of all recent government payments have gone to the largest 8 percent of farms, usually very large producers, while more than half of all U.S. farmers share in only 13 percent of farm payments. H.R. 2646,'' again according to the administration, ''would only increase this disparity.''

So I think the point the gentleman from Michigan is making is the point that many of us are making, and some of the amendments that we are planning on offering in the course of this farm bill debate, is that at some point we have to start making some decisions in regards to that farm policy, seeing what the overall economic impact is going to be based on the business and economic decisions that many producers are making throughout the country.

So I rise in support of the gentleman's amendment. I think he has support from both the administration and

also the work that is currently being conducted in the U.S. Senate in regards to their farm policy. I think it is a reasonable approach in order to put a check on the unbridled increase in production which leads to oversupply. It leads to a limiting of commodity prices and invariably leads to multibillion dollar farm relief bills coming out of this United States Congress over the last few years.

We are caught in this vicious cycle right now, and I think the gentleman from Michigan's amendment is trying to address that and break us out of this cycle that we find ourselves in.

Mr. BERRY. Mr. Chairman, I move to strike the requisite number of words.

This is the best fed country in the world. All you have got to do is walk around the streets to see that. We are all doing pretty good. I certainly get more than my fair share of it, but all the rhetoric on this floor today fails to realize that.

I have heard just in the last few minutes over and over again how we have an oversupply. These people that are talking about an oversupply, how do you check what the stocks to use ratios are in this country? We have got the lowest ending stock projected for next year that we have had since 1973. There is not any huge supply of grain built up here or anyplace else in the world. I do not know where this imaginary supply is. I do not know where this overproduction is. It does not exist.

Freedom to farm let people plant for the market. They did plant for the market. The supplies are not there and we actually have some risk if we do not continue to produce at that level. We could run out of food in this country. It is not a social program. Farm programs are not designed to protect small farmers or large farmers or create some kind of social condition or recreate a Jeffersonian democracy. That is not what they are for. They are to make sure that America has enough food and fiber to be self-sufficient and be secure. That is what this is all about.

If we are going to start limiting government programs in the way that has been mentioned here today, then we should limit the airlines to $150,000. We just passed big bucks last week. Let us just limit the airlines, give them all $150,000 and cut them off at that. You cannot make it, buddy, tough luck.

That makes just as much sense as what this amendment does. If this is such a profitable deal and everybody that is involved in agriculture is standing at the government trough, why are not there more people lined up out there to do it? Boy, I tell you what, if you want to get rich, just go to Arkansas, buy you a big rice farm. You will find out how big, how wealthy you can get. There is not anybody down there wanting to do it right now. Once we create a situation in this country where people just do not want to farm anymore, we are at risk with our food supply.

This talk of overproduction is just simply not true. We need to pay attention to the situation and not kill the goose that laid the golden egg and make sure that our farmers are able to stay in business and do the wonderful job that they have done for this country since it was founded.

Mr. SHAYS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the President of the United States said there are a lot of medium-sized farmers who need help, and one of the things we are going to make sure of is that we restructure the farm program, so that the money goes to the people who need it the most.

□ 1400

Mr. Chairman, on every occasion that Congress has taken up a farm bill or an agricultural appropriations act there is one argument that is as predictable as a football game on Thanksgiving: pass this bill, we are told, or it will mean the end of the family farm. Well, today, we have an opportunity to literally put our money where our mouths are.

The Smith amendment is very simple. It establishes—actually, it enforces—a reasonable limit on the amount farmers can receive in deficiency payments. And if I may say so, a limit of $150,000 is not only reasonable, it is plain generous. Our current farm programs already include this cap, but the larger farms have exploited a loophole that allows them to bypass it through the use of commodity certificates.

This amendment will not reduce government subsidies on a single small farm, unless of course a small farm is defined as 20,000 acres of cotton. What it will do is restore some sanity to the way we appropriate government price supports. Consider the following: the largest 18 percent of farms receive 74 percent of Federal payments. In 1999, 47 percent of farm payments went to large commercial farms; and in that same year, a single farmer received more than $1.2 million in government handouts.

If my colleagues think that is the way our government programs should operate, by all means vote against this amendment. Those who think a single farmer should receive more than $1 million in government subsidies, while small farmers are barely making ends meet, vote against this amendment. But if my colleagues think it is time large farms stop fleecing American taxpayers, support this modest amendment.

Mr. Chairman, I helped end welfare in my urban areas. It is about time we started to reduce welfare for rich farmers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. SMITH).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SHAYS. Mr. 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 Michigan (Mr. SMITH) will be postponed.

Are there further amendments?

AMENDMENT NO. 20 OFFERED BY MR. ENGLISH

Mr. ENGLISH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 20 offered by Mr. ENGLISH:

At the end of subtitle B of title I (page 66, after line 3), insert the following new section:

SEC. ___. PRODUCER RETENTION OF ERRONEOUSLY PAID LOAN DEFICIENCY PAYMENTS AND MARKETING LOAN GAINS.

Notwithstanding any other provision of law, the Secretary of Agriculture and the Commodity Credit Corporation shall not require producers in Erie County, Pennsylvania, to repay loan deficiency payments and marketing loan gains erroneously paid or determined to have been earned by the Commodity Credit Corporation for certain 1998 and 1999 crops under subtitle C of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231 et seq.). In the case of a producer who has already made the repayment on or before the date of the enactment of this Act, the Commodity Credit Corporation shall reimburse the producer for the full amount of the repayment.

Mr. ENGLISH. Mr. Chairman, I would like to thank the distinguished chairman of the Committee on Agriculture for considering this amendment and, through it, the plight of a group of farmers in Erie County, Pennsylvania, in a truly unique situation in the Nation.

My amendment rights a wrong that left many of our local farmers holding the bag because of a clerical error by the Federal Government. Last year, the Department of Agriculture ruled that our farmers were ineligible for the Federal Loan Deficiency Program payments because their applications were filled out improperly, notwithstanding the fact that they carefully followed the instructions of the local farm service office.

Erie County farmers were told by the Department that they needed to repay the thousands of dollars with interest to the Federal Government. The catch is that the farmers would have qualified for the payments by all understandings if they had simply filled out the forms correctly.

This amendment, which was scored by the CBO to cost $2,000, would therefore round to zero. This amendment does not affect budget authority, only outlays, meaning it is clearly not in violation of rule 302(f).

This amendment simply waives the debt for those farmers who did not repay the money, while refunding those who have already submitted their payments.

We must ensure that not one of our farmers is held responsible for the Federal Government's mistake. The money

these farmers received under this program is vital to the local farm community. Agriculture is the number one industry in our State, our region, and in Erie County. Farming is a vital part of our local and national economy, and we cannot allow a clerical error caused by the supervision of the Federal Department of Agriculture to cost many farmers their livelihood and impose on others such a Draconian burden.

Mr. Chairman, I thank the gentleman from Texas (Mr. COMBEST) and the committee for their willingness to work with me to ensure that our local farmers are not punished for a bureaucratic mistake.

Mr. COMBEST. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I yield to the gentleman from Texas.

Mr. COMBEST. Mr. Chairman, I want to tell the gentleman that I appreciate the difficulty he has been going through in Erie County, Pennsylvania. He has been trying to get this issue resolved, and we think we can do it legislatively in the bill.

CBO would not score this at a cost, and so I am glad to accept the amendment and appreciate the gentleman's willingness to try to work with us on this issue and hope it comes to now a positive resolution.

Mr. ENGLISH. I thank the chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. ENGLISH).

The amendment was agreed to.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: amendment No. 13 offered by the gentleman from Iowa (Mr. BOSWELL), amendment No. 62 offered by the gentleman from Ohio (Mr. TRAFICANT), and amendment No. 52 offered by the gentleman from Michigan (Mr. SMITH).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 13 OFFERED BY MR. BOSWELL

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment No. 13 offered by the gentleman from Iowa (Mr. BOSWELL) 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 100, noes 323, answered ''present'' 1, not voting 6, as follows:

[Roll No. 363]

AYES—100

Bartlett
Bereuter
Blagojevich
Boswell
Brady (PA)
Brown (OH)
Capuano
Cardin
Carson (OK)
Clayton
Condit
Conyers
Crowley
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
Dicks
Dingell
Ehlers
Evans
Farr
Filner
Frank
Gephardt
Grucci
Gutierrez
Hall (TX)
Herger
Hoeffel
Holt
Honda
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Johnson, E. B.
Jones (OH)
Kaptur
Kennedy (RI)
Kucinich
LaFalce
Langevin
Leach
Lee
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (NY)
Markey
McCarthy (MO)
McCollum
McDermott
McGovern
McKinney
McNulty
Meehan
Moore
Moran (VA)
Morella
Nadler
Neal
Oberstar
Obey
Olver
Pallone
Pascrell
Payne
Pelosi
Peterson (MN)
Pomeroy
Rahall
Ramstad
Rivers
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Schakowsky
Schiff
Serrano
Slaughter
Smith (WA)
Solis
Strickland
Stupak
Thompson (CA)
Thurman
Udall (NM)
Waters
Watt (NC)
Weiner
Woolsey
Wynn

NOES—323

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Barton
Bass
Becerra
Bentsen
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Carson (IN)
Castle
Chabot
Chambliss
Clay
Clement
Clyburn
Coble
Collins
Combest
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (FL)
Davis, Jo Ann
Davis, Tom
Deal
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehrlich
Emerson
English
Eshoo
Etheridge
Everett
Fattah
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hall (OH)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaHood
Lampson
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
Manzullo
Mascara
Matheson
Matsui
McCarthy (NY)
McCrery
McHugh
McInnis
McIntyre
McKeon
Meek (FL)
Meeks (NY)
Menendez
Mica
Miller (FL)
Miller, Gary
Miller, George
Mink
Moran (KS)
Murtha
Myrick
Napolitano
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Osborne
Ose
Owens
Oxley
Pastor
Paul
Pence
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rangel
Regula
Rehberg
Reynolds
Riley
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sawyer
Saxton
Schaffer
Schrock
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Spratt
Stark
Stearns
Stenholm
Stump
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (MS)
Thornberry
Thune
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watson (CA)
Watts (OK)
Waxman
Weldon (FL)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Wu
Young (AK)
Young (FL)

ANSWERED ''PRESENT''—1

Otter

NOT VOTING—6

Engel
Houghton
Millender-McDonald
Mollohan
Reyes
Weldon (PA)

□ 1431

Messrs. WALSH, GORDON, TOOMEY, BOEHNER, MCKEON, CALLAHAN, HYDE, TIBERI, GREENWOOD, OXLEY, BARTON of Texas, BECERRA, Ms. KILPATRICK, Ms. HART, and Mrs. NORTHUP changed their vote from ''aye'' to ''no.''

Messrs. HOLT, BROWN of Ohio, SANDERS, RAMSTAD, STRICKLAND, LEWIS of Georgia, MOORE, OLVER, FARR of California, HALL of Texas, WEINER, DICKS, Ms. DEGETTE, Ms. WATERS, and Mrs. JONES of Ohio changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated against:

Ms. MILLENDER-McDONALD. Mr. Chairman, on rollcall No. 363, I had a hearing/press coverage with the Ambassador of Pakistan re: Women and children refugees migrating from Afghanistan. Had I been present, I would have voted "no."

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each additional amendment on which the Chair has postponed further proceedings.

AMENDMENT NO. 62 OFFERED BY MR. TRAFICANT

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Ohio (Mr. TRAFICANT) on which further proceedings were postponed and on which the ayes 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 CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 418, noes 5, not voting 7, as follows:

[Roll No. 364]

AYES—418

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Miller (FL)
Miller, Gary
Miller, George
Mink
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOES—5

Armey
Dreier
Kolbe
McDermott
Stark

NOT VOTING—7

Engel
Houghton
Millender-McDonald
Mollohan
Reyes
Saxton
Weldon (PA)

□ 1440

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Stated for:

Ms. MILLENDER-McDONALD. Mr. Chairman, on rollcall No. 364, I was detained due to a hearing/press coverage with the Ambassador to the U.S. from Pakistan re: Women and children refugees migrating from Afghanistan. Had I been present, I would have voted "yes."

AMENDMENT NO. 52 OFFERED BY MR. SMITH OF MICHIGAN

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Michigan (Mr. SMITH) 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 CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 187, noes 238, not voting 5, as follows:

[Roll No. 365]

AYES—187

Abercrombie
Ackerman
Allen
Andrews
Armey
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Bartlett
Bass
Becerra
Berman
Biggert
Bilirakis
Blumenauer
Bonior
Borski
Boswell
Brady (PA)
Brown (OH)
Capps
Capuano
Cardin
Chabot
Clay
Clayton
Conyers
Cox
Coyne
Crane
Crowley
Davis (CA)
Davis (IL)
Davis, Tom
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Dicks
Doggett
Doyle
Dreier
Duncan
Ehlers
Ehrlich
Eshoo
Farr
Fattah
Ferguson
Flake
Fossella
Frank
Frelinghuysen
Gekas
Gephardt
Gilchrest
Gilman
Goode
Goss
Green (TX)
Harman
Hart
Hefley
Hinchey
Hoeffel
Holden
Holt
Honda
Hooley
Hostettler
Inslee
Israel
Istook
Jackson (IL)
Johnson (CT)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (RI)
Kildee
Kind (WI)
Kleczka
Kucinich
LaFalce
Langevin
Lantos
Larson (CT)
LaTourette
Leach
Lee
Lewis (GA)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McInnis
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Mica
Miller (FL)
Miller, Gary
Miller, George
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Ney
Obey
Olver
Owens
Pascrell
Paul
Payne
Pelosi
Peterson (PA)
Petri
Pitts
Platts
Pomeroy
Rahall
Ramstad
Rivers
Rohrabacher
Roukema
Roybal-Allard
Royce
Rush
Sanchez
Sanders
Sawyer
Schakowsky
Sensenbrenner
Shadegg
Shays
Sherman
Sherwood
Simmons
Slaughter
Smith (MI)
Smith (NJ)
Smith (WA)
Solis
Stark
Stearns
Strickland
Stupak
Sununu
Tancredo
Tauscher
Thune
Tiahrt
Tierney
Toomey
Towns
Udall (CO)
Udall (NM)
Velazquez
Wamp
Watt (NC)
Waxman
Weiner
Woolsey
Young (FL)

NOES—238

Aderholt
Akin
Bachus
Baker
Ballenger
Barr

Barton
Bentsen
Bereuter
Berkley
Berry
Bishop
Blagojevich
Blunt
Boehlert
Boehner
Bonilla
Bono
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Carson (IN)
Carson (OK)
Castle
Chambliss
Clement
Clyburn
Coble
Collins
Combest
Condit
Cooksey
Costello
Cramer
Crenshaw
Cubin
Culberson
Cummings
Cunningham
Davis (FL)
Davis, Jo Ann
Deal
Deutsch
Diaz-Balart
Dingell
Dooley
Doolittle
Dunn
Edwards
Emerson
English
Etheridge
Evans
Everett
Filner
Fletcher
Foley
Forbes
Ford
Frost
Gallegly
Ganske
Gibbons
Gillmor
Gonzalez
Goodlatte
Gordon
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill
Hilleary
Hilliard
Hinojosa
Hobson
Hoekstra
Horn
Hoyer
Hulshof
Hunter
Hyde
Isakson
Issa
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kennedy (MN)
Kerns
Kilpatrick
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Lampson
Largent
Larsen (WA)
Latham
Levin
Lewis (CA)
Lewis (KY)
Lucas (KY)
Lucas (OK)
Manzullo
Matheson
Matsui
McCollum
McCrery
McHugh
McIntyre
McKeon
Meek (FL)
Millender-McDonald
Mink
Myrick
Nethercutt
Northup
Norwood
Nussle
Oberstar
Ortiz
Osborne
Ose
Otter
Oxley
Pallone
Pastor
Pence
Peterson (MN)
Phelps
Pickering
Pombo
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rangel
Regula
Rehberg
Reynolds
Riley
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Rothman
Ryan (WI)
Ryun (KS)
Sabo
Sandlin
Saxton
Schaffer
Schiff
Schrock
Scott
Serrano
Sessions
Shaw
Shimkus
Shows
Shuster
Simpson
Skeen
Skelton
Smith (TX)
Snyder
Souder
Spratt
Stenholm
Stump
Sweeney
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thurman
Tiberi
Traficant
Turner
Upton
Visclosky
Vitter
Walden
Walsh
Waters
Watkins (OK)
Watson (CA)
Watts (OK)
Weldon (FL)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Wu
Wynn
Young (AK)

NOT VOTING—5

Engel
Houghton
Mollohan
Reyes
Weldon (PA)

□ 1451

Mr. BLAGOJEVICH changed his vote from ''aye'' to ''no.''

Mr. TIAHRT and Mr. GREEN of Texas changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. COMBEST. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SIMPSON) having assumed the chair, Mr. LAHOOD, 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. 2646) to provide for the continuation of agricultural programs through fiscal year 2011, had come to no resolution thereon.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 2 o'clock and 53 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1753

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. ROGERS of Michigan) at 5 o'clock and 53 minutes p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2883, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2002

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 107–228) on the resolution (H. Res. 252) providing for consideration of the bill (H.R. 2883) to authorize appropriations for fiscal year 2002 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Retirement and Disability System, and for other purposes, which was referred to the House Calendar and ordered to be printed.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

REVISIONS TO ALLOCATION FOR HOUSE COMMITTEE ON AGRICULTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. NUSSLE) is recognized for 5 minutes.

Mr. NUSSLE. Mr. Speaker, in accordance with sections 213 and 221 of H. Con. Res. 83, I hereby submit for printing in the CONGRESSIONAL RECORD adjustments to the section 302(a) allocation to the House Committee on Agriculture, set forth in H. Rept. 107–60, to reflect $0 billion in additional new budget authority and outlays for fiscal year 2002 and $28.492 billion in additional budget authority and $25.860 billion in additional outlays for the period of fiscal years 2002 through 2006.

Section 213 of H. Con. Res. 83 authorizes the Chairman of the House Budget Committee to increase the 302(a) allocation of the Committee on Agriculture for legislation that reauthorizes the Federal Agriculture Improvement Act of 1996, title I of that Act, or other appropriate agricultural production legislation.

Section 221 provides that for the purpose of enforcing H. Con. Res. 83, the applicable allocations are those set forth for fiscal year 2002 and for the total for the period of Fiscal Years 2002 through 2006. This section further provides that the Chairman is authorized to make the necessary adjustments in the allocations and aggregates to carry out the purposes of the budget resolution.

Both as reported by the Committee on Agriculture and as modified by the rule, the bill is within the levels assumed for this bill in the two periods applicable to the House; Fiscal Year 2002 and for the total of Fiscal Years 2002 through 2006 as required under section 302(f) of the Congressional Budget Act of 1974.

If you have any questions, please contact Jim Bates of my staff at 6–7270.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

(Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS of Illinois addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. SHERMAN) is recognized for 5 minutes.

(Mr. SHERMAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Georgia (Ms. MCKINNEY) is recognized for 5 minutes.

(Ms. MCKINNEY addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. LANGEVIN) is recognized for 5 minutes.

(Mr. LANGEVIN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)