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I

112TH CONGRESS
1ST SESSION

H. R. 3236

To expand and improve opportunities for beginning farmers and ranchers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 14, 2011

Mr. WALZ of Minnesota (for himself and Mr. FORTENBERRY) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To expand and improve opportunities for beginning farmers and ranchers, and for other purposes.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Beginning Farmer and Rancher Opportunity Act of 2011".

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

Sec. 1. Short title; table of contents.

TITLE I—CONSERVATION

Subtitle A—Conservation Reserve Program

Sec. 101. Extension of conservation reserve program.
Sec. 102. Contracts.

Subtitle B—Farmland Protection Program

Sec. 111. Farmland protection program.

Subtitle C—Environmental Quality Incentives Program

Sec. 121. Establishment and administration of environmental quality incentives program.
Sec. 122. Conservation innovation grants and payments.

Subtitle D—Funding and Administration

Sec. 131. Funding of conservation programs under Food Security Act of 1985.
Sec. 132. Assistance to certain farmers or ranchers for conservation access.
Sec. 133. Comprehensive conservation planning.

TITLE II—CREDIT

Subtitle A—Farm Ownership Loans

Sec. 201. Direct farm ownership experience requirement.
Sec. 202. Conservation loan and loan guarantee program.
Sec. 203. Loan terms for down payment loan program.
Sec. 204. Definition of qualified beginning farmer or rancher.

Subtitle B—Operating Loans

Sec. 211. Young beginning farmer or rancher microloans.

Subtitle C—Administrative Provisions

Sec. 221. Beginning farmer and rancher individual development accounts pilot program.
Sec. 222. Transition to private commercial or other sources of credit.
Sec. 223. Loan authorization levels.
Sec. 224. Direct loans for beginning farmers and ranchers.
Sec. 225. Borrower training.

TITLE III—RURAL DEVELOPMENT

Sec. 301. Value-added producer grants.
Sec. 302. Use of loans and grants for entrepreneurial farm enterprises.

TITLE IV—RESEARCH, EDUCATION, AND EXTENSION

Sec. 401. Beginning farmer and rancher development program.
Sec. 402. Agriculture and Food Research Initiative.

TITLE V—CROP INSURANCE

Sec. 501. Sense of Congress on beginning farmer and rancher access to crop and revenue insurance.
Sec. 502. Risk management partnership programs.

TITLE VI—MISCELLANEOUS

Sec. 601. Small and beginning farmer and rancher coordinators.
Sec. 602. Military Veterans Agricultural Liaison.
Sec. 603. Budgetary effects.
Sec. 604. Effective date.

TITLE I—CONSERVATION

Subtitle A—Conservation Reserve Program

SEC. 101. EXTENSION OF CONSERVATION RESERVE PROGRAM.

(a) IN GENERAL.—Section 1231(a) of the Food Security Act of 1985 (16 U.S.C. 3831(a)) is amended by striking ''2012'' and inserting ''2017''.

(b) LAND ELIGIBLE FOR ENROLLMENT IN CONSERVATION RESERVE.—Section 1231(b)(1)(B) of the Food Security Act of 1985 (16 U.S.C. 3831(b)(1)(B)) is amended by striking ''Food, Conservation, and Energy Act of 2008'' and inserting ''Beginning Farmer and Rancher Opportunity Act of 2011''.

(c) MAXIMUM ENROLLMENT OF ACREAGE IN CONSERVATION RESERVE.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended—

(1) by striking the first sentence; and

(2) in the second sentence, by striking ''2010, 2011, and 2012'' and inserting ''2010 through 2017''.

(d) PILOT PROGRAM FOR ENROLLMENT OF WETLAND AND BUFFER ACREAGE IN CONSERVATION RESERVE.—Section 1231B of the Food Security Act of 1985 (16 U.S.C. 3831b) is amended—

(1) in subsection (a)(1), by striking ''2012'' and inserting ''2017''; and

(2) in subsection (b)(1)(C), by striking ''2002 through 2007'' and inserting ''2008 through 2012''.

SEC. 102. CONTRACTS.

Section 1235 of the Food Security Act of 1985 (16 U.S.C. 3835) is amended—

(1) in subsection (c)(1)(B), by striking clause (iii) and inserting the following:

''(iii) to facilitate a transition of land subject to the contract from a retired or retiring owner or operator to a beginning farmer or rancher, socially disadvantaged farmer or rancher, or limited resource farmer or rancher who is or will be actively engaged in farming or ranching with respect to the land transferred under this subsection for the purpose of returning some or all of the land into production using sustainable grazing or crop production methods that meet or exceed the re-

source management system quality criteria for erosion, soil quality, water quality, and fish and wildlife; or''; and

(2) in subsection (f)(1)—

(A) in the matter preceding subparagraph (A), by striking ''or socially disadvantaged farmer or rancher'' and inserting ''socially disadvantaged farmer or rancher, or limited resource farmer or rancher who is or will be actively engaged in farming or ranching with respect to the land transferred under this subsection''; and

(B) by striking subparagraphs (C), (D), and (E) and inserting the following:

''(C) require the covered farmer or rancher to develop and implement a comprehensive conservation plan that addresses all resource concerns and meets such sustainability criteria as the Secretary may establish;

''(D) provide to the covered farmer or rancher an opportunity to enroll in the conservation stewardship program or the environmental quality incentives program at any time beginning on the date that is 1 year before the date of termination of the contract, including

technical and financial assistance in the development of a comprehensive conservation plan;

''(E) if the land transferred under this subsection remains in grass cover, provide to the covered farmer or rancher an opportunity to enroll in a long-term or permanent easement under the grassland reserve program or farmland protection program at any time beginning on the date that is 1 year before the date of termination of the contact; and

''(F) continue to make annual payments to the retired or retiring owner or operator for not more than an additional 2 years after the date of termination of the contract, except that, in the case of a retired or retiring owner or operator who is a family member (as defined in section 1001) of the covered farmer or rancher, the additional payments shall be made only if title to the land is sold or transferred to the covered farmer or rancher on termination of the contract.''.

Subtitle B—Farmland Protection Program

SEC. 111. FARMLAND PROTECTION PROGRAM.

Section 1238I of the Food Security Act of 1985 (16 U.S.C. 3838i) is amended—

(1) in subsection (b), by inserting ''to promote farm viability for future generations'' before the period at the end; and

(2) in subsection (g)(4)—

(A) in subparagraph (B), by striking ''and'' at the end;

(B) by redesignating subparagraph (C) as subparagraph (D); and

(C) by inserting after subparagraph (B) the following:

''(C) provide a funding priority, to the maximum extent practicable, for—

''(i) eligible land for which there exists a farm or ranch succession plan or similar plan established to create opportunities for beginning farmers and ranchers and encourage farm viability for future generations;

"(ii) easements that exercise an option to purchase at a price that is equal to the agricultural use value;

"(iii) qualified beginning farmers or ranchers with contracts to purchase the land to be protected;

"(iv) land owned by a nongovernmental organization that will be sold to a qualified beginning farmer or rancher;

"(v) contemporaneous farm transfers of eligible land to qualified beginning farmers and ranchers that may not occur without the financial assistance of the program; and

"(vi) other similar mechanisms to maintain the affordability of farm and ranch land for successive generations of farmers and ranchers; and".

Subtitle C—Environmental Quality Incentives Program

SEC. 121. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Section 1240B of the Food Security Act of 1985 (16 U.S.C. 3839aa–2) is amended—

(1) in subsection (a), by striking ''2012'' and inserting ''2017'';

(2) in subsection (d)(4)(B), by striking ''30 percent'' and inserting ''50 percent''; and

(3) in subsection (f), by striking ''2012'' and inserting ''2017''.

SEC. 122. CONSERVATION INNOVATION GRANTS AND PAYMENTS.

Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa–8) is amended—

(1) in subsection (a)(2)—

(A) in subparagraph (C), by striking ''; and'' and inserting a semicolon;

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

(C) by adding at the end the following:

''(E) provide environmental and resource conservation benefits through increased participation by beginning farmers and ranchers and socially disadvantaged farmers and ranchers.''; and

(2) in subsection (b)(2), by striking ''2012'' and inserting ''2017''.

Subtitle D—Funding and Administration

SEC. 131. FUNDING OF CONSERVATION PROGRAMS UNDER FOOD SECURITY ACT OF 1985.

(a) IN GENERAL.—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended in the matter preceding paragraph (1) by striking ''2012'' and inserting ''2017''.

(b) CONSERVATION RESERVE PROGRAM.—Section 1241(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(1)) is amended by striking ''2012'' each place it appears and inserting ''2017''.

(c) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—Section 1241(a)(6)(E) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(6)(E)) is amended by striking ''fiscal year 2012'' and inserting ''each of fiscal years 2012 through 2017''.

SEC. 132. ASSISTANCE TO CERTAIN FARMERS OR RANCHERS FOR CONSERVATION ACCESS.

Section 1241(g) of the Food Security Act of 1985 (16 U.S.C. 3841(g)) is amended—

(1) in paragraph (1)—

(A) by striking ''2012'' and inserting ''2017''; and

(B) by striking ''5 percent'' each place it appears and inserting ''10 percent'';

(2) in paragraph (2), by inserting ''(but not earlier than 120 days after the date that funding for the fiscal year is allocated to the States)'' after ''Secretary'';

(3) in paragraph (3), by inserting ''(but not earlier than 120 days after the date that acres for the fiscal year are allocated to the States)'' after ''Secretary''; and

(4) by adding at the end the following:

''(4) PARTICIPATION BY BEGINNING AND SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.—Nothing in this subsection prohibits beginning or socially disadvantaged farmers or ranchers from participating in programs and receiving funding available under this title that is not reserved under paragraph (1).

''(5) TECHNICAL ASSISTANCE.—Within the funds reserved under paragraph (1), the Secretary shall allocate to the Natural Resources Conservation Service funding for technical assistance at a rate that is not more than 10 percent higher than the rate that would otherwise apply to allow the Service to provide additional technical assistance to begin-

ning farmers or ranchers and socially disadvantaged farmers or ranchers to establish conservation plans.''.

SEC. 133. COMPREHENSIVE CONSERVATION PLANNING.

Section 1244(a) of the Food Security Act of 1985 (16 U.S.C. 3844(a)) is amended by adding at the end the following:

''(3) COMPREHENSIVE CONSERVATION PLANNING.—In carrying out this subsection, the Secretary shall provide technical and financial assistance using resources available under the environmental quality incentives program, conservation stewardship program, or such other programs as the Secretary may determine to covered persons who request the assistance to develop a comprehensive conservation plan for the farming or ranching operation of the covered person.''.

TITLE II—CREDIT

Subtitle A—Farm Ownership Loans

SEC. 201. DIRECT FARM OWNERSHIP EXPERIENCE REQUIREMENT.

Section 302(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(b)) is amended by striking ''3 years'' and inserting ''2 years''.

SEC. 202. CONSERVATION LOAN AND LOAN GUARANTEE PROGRAM.

Section 304 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924) is amended—

(1) in subsection (c)(2)—

(A) by striking ''shall meet'' and inserting ''shall—

''(A) meet'';

(B) in subparagraph (A) (as so designated), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(B) be the owner or operator of not larger than a family farm.'';

(2) in subsection (e)—

(A) by striking ''The portion'' and inserting the following:

''(1) IN GENERAL.—Except as provided in paragraph (2), the portion''; and

(B) by adding at the end the following:

''(2) BEGINNING AND SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.—In the case of beginning farmers or ranchers and socially disadvantaged farmers or ranchers, the portion of the loan the Secretary may guarantee under this section shall

be 95 percent of the principal amount of the loan.''; and

(3) by striking subsection (h) and inserting the following:

''(h) FUNDING.—

''(1) IN GENERAL.—The Secretary may make or guarantee loans under this section for not more than $250,000,000 for each of fiscal years 2013 through 2017, of which, for each fiscal year, not more than ½ shall be used for direct loans and not more than ½ shall be used for guaranteed loans.

''(2) QUALIFIED BEGINNING FARMERS AND RANCHERS.—

''(A) DIRECT LOANS.—Of the amount made available for direct loans for a fiscal year under paragraph (1), the Secretary shall reserve for qualified beginning farmers and ranchers until April 1 of the fiscal year not less than 50 percent of the amount.

''(B) GUARANTEED LOANS.—Of the amount made available for guaranteed loans for a fiscal year under paragraph (1), the Secretary shall reserve for qualified beginning farmers and ranchers until April 1 of the fiscal year not less than 50 percent of the amount.''.

SEC. 203. LOAN TERMS FOR DOWN PAYMENT LOAN PROGRAM.

Section 310E(b)(1)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935(b)(1)(C)) is amended by striking ''$500,000'' and inserting ''$667,000''.

SEC. 204. DEFINITION OF QUALIFIED BEGINNING FARMER OR RANCHER.

Section 343(a)(11)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(11)(F)) is amended by striking ''median'' and inserting ''average''.

Subtitle B—Operating Loans

SEC. 211. YOUNG BEGINNING FARMER OR RANCHER MICROLOANS.

Section 311 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941) is amended by adding at the end the following:

''(d) YOUNG BEGINNING FARMER OR RANCHER MICROLOANS.—

''(1) IN GENERAL.—The Secretary may make microloans under this subtitle to beginning farmers or ranchers who are not less than 19 and not more than 35 years of age to enable the beginning farmers or ranchers to obtain flexible capital to finance operations.

"(2) LIABILITY.—In the case of a microloan under this subsection, the Secretary may accept the personal liability of a cosigner of the promissory note in addition to the personal liability of the borrower.

"(3) PRINCIPAL BALANCE.—The principal balance for a microloan made under this subsection shall not exceed $35,000.

"(4) TERM.—Loan repayment under this subsection shall be required in not less than 1 and not more than 7 years.

"(5) INTEREST RATE.—The interest rate on a loan made under this subsection shall not exceed the maximum interest rate that may be charged low income, limited resource borrowers under section 316(a)(2).

"(6) BORROWER TRAINING.—

"(A) IN GENERAL.—Subject to subparagraph (B), to be eligible for a microloan under this subsection, the borrower shall have successfully completed, or will complete within 1 year, borrower training described in section 359.

"(B) WAIVERS.—In carrying out subparagraph (A), the Secretary shall not grant a waiver described in section 359(f) except in the case

of a borrower who successfully completed, or will complete within 1 year, an equivalent training program, including programs established under section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f), as determined by the Secretary.''.

Subtitle C—Administrative Provisions

SEC. 221. BEGINNING FARMER AND RANCHER INDIVIDUAL DEVELOPMENT ACCOUNTS PILOT PROGRAM.

Section 333B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983b) is amended by striking subsection (h) and inserting the following:

''(h) FUNDING.—On October 1, 2012, and on each October 1 thereafter through October 1, 2016, of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $5,000,000, to remain available until expended.''.

SEC. 222. TRANSITION TO PRIVATE COMMERCIAL OR OTHER SOURCES OF CREDIT.

(a) CONDITIONS FOR DIRECT LOANS.—Section 311(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking the semicolon at the end and inserting "; and";

(B) in subparagraph (B), by striking "; or" at the end and inserting a period; and

(C) by striking subparagraph (C); and

(2) by striking paragraphs (3) and (4) and inserting the following:

"(3) TERM LIMITS.—Subject to paragraph (4), if a farmer or rancher has received a direct operating loan pursuant to this section in each of 9 consecutive years, the farmer or rancher may not receive a direct operating loan from the Secretary under this section for the next year.

"(4) WAIVERS FOR FARM AND RANCH OPERATIONS ON TRIBAL LAND.—The Secretary shall waive the limitation under paragraph (3) for a direct loan made under this subtitle to a farmer or rancher whose farm or ranch land is subject to the jurisdiction of an Indian tribe and whose loan is secured by 1 or more security instruments that are subject to the jurisdiction of an Indian tribe if the Secretary determines that commercial credit is not generally available for the farm or ranch operations.".

(b) LIMITATION ON PERIOD BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.—Section 319 of the

Consolidated Farm and Rural Development Act (7 U.S.C. 1949) is amended by striking subsection (b) and inserting the following:

"(b) LIMITATION ON PERIOD BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.—If a borrower has received a guaranteed loan under this subtitle in each of 15 consecutive years, the borrower may not receive a loan guaranteed by the Secretary for the next year.".

SEC. 223. LOAN AUTHORIZATION LEVELS.

Section 346(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(1)) is amended—

(1) in the matter preceding subparagraph (A), by striking "$4,226,000,000 for each of fiscal years 2008 through 2012" and inserting "$5,000,000,000 for each of fiscal years 2013 through 2017" ;

(2) in subparagraph (A)—

(A) in the matter preceding clause (i), by striking "$1,200,000,000" and inserting "$2,000,000,000";

(B) in clause (i), by striking "$350,000,000" and inserting "$750,000,000"; and

(C) in clause (ii), by striking "$850,000,000" and inserting "$1,250,000,000"; and

(3) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking "$3,026,000,000" and inserting "$3,000,000,000";

(B) in clause (i), by striking "$1,000,000,000" and inserting "$1,500,000,000"; and

(C) in clause (ii), by striking "$2,026,000,000" and inserting "$1,500,000,000".

SEC. 224. DIRECT LOANS FOR BEGINNING FARMERS AND RANCHERS.

Section 346(b)(2)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(2)(A)) is amended—

(1) in clause (i), by adding at the end the following:

"(III) PRIORITY.—In order to maximize the number of borrowers served under this clause, the Secretary—

"(aa) shall give priority to borrowers who apply under the down payment loan program under section 310E or joint financing arrangements under section 307(a)(3)(D); and

"(bb) may offer other financing options only if the Secretary determines that down payment or other participation loan options are not a viable approach for a particular borrower."; and

(2) in clause (ii)(III), by striking "each of fiscal years 2008 through 2012" and inserting "fiscal year 2008 and each fiscal year thereafter".

SEC. 225. BORROWER TRAINING.

Section 359 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a) is amended by adding at the end the following:

"(g) COORDINATION.—The Secretary shall coordinate the borrower training program under this section with the beginning farmer and rancher development program established under section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f) to ensure, to the maximum extent practicable, that financial

management training programs funded under the beginning farmer and rancher development program are designed in such a way that the financial management training programs will—

"(1) meet borrower training requirements under this section; and

"(2) qualify as beginning farmer and rancher development program projects covered by contracts under subsection (b).".

TITLE III—RURAL DEVELOPMENT

SEC. 301. VALUE-ADDED PRODUCER GRANTS.

Section 231(b) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1632a(b)) is amended—

(1) by striking paragraph (6) and inserting the following:

"(6) PRIORITY.—

"(A) IN GENERAL.—In awarding grants under this subsection, the Secretary shall give priority to projects that—

"(i) contribute to increasing opportunities for operators of small- and medium-sized farms and ranches that are structured as a family farm; or

"(ii) have applicants at least ¼ of whom are beginning farmers or ranchers or socially disadvantaged farmers or ranchers.

"(B) RANKING.—In evaluating and ranking proposals under this subsection, the Secretary shall provide very substantial weight to the priorities described in subparagraph (A)."; and

(2) in paragraph (7)—

(A) in subparagraph (A)—

(i) by striking "October 1, 2008" and inserting "October 1, 2012, and each October 1 thereafter through October 1, 2016"; and

(ii) by striking "$15,000,000" and inserting "$30,000,000";

(B) in subparagraph (B), by striking "2012" and inserting "2017"; and

(C) in subparagraph (C)—

(i) in clause (i), by striking "benefit" and inserting "have applicants at least ¼ of whom are"; and

(ii) in clause (iii), by striking "June 30 of the fiscal year" and inserting "the

close of the annual proposal review process''.

SEC. 302. USE OF LOANS AND GRANTS FOR ENTREPRENEURIAL FARM ENTERPRISES.

Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 365 (7 U.S.C. 2008) the following:

''SEC. 366. USE OF LOANS AND GRANTS FOR ENTREPRENEURIAL FARM ENTERPRISES.

''(a) IN GENERAL.—The Secretary shall approve grants and loans under any rural development program established under this title to support farm and farm-related business enterprises that—

''(1) create new entrepreneurial employment opportunities for beginning farmers and ranchers;

''(2) have the effect of—

''(A) creating new small- and medium-size family farms;

''(B) enhancing local and regional food systems;

''(C) increasing value-added production and new markets;

''(D) preserving farmland and rural heritage; and

"(E) developing strong rural economies; and

"(3) are consistent with the purposes of the program.

"(b) LIMITATION.—Loans or grants made under this section shall not be available for annual agricultural production purposes.".

TITLE IV—RESEARCH, EDUCATION, AND EXTENSION

SEC. 401. BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.

Section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f) is amended—

(1) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (Q), by striking "and" after the semicolon at the end;

(ii) by redesignating subparagraph (R) as subparagraph (S); and

(iii) by inserting after subparagraph (Q) the following:

"(R) agricultural rehabilitation and vocational training for veterans; and";

(B) in paragraph (4)—

(i) by striking ''To be eligible'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), to be eligible''; and

(ii) by adding at the end the following:

''(B) EXCEPTIONS.—The Secretary may waive or modify the matching requirement in subparagraph (A) if the Secretary determines a waiver or modification is necessary to effectively reach an underserved area or population.'';

(C) in paragraph (8)—

(i) in subparagraph (B), by striking ''and'' after the semicolon at the end;

(ii) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(D) military veteran beginning farmers and ranchers.''; and

(D) by adding at the end the following:

''(11) INDIRECT COSTS.—To help facilitate participation in the program under this subsection by nongovernmental and community-based nonprofit or-

ganizations, the Secretary shall provide for an optional 10 percent indirect cost option in lieu of a higher negotiated rate.''; and

(2) in subsection (h)—

(A) in paragraph (1), by striking ''section—'' and all that follows through the period at the end and inserting ''$25,000,000 for each of fiscal years 2013 through 2017.''; and

(B) in paragraph (2), by striking ''2008 through 2012'' and inserting ''2013 through 2017''.

SEC. 402. AGRICULTURE AND FOOD RESEARCH INITIATIVE.

Subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)) is amended—

(1) in paragraph (2)(F)—

(A) by redesignating clauses (iii) through (vi) as clauses (iv) through (vii), respectively; and

(B) by inserting after clause (ii) the following:

''(iii) new farming opportunities, including young, beginning, socially disadvantaged, and immigrant issues and

farm transition, farm transfer, farm entry, and beginning farmer profitability issues;'';

(2) in paragraph (7), in the matter preceding subparagraph (A), by inserting ''projects (including integrated projects)'' after ''education''; and

(3) in paragraph (11)(A)—

(A) in the matter preceding clause (i), by striking ''2008 through 2012'' and inserting ''2013 through 2017''; and

(B) in clause (i), by striking ''pursuant to'' and inserting ''under''.

TITLE V—CROP INSURANCE

SEC. 501. SENSE OF CONGRESS ON BEGINNING FARMER AND RANCHER ACCESS TO CROP AND REVENUE INSURANCE.

It is the sense of Congress that the Secretary of Agriculture should, to the maximum extent practicable, remove barriers and ensure effective access to crop and revenue insurance by beginning farmers and ranchers on terms that are fair and assist in the goal of increasing the number of new farming and ranching opportunities.

SEC. 502. RISK MANAGEMENT PARTNERSHIP PROGRAMS.

Section 522 of the Federal Crop Insurance Act (7 U.S.C. 1522) is amended—

(1) in subsection (d)—

(A) in paragraph (1)—

(i) by striking ''priority given to risk'' and inserting ''priority given to—

''(A) risk'';

(ii) by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(B) underserved producers, including beginning farmers and ranchers and socially disadvantaged farmers and ranchers.'';

(B) in paragraph (2)—

(i) by striking ''options for producers'' and inserting ''options for—

''(A) producers'';

(ii) by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(B) underserved producers, including beginning farmers and ranchers and socially disadvantaged farmers and ranchers.''; and

(C) by adding at the end the following:

''(4) REQUIREMENTS.—In carrying out the programs established under paragraphs (2) and (3), the

Secretary shall place special emphasis on risk management techniques, tools, and programs that are specifically targeted at—

"(A) beginning farmers or ranchers;

"(B) legal immigrant farmers or ranchers that are attempting to become established agricultural producers in the United States;

"(C) socially disadvantaged farmers or ranchers;

"(D) farmers or ranchers that—

"(i) are preparing to retire; and

"(ii) are using transition strategies to help new farmers or ranchers get started; and

"(E) new or established farmers or ranchers that are converting production and marketing systems to pursue new markets."; and

(2) in subsection (e)(2)(A), by striking "$12,500,000 for fiscal year 2008" and inserting "$15,000,000 for fiscal year 2013".

TITLE VI—MISCELLANEOUS

SEC. 601. SMALL AND BEGINNING FARMER AND RANCHER COORDINATORS.

Section 226B of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6934) is amended—

(1) in subsection (c)(4), by inserting before the semicolon at the end the following: ", including review of rulemakings to provide an assessment and make recommendations regarding the impact of rules on small farms and ranches, beginning and socially disadvantaged farmers and ranchers, and related matters relevant to the structure of agriculture";

(2) in subsection (e)(2)—

(A) by redesignating subparagraph (D) as subparagraph (E); and

(B) by inserting after subparagraph (C) the following:

"(D) STATE SMALL AND BEGINNING FARMER AND RANCHER COORDINATOR.—

"(i) IN GENERAL.—The Small Farms and Beginning Farmers and Ranchers Group shall designate a State small and beginning farmer and rancher coordinator from among the State office employees of the Farm Service Agency, the Natural Resources Conservation Service, the Risk Management Agency, the Rural Business-Cooperative Service, and the Rural Utilities Service.

"(ii) TRAINING.—The Small Farms and Beginning Farmers and Ranchers Group shall coordinate the development of a training plan so that each State coordinator shall receive sufficient training to have a general working knowledge of the programs and services available from each agency of the Department to assist small and beginning farmers and ranchers.

"(iii) DUTIES.—The coordinator shall—

"(I) coordinate technical assistance at the State level to help small and beginning farmers and ranchers gain access to programs of the Department;

"(II) develop and submit a State plan for approval by the Small Farms and Beginning Farmers and Ranchers Group to provide coordination to ensure adequate services to small and beginning farmers and ranchers at all county and area offices throughout the State;

"(III) oversee implementation of the approved State plan; and

"(IV) work with outreach coordinators in the State offices of the Farm Service Agency, the Natural Resources Conservation Service, the Risk Management Agency, the Rural Business-Cooperative Service, and the Rural Utilities Service to ensure appropriate information about technical assistance is available at outreach events and activities."; and

(3) in subsection (f), by striking paragraph (3); and

(4) by adding at the end the following:

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as are necessary for each of fiscal years 2013 through 2017.".

SEC. 602. MILITARY VETERANS AGRICULTURAL LIAISON.

(a) IN GENERAL.—Subtitle A of the Department of Agriculture Reorganization Act of 1994 is amended by inserting after section 218 (7 U.S.C. 6918) the following:

"SEC. 219. MILITARY VETERANS AGRICULTURAL LIAISON.

''(a) AUTHORIZATION.—The Secretary shall establish in the Department the position of Military Veterans Agricultural Liaison.

''(b) DUTIES.—The Military Veterans Agricultural Liaison shall—

''(1) provide information to returning veterans about, and connect returning veterans with, beginning farmer training and agricultural vocational and rehabilitation programs appropriate to the needs and interests of returning veterans, including assisting veterans in using Federal veterans educational benefits for purposes relating to beginning a farming or ranching career;

''(2) provide information to veterans concerning the availability of and eligibility requirements for participation in agricultural programs, with particular emphasis on beginning farmer and rancher programs;

''(3) serving as a resource for assisting veteran farmers and ranchers, and potential farmers and ranchers, in applying for participation in agricultural programs; and

''(4) advocating on behalf of veterans in interactions with employees of the Department.''.

(b) CONFORMING AMENDMENTS.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended—

(1) in paragraph (6), by striking ''or'' after the semicolon at the end;

(2) in paragraph (7), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(8) the authority of the Secretary to establish in the Department the position of Military Veterans Agricultural Liaison in accordance with section 219.''.

SEC. 603. BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled ''Budgetary Effects of PAYGO Legislation'' for this Act, submitted for printing in the Congressional Record by the Chairman of the Senate Budget Committee, provided that such statement has been submitted prior to the vote on passage.

SEC. 604. EFFECTIVE DATE.

This Act and the amendments made by this Act take effect on October 1, 2012.

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