

112TH CONGRESS
2D SESSION

H. R. 6083

To provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2017, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 9, 2012

Mr. LUCAS (for himself and Mr. PETERSON) introduced the following bill;
which was referred to the Committee on Agriculture

A BILL

To provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2017, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “Federal Agriculture Reform and Risk Management Act
 4 of 2012”.

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

Sec. 1. Short title; table of contents.
 Sec. 2. Definition of Secretary of Agriculture.

TITLE I—COMMODITIES

Subtitle A—Repeals and Reforms

Sec. 1101. Repeal of direct payments.
 Sec. 1102. Repeal of counter-cyclical payments.
 Sec. 1103. Repeal of average crop revenue election program.
 Sec. 1104. Definitions.
 Sec. 1105. Base acres.
 Sec. 1106. Payment yields.
 Sec. 1107. Farm risk management election.
 Sec. 1108. Producer agreements.
 Sec. 1109. Period of effectiveness.

Subtitle B—Marketing Loans

Sec. 1201. Availability of nonrecourse marketing assistance loans for loan commodities.
 Sec. 1202. Loan rates for nonrecourse marketing assistance loans.
 Sec. 1203. Term of loans.
 Sec. 1204. Repayment of loans.
 Sec. 1205. Loan deficiency payments.
 Sec. 1206. Payments in lieu of loan deficiency payments for grazed acreage.
 Sec. 1207. Special marketing loan provisions for upland cotton.
 Sec. 1208. Special competitive provisions for extra long staple cotton.
 Sec. 1209. Availability of recourse loans for high moisture feed grains and seed cotton.
 Sec. 1210. Adjustments of loans.

Subtitle C—Sugar

Sec. 1301. Sugar program.

Subtitle D—Dairy

PART I—DAIRY PRODUCER MARGIN PROTECTION AND DAIRY MARKET STABILIZATION PROGRAMS

Sec. 1401. Definitions.
 Sec. 1402. Calculation of average feed cost and actual dairy producer margins.

SUBPART A—DAIRY PRODUCER MARGIN PROTECTION PROGRAM

- Sec. 1411. Establishment of dairy producer margin protection program.
- Sec. 1412. Participation of dairy producers in margin protection program.
- Sec. 1413. Production history of participating dairy producers.
- Sec. 1414. Basic margin protection.
- Sec. 1415. Supplemental margin protection.
- Sec. 1416. Effect of failure to pay administrative fees or premiums.

SUBPART B—DAIRY MARKET STABILIZATION PROGRAM

- Sec. 1431. Establishment of dairy market stabilization program.
- Sec. 1432. Threshold for implementation and reduction in dairy producer payments.
- Sec. 1433. Producer milk marketings information.
- Sec. 1434. Calculation and collection of reduced dairy producer payments.
- Sec. 1435. Remitting monies to the Secretary and use of monies.
- Sec. 1436. Suspension of reduced payment requirement.
- Sec. 1437. Enforcement.
- Sec. 1438. Audit requirements.

SUBPART C—COMMODITY CREDIT CORPORATION

- Sec. 1451. Use of Commodity Credit Corporation.

SUBPART D—INITIATION AND DURATION

- Sec. 1461. Rulemaking.
- Sec. 1462. Duration.

PART II—REPEAL OR REAUTHORIZATION OF OTHER DAIRY-RELATED PROVISIONS

- Sec. 1481. Repeal of dairy product price support and milk income loss contract programs.
- Sec. 1482. Repeal of dairy export incentive program.
- Sec. 1483. Extension of dairy forward pricing program.
- Sec. 1484. Extension of dairy indemnity program.
- Sec. 1485. Extension of dairy promotion and research program.
- Sec. 1486. Repeal of Federal Milk Marketing Order Review Commission.

PART III—EFFECTIVE DATE

- Sec. 1491. Effective date.

Subtitle E—Supplemental Agricultural Disaster Assistance Programs

- Sec. 1501. Supplemental agricultural disaster assistance.

Subtitle F—Administration

- Sec. 1601. Administration generally.
- Sec. 1602. Suspension of permanent price support authority.
- Sec. 1603. Payment limitations.
- Sec. 1604. Adjusted gross income limitation.
- Sec. 1605. Geographically disadvantaged farmers and ranchers.
- Sec. 1606. Personal liability of producers for deficiencies.
- Sec. 1607. Prevention of deceased individuals receiving payments under farm commodity programs.
- Sec. 1608. Technical corrections.

- Sec. 1609. Assignment of payments.
- Sec. 1610. Tracking of benefits.
- Sec. 1611. Signature authority.
- Sec. 1612. Implementation.

TITLE II—CONSERVATION

Subtitle A—Conservation Reserve Program

- Sec. 2001. Extension and enrollment requirements of conservation reserve program.
- Sec. 2002. Farmable wetland program.
- Sec. 2003. Duties of owners and operators.
- Sec. 2004. Duties of the Secretary.
- Sec. 2005. Payments.
- Sec. 2006. Contract requirements.
- Sec. 2007. Conversion of land subject to contract to other conserving uses.
- Sec. 2008. Effective date.

Subtitle B—Conservation Stewardship Program

- Sec. 2101. Conservation stewardship program.

Subtitle C—Environmental Quality Incentives Program

- Sec. 2201. Purposes.
- Sec. 2202. Definitions.
- Sec. 2203. Establishment and administration.
- Sec. 2204. Evaluation of applications.
- Sec. 2205. Duties of producers.
- Sec. 2206. Limitation on payments.
- Sec. 2207. Conservation innovation grants and payments.
- Sec. 2208. Effective date.

Subtitle D—Agricultural Conservation Easement Program

- Sec. 2301. Agricultural conservation easement program.

Subtitle E—Regional Conservation Partnership Program

- Sec. 2401. Regional conservation partnership program.

Subtitle F—Other Conservation Programs

- Sec. 2501. Conservation of private grazing land.
- Sec. 2502. Grassroots source water protection program.
- Sec. 2503. Voluntary public access and habitat incentive program.
- Sec. 2504. Agriculture conservation experienced services program.
- Sec. 2505. Small watershed rehabilitation program.
- Sec. 2506. Agricultural management assistance program.

Subtitle G—Funding and Administration

- Sec. 2601. Funding.
- Sec. 2602. Technical assistance.
- Sec. 2603. Regional equity.
- Sec. 2604. Reservation of funds to provide assistance to certain farmers or ranchers for conservation access.
- Sec. 2605. Annual report on program enrollments and assistance.

- Sec. 2606. Review of conservation practice standards.
- Sec. 2607. Administrative requirements applicable to all conservation programs.
- Sec. 2608. Standards for State technical committees.
- Sec. 2609. Rulemaking authority.

Subtitle H—Repeal of Superseded Program Authorities and Transitional Provisions; Technical Amendments

- Sec. 2701. Comprehensive conservation enhancement program.
- Sec. 2702. Emergency forestry conservation reserve program.
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- Sec. 2710. Cooperative conservation partnership initiative.
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- Sec. 3001. General authority regarding emergency and private assistance programs.
- Sec. 3002. Set-aside for support for organizations through which nonemergency assistance is provided.
- Sec. 3003. Food aid quality.
- Sec. 3004. Minimum levels of assistance.
- Sec. 3005. Food Aid Consultative Group.
- Sec. 3006. Oversight, monitoring, and evaluation of Food for Peace Act programs.
- Sec. 3007. Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods.
- Sec. 3008. General provisions.
- Sec. 3009. Procurement, transportation, and storage of agricultural commodities for prepositioning in the United States and foreign countries.
- Sec. 3010. Annual report regarding food aid programs and activities.
- Sec. 3011. Deadline for agreements to finance sales or to provide other assistance.
- Sec. 3012. Authorization of appropriations; minimum level of nonemergency food assistance.
- Sec. 3013. Micronutrient fortification programs.
- Sec. 3014. John Ogonowski and Doug Bereuter Farmer-to-Farmer Program.

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- Sec. 3101. Funding for export credit guarantee program.
- Sec. 3102. Funding for market access program.
- Sec. 3103. Foreign market development cooperator program.

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- Sec. 3201. Food for Progress Act of 1985.

- Sec. 3202. Bill Emerson Humanitarian Trust.
- Sec. 3203. Promotion of agricultural exports to emerging markets.
- Sec. 3204. McGovern-Dole International Food for Education and Child Nutrition Program.
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TITLE IV—NUTRITION

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- Sec. 4001. Retailers.
- Sec. 4002. Enhancing services to elderly and disabled supplemental nutrition assistance program recipients.
- Sec. 4003. Food distribution program on Indian reservations.
- Sec. 4004. Updating program eligibility.
- Sec. 4005. Standard utility allowances based on the receipt of energy assistance payments.
- Sec. 4006. Eligibility disqualifications.
- Sec. 4007. Ending supplemental nutrition assistance program benefits for lottery or gambling winners.
- Sec. 4008. Improving security of food assistance.
- Sec. 4009. Demonstration projects on acceptance of benefits of mobile transactions.
- Sec. 4010. Restaurant meals program.
- Sec. 4011. Repeal of bonus program.
- Sec. 4012. Funding of employment and training programs.
- Sec. 4013. Monitoring employment and training program.
- Sec. 4014. Cooperation with program research and evaluation.
- Sec. 4015. Authorization of appropriations.
- Sec. 4016. Assistance for community food projects.
- Sec. 4017. Emergency food assistance.
- Sec. 4018. Nutrition education.
- Sec. 4019. Retailer trafficking.
- Sec. 4020. Technical and conforming amendments.
- Sec. 4021. Tolerance level for excluding small errors.
- Sec. 4022. Commonwealth of the Northern Mariana Islands pilot program.

Subtitle B—Commodity Distribution Programs

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- Sec. 4102. Commodity supplemental food program.
- Sec. 4103. Distribution of surplus commodities to special nutrition projects.
- Sec. 4104. Processing of commodities.

Subtitle C—Miscellaneous

- Sec. 4201. Farmers' market nutrition program.
- Sec. 4202. Nutrition information and awareness pilot program.
- Sec. 4203. Fresh fruit and vegetable program.
- Sec. 4204. Additional authority for purchase of fresh fruits, vegetables, and other specialty food crops.

TITLE V—CREDIT

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- Sec. 5002. Conservation loan and loan guarantee program.
- Sec. 5003. Down payment loan program.
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Subtitle B—Operating Loans

- Sec. 5101. Eligibility for farm operating loans.
- Sec. 5102. Authority to waive personal liability for youth loans due to circumstances beyond borrower control.

Subtitle C—Emergency Loans

- Sec. 5201. Eligibility for emergency loans.

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- Sec. 5301. Beginning farmer and rancher individual development accounts pilot program.
- Sec. 5302. Eligible beginning farmers and ranchers.
- Sec. 5303. Loan authorization levels.
- Sec. 5304. Priority for participation loans.
- Sec. 5305. Loan fund set-asides.
- Sec. 5306. Conforming amendment to borrower training provision, relating to eligibility changes.

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- Sec. 5401. State agricultural mediation programs.

Subtitle F—Loans to Purchasers of Highly Fractionated Land

- Sec. 5501. Loans to purchasers of highly fractionated land.

TITLE VI—RURAL DEVELOPMENT

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- Sec. 6001. Water, waste disposal, and wastewater facility grants.
- Sec. 6002. Rural business opportunity grants.
- Sec. 6003. Elimination of reservation of community facilities grant program funds.
- Sec. 6004. Rural water and wastewater circuit rider program.
- Sec. 6005. Tribal college and university essential community facilities.
- Sec. 6006. Emergency and imminent community water assistance grant program.
- Sec. 6007. 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. 6008. Rural cooperative development grants.
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- Sec. 6010. Intermediary relending program.
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- Sec. 6012. Grants for NOAA weather radio transmitters.
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Sec. 6102. Fees for certain loan guarantees.

Sec. 6103. Guarantees for bonds and notes issued for electrification or telephone purposes.

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Sec. 6105. Access to broadband telecommunications services in rural areas.

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Sec. 6202. Value-added agricultural market development program grants.

Sec. 6203. Agriculture innovation center demonstration program.

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Sec. 7114. Repeal of national research and training virtual centers.

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Sec. 7120. Auditing, reporting, bookkeeping, and administrative requirements.

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Sec. 7122. Capacity building grants for NLGCA institutions.

Sec. 7123. Aquaculture assistance programs.

Sec. 7124. Rangeland research programs.

Sec. 7125. Special authorization for biosecurity planning and response.

- Sec. 7126. Distance education and resident instruction grants program for insular area institutions of higher education.
- Sec. 7127. Matching funds requirement.

Subtitle B—Food, Agriculture, Conservation, and Trade Act of 1990

- Sec. 7201. Best utilization of biological applications.
- Sec. 7202. Integrated management systems.
- Sec. 7203. Sustainable agriculture technology development and transfer program.
- Sec. 7204. National training program.
- Sec. 7205. National Genetics Resources Program.
- Sec. 7206. Repeal of National Agricultural Weather Information System.
- Sec. 7207. Repeal of rural electronic commerce extension program.
- Sec. 7208. Repeal of agricultural genome initiative.
- Sec. 7209. High-priority research and extension initiatives.
- Sec. 7210. Repeal of nutrient management research and extension initiative.
- Sec. 7211. Organic agriculture research and extension initiative.
- Sec. 7212. Repeal of agricultural bioenergy feedstock and energy efficiency research and extension initiative.
- Sec. 7213. Farm business management.
- Sec. 7214. Regional centers of excellence.
- Sec. 7215. Repeal of red meat safety research center.
- Sec. 7216. Assistive technology program for farmers with disabilities.
- Sec. 7217. National rural information center clearinghouse.

Subtitle C—Agricultural Research, Extension, and Education Reform Act of 1998

- Sec. 7301. Relevance and merit of agricultural research, extension, and education funded by the Department.
- Sec. 7302. Integrated research, education, and extension competitive grants program.
- Sec. 7303. Repeal of coordinated program of research, extension, and education to improve viability of small and medium size dairy, livestock, and poultry operations.
- Sec. 7304. Repeal of Bovine Johne's disease control program.
- Sec. 7305. Grants for youth organizations.
- Sec. 7306. Specialty crop research initiative.
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- Sec. 7308. Repeal of national swine research center.
- Sec. 7309. Office of pest management policy.
- Sec. 7310. Repeal of studies of agricultural research, extension, and education.

Subtitle D—Other Laws

- Sec. 7401. Critical Agricultural Materials Act.
- Sec. 7402. Equity in Educational Land-grant Status Act of 1994.
- Sec. 7403. Research Facilities Act.
- Sec. 7404. Repeal of carbon cycle research.
- Sec. 7405. Competitive, Special, and Facilities Research Grant Act.
- Sec. 7406. Renewable Resources Extension Act of 1978.
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- Sec. 7408. Repeal of use of remote sensing data.
- Sec. 7409. Repeal of reports under Farm Security and Rural Investment Act of 2002.

- Sec. 7410. Beginning farmer and rancher development program.
- Sec. 7411. Inclusion of Northern Mariana Islands as a State under McIntire-Stennis Cooperative Forestry Act.

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- Sec. 7501. Agricultural biosecurity communication center.
- Sec. 7502. Assistance to build local capacity in agricultural biosecurity planning, preparation, and response.
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- Sec. 7512. Grazinglands research laboratory.
- Sec. 7513. Budget submission and funding.
- Sec. 7514. Repeal of research and education grants for the study of antibiotic-resistant bacteria.
- Sec. 7515. Repeal of farm and ranch stress assistance network.
- Sec. 7516. Repeal of seed distribution.
- Sec. 7517. Natural products research program.
- Sec. 7518. Sun grant program.
- Sec. 7519. Repeal of study and report on food deserts.
- Sec. 7520. Repeal of agricultural and rural transportation research and education.
- Sec. 7521. Conveyance of land comprising Subtropical Horticulture Research Station.
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TITLE VIII—FORESTRY

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- Sec. 8001. Forest land enhancement program.
- Sec. 8002. Watershed forestry assistance program.
- Sec. 8003. Expired cooperative national forest products marketing program.
- Sec. 8004. Hispanic-serving institution agricultural land national resources leadership program.
- Sec. 8005. Tribal watershed forestry assistance program.

Subtitle B—Reauthorization of Cooperative Forestry Assistance Act of 1978 Programs

- Sec. 8101. Forest Legacy Program.
- Sec. 8102. Community forest and open space conservation program.

Subtitle C—Reauthorization of Other Forestry-Related Laws

- Sec. 8201. Rural revitalization technologies.
- Sec. 8202. Office of International Forestry.
- Sec. 8203. Change in funding source for healthy forests reserve program.
- Sec. 8204. Stewardship end result contracting project authority.

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- Sec. 8301. Definitions.
- Sec. 8302. Designation of critical areas.
- Sec. 8303. Application of expedited procedures and activities of the Healthy Forests Restoration Act of 2003 to critical areas.
- Sec. 8304. Good neighbor authority.

Subtitle E—Miscellaneous Provisions

- Sec. 8401. Revision of strategic plan for forest inventory and analysis.
- Sec. 8402. Forest Service participation in ACES Program.

TITLE IX—ENERGY

- Sec. 9001. Definition of renewable energy system.
- Sec. 9002. Biobased markets program.
- Sec. 9003. Biorefinery Assistance.
- Sec. 9004. Repeal of repowering assistance program and transfer of remaining funds.
- Sec. 9005. Bioenergy Program for Advanced Biofuels.
- Sec. 9006. Biodiesel Fuel Education Program.
- Sec. 9007. Rural Energy for America Program.
- Sec. 9008. Biomass Research and Development.
- Sec. 9009. Feedstock Flexibility Program for Bioenergy Producers.
- Sec. 9010. Biomass Crop Assistance Program.
- Sec. 9011. Community wood energy program.
- Sec. 9012. Repeal of biofuels infrastructure study.
- Sec. 9013. Repeal of renewable fertilizer study.

TITLE X—HORTICULTURE

- Sec. 10001. Specialty crops market news allocation.
- Sec. 10002. Repeal of grant program to improve movement of specialty crops.
- Sec. 10003. Farmers market and local food promotion program.
- Sec. 10004. Organic agriculture.
- Sec. 10005. Investigations and enforcement of the Organic Foods Production Act of 1990.
- Sec. 10006. Food safety education initiatives.
- Sec. 10007. Specialty crop block grants.
- Sec. 10008. Report on honey.
- Sec. 10009. Bulk shipments of apples to Canada.
- Sec. 10010. Inclusion of olive oil in import controls under the Agricultural Adjustment Act.
- Sec. 10011. Petitions to determine organism not a plant pest.
- Sec. 10012. Consolidation of plant pest and disease management and disaster prevention programs.
- Sec. 10013. Authority for regulation of plants.
- Sec. 10014. Report to Congress on regulation of biotechnology.
- Sec. 10015. Pesticide Registration Improvement.
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- Sec. 10017. Use and discharges of authorized pesticides.
- Sec. 10018. Effective date.

TITLE XI—CROP INSURANCE

- Sec. 11001. Information sharing.
- Sec. 11002. Publication of information on violations of prohibition on premium adjustments.
- Sec. 11003. Supplemental coverage option.
- Sec. 11004. Premium amounts for catastrophic risk protection.
- Sec. 11005. Repeal of performance-based discount.
- Sec. 11006. Permanent enterprise unit subsidy.
- Sec. 11007. Enterprise units for irrigated and nonirrigated crops.
- Sec. 11008. Data collection.
- Sec. 11009. Adjustment in actual production history to establish insurable yields.
- Sec. 11010. Submission and review of policies.
- Sec. 11011. Equitable relief for specialty crop producers.
- Sec. 11012. Budget limitations on renegotiation of the standard reinsurance agreement.
- Sec. 11013. Crop production on native sod.
- Sec. 11014. Coverage levels by practice.
- Sec. 11015. Beginning farmer and rancher provisions.
- Sec. 11016. Stacked income protection plan for producers of upland cotton.
- Sec. 11017. Peanut revenue crop insurance.
- Sec. 11018. Authority to correct errors.
- Sec. 11019. Implementation.
- Sec. 11020. Research and development priorities.
- Sec. 11021. Additional research and development contracting requirements.
- Sec. 11022. Pilot programs.
- Sec. 11023. Limitation on expenditures for livestock pilot programs.
- Sec. 11024. Noninsured crop assistance program.
- Sec. 11025. Technical amendments.

TITLE XII—MISCELLANEOUS

Subtitle A—Livestock

- Sec. 12101. National Sheep Industry Improvement Center.
- Sec. 12102. Trichinae certification program.
- Sec. 12103. National Aquatic Animal Health Plan.

Subtitle B—Socially Disadvantaged Producers and Limited Resource Producers

- Sec. 12201. Outreach and assistance for socially disadvantaged farmers and ranchers and veteran farmers and ranchers.
- Sec. 12202. Office of Advocacy and Outreach.

Subtitle C—Other Miscellaneous Provisions

- Sec. 12301. Grants to improve supply, stability, safety, and training of agricultural labor force.

1 **SEC. 2. DEFINITION OF SECRETARY OF AGRICULTURE.**

2 In this Act, the term “Secretary” means the Sec-
 3 retary of Agriculture.

1 **TITLE I—COMMODITIES**
2 **Subtitle A—Repeals and Reforms**

3 **SEC. 1101. REPEAL OF DIRECT PAYMENTS.**

4 (a) REPEAL.—Sections 1103 and 1303 of the Food,
5 Conservation, and Energy Act of 2008 (7 U.S.C. 8713,
6 8753) are repealed.

7 (b) CONTINUED APPLICATION FOR 2012 CROP
8 YEAR.—Sections 1103 and 1303 of the Food, Conserva-
9 tion, and Energy Act of 2008 (7 U.S.C. 8713, 8753), as
10 in effect on the day before the date of enactment of this
11 Act, shall continue to apply through the 2012 crop year
12 with respect to all covered commodities (as defined in sec-
13 tion 1001 of that Act (7 U.S.C. 8702)) and peanuts on
14 a farm.

15 **SEC. 1102. REPEAL OF COUNTER-CYCLICAL PAYMENTS.**

16 (a) REPEAL.—Sections 1104 and 1304 of the Food,
17 Conservation, and Energy Act of 2008 (7 U.S.C. 8714,
18 8754) are repealed.

19 (b) CONTINUED APPLICATION FOR 2012 CROP
20 YEAR.—Sections 1104 and 1304 of the Food, Conserva-
21 tion, and Energy Act of 2008 (7 U.S.C. 8714, 8754), as
22 in effect on the day before the date of enactment of this
23 Act, shall continue to apply through the 2012 crop year
24 with respect to all covered commodities (as defined in sec-

1 tion 1001 of that Act (7 U.S.C. 8702)) and peanuts on
2 a farm.

3 **SEC. 1103. REPEAL OF AVERAGE CROP REVENUE ELECTION**
4 **PROGRAM.**

5 (a) REPEAL.—Section 1105 of the Food, Conserva-
6 tion, and Energy Act of 2008 (7 U.S.C. 8715) is repealed.

7 (b) CONTINUED APPLICATION FOR 2012 CROP
8 YEAR.—Section 1105 of the Food, Conservation, and En-
9 ergy Act of 2008 (7 U.S.C. 8715), as in effect on the day
10 before the date of enactment of this Act, shall continue
11 to apply through the 2012 crop year with respect to all
12 covered commodities (as defined in section 1001 of that
13 Act (7 U.S.C. 8702)) and peanuts on a farm for which
14 the irrevocable election under section 1105 of that Act was
15 made before the date of enactment of this Act.

16 **SEC. 1104. DEFINITIONS.**

17 In this subtitle and subtitle B:

18 (1) ACTUAL COUNTY REVENUE.—The term “ac-
19 tual county revenue”, with respect to a covered com-
20 modity for a crop year, means the amount deter-
21 mined by the Secretary under section 1107(c)(4) to
22 determine whether revenue loss coverage payments
23 are required to be provided for that crop year.

24 (2) BASE ACRES.—The term “base acres”, with
25 respect to a covered commodity and cotton on a

1 farm, means the number of acres established under
2 section 1101 and 1302 of the Farm Security and
3 Rural Investment Act of 2002 (7 U.S.C. 7911,
4 7952) or section 1101 and 1302 of the Food, Con-
5 servation, and Energy Act of 2008 (7 U.S.C. 8711,
6 8752), as in effect on September 30, 2012, subject
7 to any adjustment under section 1105 of this Act.

8 (3) COUNTY REVENUE LOSS COVERAGE TRIG-
9 GER.—The term “county revenue loss coverage trig-
10 ger”, with respect to a covered commodity for a crop
11 year, means the amount determined by the Secretary
12 under section 1107(c)(5) to determine whether rev-
13 enue loss coverage payments are required to be pro-
14 vided for that crop year.

15 (4) COVERED COMMODITY.—The term “covered
16 commodity” means wheat, oats, and barley (includ-
17 ing wheat, oats, and barley used for haying and
18 grazing), corn, grain sorghum, long grain rice, me-
19 dium grain rice, pulse crops, soybeans, other oil-
20 seeds, and peanuts.

21 (5) EFFECTIVE PRICE.—The term “effective
22 price”, with respect to a covered commodity for a
23 crop year, means the price calculated by the Sec-
24 retary under section 1107(b)(2) to determine wheth-

er price loss coverage payments are required to be provided for that crop year.

(6) EXTRA LONG STAPLE COTTON.—The term “extra long staple cotton” means cotton that—

(A) is produced from pure strain varieties of the Barbados species or any hybrid of the species, 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

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

(7) FARM BASE ACRES.—The term “farm base acres” means the sum of the base acreage for all covered commodities and cotton on a farm in effect as of September 30, 2012, and subject to any adjustment under section 1105.

(8) MEDIUM GRAIN RICE.—The term “medium grain rice” includes short grain rice.

1 (9) MIDSEASON PRICE.—The term “midseason
2 price” means the applicable national average market
3 price received by producers for the first 5 months of
4 the applicable marketing year, as determined by the
5 Secretary.

6 (10) OTHER OILSEED.—The term “other oil-
7 seed” means a crop of sunflower seed, rapeseed,
8 canola, safflower, flaxseed, mustard seed, crambe,
9 sesame seed, or any oilseed designated by the Sec-
10 retary.

11 (11) PAYMENT ACRES.—

12 (A) IN GENERAL.—Except as provided in
13 subparagraphs (B) through (D), the term “pay-
14 ment acres”, with respect to the provision of
15 price loss coverage payments and revenue loss
16 coverage payments, means—

17 (i) 85 percent of total acres planted
18 for the year to each covered commodity on
19 a farm; and

20 (ii) 30 percent of approved total acres
21 prevented from being planted for the year
22 to each covered commodity on a farm.

23 (B) MAXIMUM.—The total quantity of pay-
24 ment acres determined under subparagraph (A)
25 shall not exceed the farm base acres.

1 (C) REDUCTION.—If the sum of all pay-
2 ment acres for a farm exceeds the limits estab-
3 lished under subparagraph (B), the Secretary
4 shall reduce the payment acres applicable to
5 each crop proportionately.

6 (D) EXCLUSION.—The term “payment
7 acres” does not include any crop subsequently
8 planted during the same crop year on the same
9 land for which the first crop is eligible for pay-
10 ments under this subtitle, unless the crop was
11 approved for double cropping in the county, as
12 determined by the Secretary.

13 (12) PAYMENT YIELD.—The term “payment
14 yield” means the yield established for counter-cycli-
15 cal payments under section 1102 or 1302 of the
16 Farm Security and Rural Investment Act of 2002 (7
17 U.S.C. 7912, 7952), section 1102 of the Food, Con-
18 servation, and Energy Act of 2008 (7 U.S.C. 8712),
19 as in effect on September 30, 2012, or under section
20 1106 of this Act, for a farm for a covered com-
21 modity.

22 (13) PRICE LOSS COVERAGE.—The term “price
23 loss coverage” means coverage provided under sec-
24 tion 1107(b).

25 (14) PRODUCER.—

1 (A) IN GENERAL.—The term “producer”
 2 means an owner, operator, landlord, tenant, or
 3 sharecropper that shares in the risk of pro-
 4 ducing a crop and is entitled to share in the
 5 crop available for marketing from the farm, or
 6 would have shared had the crop been produced.

7 (B) HYBRID SEED.—In determining
 8 whether a grower of hybrid seed is a producer,
 9 the Secretary shall—

10 (i) not take into consideration the ex-
 11 istence of a hybrid seed contract; and

12 (ii) ensure that program requirements
 13 do not adversely affect the ability of the
 14 grower to receive a payment under this
 15 title.

16 (15) PULSE CROP.—The term “pulse crop”
 17 means dry peas, lentils, small chickpeas, and large
 18 chickpeas.

19 (16) REFERENCE PRICE.—The term “reference
 20 price”, with respect to a covered commodity for a
 21 crop year means the following:

22 (A) Wheat, \$5.50 per bushel.

23 (B) Corn, \$3.70 per bushel.

24 (C) Grain sorghum, \$3.95 per bushel.

25 (D) Barley, \$4.95 per bushel.

1 (E) Oats, \$2.40 per bushel.

2 (F) Long grain rice, \$14.00 per hundred-
3 weight.

4 (G) Medium grain rice, \$14.00 per hun-
5 dredweight.

6 (H) Soybeans, \$8.40 per bushel.

7 (I) Other oilseeds, \$20.15 per hundred-
8 weight.

9 (J) Peanuts \$535.00 per ton.

10 (K) Dry peas, \$11.00 per hundredweight.

11 (L) Lentils, \$19.97 per hundredweight.

12 (M) Small chickpeas, \$19.04 per hundred-
13 weight.

14 (N) Large chickpeas, \$21.54 per hundred-
15 weight.

16 (17) REVENUE LOSS COVERAGE.—The term
17 “revenue loss coverage” means coverage provided
18 under section 1107(c).

19 (18) SECRETARY.—The term “Secretary”
20 means the Secretary of Agriculture.

21 (19) STATE.—The term “State” means—

22 (A) a State;

23 (B) the District of Columbia;

24 (C) the Commonwealth of Puerto Rico;

25 and

1 (D) any other territory or possession of the
2 United States.

3 (20) TRANSITIONAL YIELD.—The term “transi-
4 tional yield” has the meaning given the term in sec-
5 tion 502(b) of the Federal Crop Insurance Act (7
6 U.S.C. 1502(b)).

7 (21) UNITED STATES.—The term “United
8 States”, when used in a geographical sense, means
9 all of the States.

10 (22) UNITED STATES PREMIUM FACTOR.—The
11 term “United States Premium Factor” means the
12 percentage by which the difference in the United
13 States loan schedule premiums for Strict Middling
14 (SM) 1¹/₈-inch upland cotton and for Middling (M)
15 1³/₃₂-inch upland cotton exceeds the difference in the
16 applicable premiums for comparable international
17 qualities.

18 **SEC. 1105. BASE ACRES.**

19 (a) ADJUSTMENT OF BASE ACRES.—

20 (1) IN GENERAL.—The Secretary shall provide
21 for an adjustment, as appropriate, in the base acres
22 for covered commodities and cotton for a farm when-
23 ever any of the following circumstances occurs:

24 (A) A conservation reserve contract en-
25 tered into under section 1231 of the Food Secu-

1 rity Act of 1985 (16 U.S.C. 3831) with respect
2 to the farm expires or is voluntarily terminated.

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

6 (C) The producer has eligible oilseed acre-
7 age as the result of the Secretary designating
8 additional oilseeds, which shall be determined in
9 the same manner as eligible oilseed acreage
10 under section 1101(a)(1)(D) of the Food, Con-
11 servation, and Energy Act of 2008 (7 U.S.C.
12 8711(a)(1)(D)).

13 (2) SPECIAL CONSERVATION RESERVE ACREAGE
14 PAYMENT RULES.—For the crop year in which a
15 base acres adjustment under subparagraph (A) or
16 (B) of paragraph (1) is first made, the owner of the
17 farm shall elect to receive price loss coverage or rev-
18 enue loss coverage with respect to the acreage added
19 to the farm under this subsection or a prorated pay-
20 ment under the conservation reserve contract, but
21 not both.

22 (b) PREVENTION OF EXCESS BASE ACRES.—

23 (1) REQUIRED REDUCTION.—If the sum of the
24 base acres for a farm, together with the acreage de-
25 scribed in paragraph (2) exceeds the actual cropland

1 acreage of the farm, the Secretary shall reduce the
2 base acres for 1 or more covered commodities or cot-
3 ton for the farm so that the sum of the base acres
4 and acreage described in paragraph (2) does not ex-
5 ceed the actual cropland acreage of the farm.

6 (2) OTHER ACREAGE.—For purposes of para-
7 graph (1), the Secretary shall include the following:

8 (A) Any acreage on the farm enrolled in
9 the conservation reserve program or wetlands
10 reserve program (or successor programs) under
11 chapter 1 of subtitle D of title XII of the Food
12 Security Act of 1985 (16 U.S.C. 3830 et seq.).

13 (B) Any other acreage on the farm en-
14 rolled in a Federal conservation program for
15 which payments are made in exchange for not
16 producing an agricultural commodity on the
17 acreage.

18 (C) If the Secretary designates additional
19 oilseeds, any eligible oilseed acreage, which shall
20 be determined in the same manner as eligible
21 oilseed acreage under subsection (a)(1)(C).

22 (3) SELECTION OF ACRES.—The Secretary shall
23 give the owner of the farm the opportunity to select
24 the base acres for a covered commodity or cotton for

1 the farm against which the reduction required by
2 paragraph (1) will be made.

3 (4) EXCEPTION FOR DOUBLE-CROPPED ACRE-
4 AGE.—In applying paragraph (1), the Secretary
5 shall make an exception in the case of double crop-
6 ping, as determined by the Secretary.

7 (c) REDUCTION IN BASE ACRES.—

8 (1) REDUCTION AT OPTION OF OWNER.—

9 (A) IN GENERAL.—The owner of a farm
10 may reduce, at any time, the base acres for any
11 covered commodity or cotton for the farm.

12 (B) EFFECT OF REDUCTION.—A reduction
13 under subparagraph (A) shall be permanent
14 and made in a manner prescribed by the Sec-
15 retary.

16 (2) REQUIRED ACTION BY SECRETARY.—

17 (A) IN GENERAL.—The Secretary shall
18 proportionately reduce base acres on a farm for
19 covered commodities and cotton for land that
20 has been subdivided and developed for multiple
21 residential units or other nonfarming uses if the
22 size of the tracts and the density of the subdivi-
23 sion is such that the land is unlikely to return
24 to the previous agricultural use, unless the pro-
25 ducers on the farm demonstrate that the land—

1 (i) remains devoted to commercial ag-
2 ricultural production; or

3 (ii) is likely to be returned to the pre-
4 vious agricultural use.

5 (B) REQUIREMENT.—The Secretary shall
6 establish procedures to identify land described
7 in subparagraph (A).

8 **SEC. 1106. PAYMENT YIELDS.**

9 (a) ESTABLISHMENT AND PURPOSE.—For the pur-
10 pose of making payments under this subtitle, the Sec-
11 retary shall provide for the establishment of a yield for
12 each farm for any designated oilseed for which a payment
13 yield was not established under section 1102 of the Food,
14 Conservation, and Energy Act of 2008 (7 U.S.C. 8712)
15 in accordance with this section.

16 (b) PAYMENT YIELDS FOR DESIGNATED OIL-
17 SEEDS.—

18 (1) DETERMINATION OF AVERAGE YIELD.—In
19 the case of designated oilseeds, the Secretary shall
20 determine the average yield per planted acre for the
21 designated oilseed on a farm for the 1998 through
22 2001 crop years, excluding any crop year in which
23 the acreage planted to the designated oilseed was
24 zero.

25 (2) ADJUSTMENT FOR PAYMENT YIELD.—

1 (A) IN GENERAL.—The payment yield for
2 a farm for a designated oilseed shall be equal
3 to the product of the following:

4 (i) The average yield for the des-
5 ignated oilseed determined under para-
6 graph (1).

7 (ii) The ratio resulting from dividing
8 the national average yield for the des-
9 ignated oilseed for the 1981 through 1985
10 crops by the national average yield for the
11 designated oilseed for the 1998 through
12 2001 crops.

13 (B) NO NATIONAL AVERAGE YIELD INFOR-
14 MATION AVAILABLE.—To the extent that na-
15 tional average yield information for a des-
16 ignated oilseed is not available, the Secretary
17 shall use such information as the Secretary de-
18 termines to be fair and equitable to establish a
19 national average yield under this section.

20 (3) USE OF COUNTY AVERAGE YIELD.—If the
21 yield per planted acre for a crop of a designated oil-
22 seed for a farm for any of the 1998 through 2001
23 crop years was less than 75 percent of the county
24 yield for that designated oilseed, the Secretary shall
25 assign a yield for that crop year equal to 75 percent

1 of the county yield for the purpose of determining
2 the average under paragraph (1).

3 (4) NO HISTORIC YIELD DATA AVAILABLE.—In
4 the case of establishing yields for designated oil-
5 seeds, if historic yield data is not available, the Sec-
6 retary shall use the ratio for dry peas calculated
7 under paragraph (2)(A)(ii) in determining the yields
8 for designated oilseeds, as determined to be fair and
9 equitable by the Secretary.

10 (c) EFFECT OF LACK OF PAYMENT YIELD.—

11 (1) ESTABLISHMENT BY SECRETARY.—If no
12 payment yield is otherwise established for a farm for
13 which a covered commodity is planted and eligible to
14 receive price loss coverage payments, the Secretary
15 shall establish an appropriate payment yield for the
16 covered commodity on the farm under paragraph
17 (2).

18 (2) USE OF SIMILARLY SITUATED FARMS.—
19 Notwithstanding any other provision of law, to es-
20 tablish an appropriate payment yield for a covered
21 commodity on a farm as required by paragraph (1),
22 the Secretary shall take into consideration the farm
23 program payment yields applicable to that covered
24 commodity for similarly situated farms.

1 (d) SINGLE OPPORTUNITY TO UPDATE YIELDS USED
2 TO DETERMINE PRICE LOSS COVERAGE PAYMENTS.—

3 (1) ELECTION TO UPDATE.—At the sole discre-
4 tion of the owner of a farm, the owner of a farm
5 shall have a 1-time opportunity to update the pay-
6 ment yields on a covered commodity-by-covered com-
7 modity basis that would otherwise be used in calcu-
8 lating any price loss coverage payment for covered
9 commodities on the farm.

10 (2) TIME FOR ELECTION.—The election under
11 paragraph (1) shall be made at a time and manner
12 to be in effect for the 2013 crop year as determined
13 by the Secretary.

14 (3) METHOD OF UPDATING YIELDS.—If the
15 owner of a farm elects to update yields under this
16 subsection, the payment yield for a covered com-
17 modity on the farm, for the purpose of calculating
18 price loss coverage payments only, shall be equal to
19 90 percent of the average of the yield per planted
20 acre for the crop of the covered commodity on the
21 farm for the 2008 through 2012 crop years, as de-
22 termined by the Secretary, excluding any crop year
23 in which the acreage planted to the crop of the cov-
24 ered commodity was zero.

1 (4) USE OF COUNTY AVERAGE YIELD.—If the
2 yield per planted acre for a crop of the covered com-
3 modity for a farm for any of the 2008 through 2012
4 crop years was less than 75 percent of the average
5 of the 2008 through 2012 county yield for that com-
6 modity, the Secretary shall assign a yield for that
7 crop year equal to 75 percent of the average of the
8 2008 through 2012 county yield for the purposes of
9 determining the average yield under paragraph (3).

10 (5) EFFECT OF LACK OF PAYMENT YIELD.—

11 (A) ESTABLISHMENT BY SECRETARY.—

12 For purposes of this subsection, if no payment
13 yield is otherwise established for a covered com-
14 modity on a farm, the Secretary shall establish
15 an appropriate updated payment yield for the
16 covered commodity on the farm under subpara-
17 graph (B).

18 (B) USE OF SIMILARLY SITUATED
19 FARMS.—Notwithstanding any other provision
20 of law, to establish an appropriate updated pay-
21 ment yield for a covered commodity on a farm
22 as required by subparagraph (A), the Secretary
23 shall take into consideration the farm program
24 payment yields applicable to that covered com-
25 modity for similarly situated farms, but before

1 the yields for the similarly situated farms are
2 updated as provided in this subsection.

3 **SEC. 1107. FARM RISK MANAGEMENT ELECTION.**

4 (a) IN GENERAL.—

5 (1) PAYMENTS REQUIRED.—Except as provided
6 in paragraph (2), if the Secretary determines that
7 payments are required under subsection (b)(1) or
8 (c)(2) for a covered commodity, the Secretary shall
9 make payments for that covered commodity available
10 under such subsection to producers on a farm pursu-
11 ant to the terms and conditions of this section.

12 (2) PROHIBITION ON PAYMENTS; EXCEP-
13 TIONS.—Notwithstanding any other provision of this
14 title, a producer on a farm may not receive price loss
15 coverage payments or revenue loss coverage pay-
16 ments if the sum of the planted acres of covered
17 commodities on the farm is 10 acres or less, as de-
18 termined by the Secretary, unless the producer is—

19 (A) a socially disadvantaged farmer or
20 rancher (as defined in section 355(e) of the
21 Consolidated Farm and Rural Development Act
22 (7 U.S.C. 2003(e))); or

23 (B) a limited resource farmer or rancher,
24 as defined by the Secretary.

25 (b) PRICE LOSS COVERAGE.—

1 (1) PAYMENTS.—For each of the 2013 through
2 2017 crop years, the Secretary shall make price loss
3 coverage payments to producers on a farm for a cov-
4 ered commodity if the Secretary determines that—

5 (A) the effective price for the covered com-
6 modity for the crop year; is less than

7 (B) the reference price for the covered
8 commodity for the crop year.

9 (2) EFFECTIVE PRICE.—The effective price for
10 a covered commodity for a crop year shall be the
11 higher of—

12 (A) the midseason price; or

13 (B) the national average loan rate for a
14 marketing assistance loan for the covered com-
15 modity in effect for crop years 2013 through
16 2017 under subtitle B.

17 (3) PAYMENT RATE.—The payment rate shall
18 be equal to the difference between—

19 (A) the reference price for the covered
20 commodity; and

21 (B) the effective price determined under
22 paragraph (2) for the covered commodity;

23 (4) PAYMENT AMOUNT.—If price loss coverage
24 payments are required to be provided under this
25 subsection for any of the 2013 through 2017 crop

1 years for a covered commodity, the amount of the
 2 price loss coverage payment to be paid to the pro-
 3 ducers on a farm for the crop year shall be equal to
 4 the product obtained by multiplying—

5 (A) the payment rate for the covered com-
 6 modity under paragraph (3);

7 (B) the payment yield for the covered com-
 8 modity; and

9 (C) the payment acres for the covered com-
 10 modity.

11 (5) TIME FOR PAYMENTS.—If the Secretary de-
 12 termines under this subsection that price loss cov-
 13 erage payments are required to be provided for the
 14 covered commodity, the payments shall be made be-
 15 ginning October 1, or as soon as practicable there-
 16 after, after the end of the applicable marketing year
 17 for the covered commodity.

18 (6) SPECIAL RULE.—In determining the effec-
 19 tive price for barley in paragraph (2), the Secretary
 20 shall use the all-barley price.

21 (c) REVENUE LOSS COVERAGE.—

22 (1) AVAILABLE AS AN ALTERNATIVE.—As an
 23 alternative to receiving price loss coverage payments
 24 under subsection (b) for a covered commodity, all of
 25 the owners of the farm may make a one-time, irrev-

1 ovable election on a covered commodity-by-covered
2 commodity basis to receive revenue loss coverage
3 payments for each covered commodity in accordance
4 with this subsection. If any of the owners of the
5 farm make different elections on the same covered
6 commodity on the farm, all of the owners of the
7 farm shall be deemed to have not made the election
8 available under this paragraph.

9 (2) PAYMENTS.—In the case of owners of a
10 farm that make the election described in paragraph
11 (1) for a covered commodity, the Secretary shall
12 make revenue loss coverage payments available
13 under this subsection for each of the 2013 through
14 2017 crop years if the Secretary determines that—

15 (A) the actual county revenue for the crop
16 year for the covered commodity; is less than

17 (B) the county revenue loss coverage trig-
18 ger for the crop year for the covered com-
19 modity.

20 (3) TIME FOR PAYMENTS.—If the Secretary de-
21 termines under this subsection that revenue loss cov-
22 erage payments are required to be provided for the
23 covered commodity, payments shall be made begin-
24 ning October 1, or as soon as practicable thereafter,

1 after the end of the applicable marketing year for
2 the covered commodity.

3 (4) ACTUAL COUNTY REVENUE.—The amount
4 of the actual county revenue for a crop year of a
5 covered commodity shall be equal to the product ob-
6 tained by multiplying—

7 (A) the actual county yield, as determined
8 by the Secretary, for each planted acre for the
9 crop year for the covered commodity; and

10 (B) the higher of—

11 (i) the midseason price; or

12 (ii) the national average loan rate for
13 a marketing assistance loan for the covered
14 commodity in effect for crop years 2013
15 through 2017 under subtitle B.

16 (5) COUNTY REVENUE LOSS COVERAGE TRIG-
17 GER.—

18 (A) IN GENERAL.—The county revenue
19 loss coverage trigger for a crop year for a cov-
20 ered commodity on a farm shall equal 85 per-
21 cent of the benchmark county revenue.

22 (B) BENCHMARK COUNTY REVENUE.—

23 (i) IN GENERAL.—The benchmark
24 county revenue shall be the product ob-
25 tained by multiplying—

1 (I) subject to clause (ii), the av-
2 erage historical county yield as deter-
3 mined by the Secretary for the most
4 recent 5 crop years, excluding each of
5 the crop years with the highest and
6 lowest yields; and

7 (II) subject to clause (iii), the av-
8 erage national marketing year average
9 price for the most recent 5 crop years,
10 excluding each of the crop years with
11 the highest and lowest prices.

12 (ii) YIELD CONDITIONS.—If the his-
13 torical county yield in clause (i)(I) for any
14 of the 5 most recent crop years, as deter-
15 mined by the Secretary, is less than 70
16 percent of the transitional yield, as deter-
17 mined by the Secretary, the amounts used
18 for any of those years in clause (i)(I) shall
19 be 70 percent of the transitional yield.

20 (iii) REFERENCE PRICE.—If the na-
21 tional marketing year average price in
22 clause (i)(II) for any of the 5 most recent
23 crop years is lower than the reference price
24 for the covered commodity, the Secretary
25 shall use the reference price for any of

1 those years for the amounts in clause
2 (i)(II).

3 (6) PAYMENT RATE.—The payment rate shall
4 be equal to the lesser of—

5 (A) the difference between—

6 (i) the county revenue loss coverage
7 trigger for the covered commodity; and

8 (ii) the actual county revenue for the
9 crop year for the covered commodity; or

10 (B) 10 percent of the benchmark county
11 revenue for the crop year for the covered com-
12 modity.

13 (7) PAYMENT AMOUNT.—If revenue loss cov-
14 erage payments under this subsection are required
15 to be provided for any of the 2013 through 2017
16 crop years of a covered commodity, the amount of
17 the revenue loss coverage payment to be provided to
18 the producers on a farm for the crop year shall be
19 equal to the product obtained by multiplying—

20 (A) the payment rate under paragraph (6);
21 and

22 (B) the payment acres of the covered com-
23 modity on the farm.

1 (8) DUTIES OF THE SECRETARY.—In providing
2 revenue loss coverage payments under this sub-
3 section, the Secretary—

4 (A) shall ensure that producers on a farm
5 do not reconstitute the farm of the producers to
6 void or change the election made under para-
7 graph (1);

8 (B) to the maximum extent practicable,
9 shall use all available information and analysis,
10 including data mining, to check for anomalies
11 in the provision of revenue loss coverage pay-
12 ments;

13 (C) to the maximum extent practicable,
14 shall calculate a separate county revenue loss
15 coverage trigger for irrigated and nonirrigated
16 covered commodities and a separate actual
17 county revenue for irrigated and nonirrigated
18 covered commodities;

19 (D) shall assign a benchmark county yield
20 for each planted acre for the crop year for the
21 covered commodity on the basis of the yield his-
22 tory of representative farms in the State, re-
23 gion, or crop reporting district, as determined
24 by the Secretary, if—

1 (i) the Secretary cannot establish the
 2 benchmark county yield for each planted
 3 acre for a crop year for a covered com-
 4 modity in the county in accordance with
 5 paragraph (5); or

6 (ii) the yield determined under para-
 7 graph (5) is an unrepresentative average
 8 yield for the county (as determined by the
 9 Secretary); and

10 (E) to the maximum extent practicable,
 11 shall ensure that in order to be eligible for a
 12 payment under this subsection, the producers
 13 on the farm suffered an actual loss on the cov-
 14 ered commodity for the crop year for which
 15 payment is sought.

16 **SEC. 1108. PRODUCER AGREEMENTS.**

17 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

18 (1) REQUIREMENTS.—Before the producers on
 19 a farm may receive price loss coverage payments or
 20 revenue loss coverage payments with respect to the
 21 farm, the producers shall agree, during the crop year
 22 for which the payments are made and in exchange
 23 for the payments—

24 (A) to comply with applicable conservation
 25 requirements under subtitle B of title XII of

1 the Food Security Act of 1985 (16 U.S.C. 3811
2 et seq.);

3 (B) to comply with applicable wetland pro-
4 tection requirements under subtitle C of title
5 XII of that Act (16 U.S.C. 3821 et seq.); and

6 (C) to effectively control noxious weeds
7 and otherwise maintain the land in accordance
8 with sound agricultural practices, as determined
9 by the Secretary.

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

14 (3) MODIFICATION.—At the request of the
15 transferee or owner, the Secretary may modify the
16 requirements of this subsection if the modifications
17 are consistent with the objectives of this subsection,
18 as determined by the Secretary.

19 (b) TRANSFER OR CHANGE OF INTEREST IN
20 FARM.—

21 (1) TERMINATION.—

22 (A) IN GENERAL.—Except as provided in
23 paragraph (2), a transfer of (or change in) the
24 interest of the producers on a farm for which
25 price loss coverage payments or revenue loss

1 coverage payments are provided shall result in
2 the termination of the price loss coverage and
3 revenue loss coverage, unless the transferee or
4 owner of the acreage agrees to assume all obli-
5 gations under subsection (a).

6 (B) EFFECTIVE DATE.—The termination
7 shall take effect on the date determined by the
8 Secretary.

9 (2) EXCEPTION.—If a producer entitled to a
10 price loss coverage payment or revenue loss coverage
11 payment dies, becomes incompetent, or is otherwise
12 unable to receive the payment, the Secretary shall
13 make the payment in accordance with rules issued
14 by the Secretary.

15 (c) ACREAGE REPORTS.—As a condition on the re-
16 ceipt of any benefits under this subtitle or subtitle B, the
17 Secretary shall require producers on a farm to submit to
18 the Secretary annual acreage reports with respect to all
19 cropland on the farm.

20 (d) TENANTS AND SHARECROPPERS.—In carrying
21 out this subtitle, the Secretary shall provide adequate safe-
22 guards to protect the interests of tenants and share-
23 croppers.

24 (e) SHARING OF PAYMENTS.—The Secretary shall
25 provide for the sharing of price loss coverage payments

1 and revenue loss coverage payments among the producers
 2 on a farm on a fair and equitable basis.

3 **SEC. 1109. PERIOD OF EFFECTIVENESS.**

4 This subtitle shall be effective beginning with the
 5 2013 crop year of each covered commodity through the
 6 2017 crop year.

7 **Subtitle B—Marketing Loans**

8 **SEC. 1201. AVAILABILITY OF NONRECOURSE MARKETING**
 9 **ASSISTANCE LOANS FOR LOAN COMMOD-**
 10 **ITIES.**

11 (a) DEFINITION OF LOAN COMMODITY.—In this sub-
 12 title, the term “loan commodity” means wheat, corn, grain
 13 sorghum, barley, oats, upland cotton, extra long staple
 14 cotton, long grain rice, medium grain rice, peanuts, soy-
 15 beans, other oilseeds, graded wool, nongraded wool, mo-
 16 hair, honey, dry peas, lentils, small chickpeas, and large
 17 chickpeas.

18 (b) NONRECOURSE LOANS AVAILABLE.—

19 (1) IN GENERAL.—For each of the 2013
 20 through 2017 crops of each loan commodity, the
 21 Secretary shall make available to producers on a
 22 farm nonrecourse marketing assistance loans for
 23 loan commodities produced on the farm.

24 (2) TERMS AND CONDITIONS.—The marketing
 25 assistance loans shall be made under terms and con-

1 ditions that are prescribed by the Secretary and at
2 the loan rate established under section 1202 for the
3 loan commodity.

4 (c) ELIGIBLE PRODUCTION.—The producers on a
5 farm shall be eligible for a marketing assistance loan
6 under subsection (b) for any quantity of a loan commodity
7 produced on the farm.

8 (d) COMPLIANCE WITH CONSERVATION AND WET-
9 LANDS REQUIREMENTS.—As a condition of the receipt of
10 a marketing assistance loan under subsection (b), the pro-
11 ducer shall comply with applicable conservation require-
12 ments under subtitle B of title XII of the Food Security
13 Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-
14 land protection requirements under subtitle C of title XII
15 of that Act (16 U.S.C. 3821 et seq.) during the term of
16 the loan.

17 (e) SPECIAL RULES FOR PEANUTS.—

18 (1) IN GENERAL.—This subsection shall apply
19 only to producers of peanuts.

20 (2) OPTIONS FOR OBTAINING LOAN.—A mar-
21 keting assistance loan under this section, and loan
22 deficiency payments under section 1205, may be ob-
23 tained at the option of the producers on a farm
24 through—

1 (A) a designated marketing association or
2 marketing cooperative of producers that is ap-
3 proved by the Secretary; or

4 (B) the Farm Service Agency.

5 (3) STORAGE OF LOAN PEANUTS.—As a condi-
6 tion on the approval by the Secretary of an indi-
7 vidual or entity to provide storage for peanuts for
8 which a marketing assistance loan is made under
9 this section, the individual or entity shall agree—

10 (A) to provide the storage on a nondiscrim-
11 inatory basis; and

12 (B) to comply with such additional require-
13 ments as the Secretary considers appropriate to
14 accomplish the purposes of this section and pro-
15 mote fairness in the administration of the bene-
16 fits of this section.

17 (4) STORAGE, HANDLING, AND ASSOCIATED
18 COSTS.—

19 (A) IN GENERAL.—To ensure proper stor-
20 age of peanuts for which a loan is made under
21 this section, the Secretary shall pay handling
22 and other associated costs (other than storage
23 costs) incurred at the time at which the peanuts
24 are placed under loan, as determined by the
25 Secretary.

1 (B) REDEMPTION AND FORFEITURE.—The
2 Secretary shall—

3 (i) require the repayment of handling
4 and other associated costs paid under sub-
5 paragraph (A) for all peanuts pledged as
6 collateral for a loan that is redeemed under
7 this section; and

8 (ii) pay storage, handling, and other
9 associated costs for all peanuts pledged as
10 collateral that are forfeited under this sec-
11 tion.

12 (5) MARKETING.—A marketing association or
13 cooperative may market peanuts for which a loan is
14 made under this section in any manner that con-
15 forms to consumer needs, including the separation of
16 peanuts by type and quality.

17 (6) REIMBURSABLE AGREEMENTS AND PAY-
18 MENT OF ADMINISTRATIVE EXPENSES.—The Sec-
19 retary may implement any reimbursable agreements
20 or provide for the payment of administrative ex-
21 penses under this subsection only in a manner that
22 is consistent with those activities in regard to other
23 loan commodities.

1 **SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING**
2 **ASSISTANCE LOANS.**

3 (a) IN GENERAL.—For purposes of each of the 2013
4 through 2017 crop years, the loan rate for a marketing
5 assistance loan under section 1201 for a loan commodity
6 shall be equal to the following:

7 (1) In the case of wheat, \$2.94 per bushel.

8 (2) In the case of corn, \$1.95 per bushel.

9 (3) In the case of grain sorghum, \$1.95 per
10 bushel.

11 (4) In the case of barley, \$1.95 per bushel.

12 (5) In the case of oats, \$1.39 per bushel.

13 (6) In the case of base quality of upland cotton,
14 for the 2013 and each subsequent crop year, the
15 simple average of the adjusted prevailing world price
16 for the 2 immediately preceding marketing years, as
17 determined by the Secretary and announced October
18 1 preceding the next domestic plantings, but in no
19 case less than \$0.47 per pound or more than \$0.52
20 per pound.

21 (7) In the case of extra long staple cotton,
22 \$0.7977 per pound.

23 (8) In the case of long grain rice, \$6.50 per
24 hundredweight.

25 (9) In the case of medium grain rice, \$6.50 per
26 hundredweight.

1 (10) In the case of soybeans, \$5.00 per bushel.

2 (11) In the case of other oilseeds, \$10.09 per
3 hundredweight for each of the following kinds of oil-
4 seeds:

5 (A) Sunflower seed.

6 (B) Rapeseed.

7 (C) Canola.

8 (D) Safflower.

9 (E) Flaxseed.

10 (F) Mustard seed.

11 (G) Crambe.

12 (H) Sesame seed.

13 (I) Other oilseeds designated by the Sec-
14 retary.

15 (12) In the case of dry peas, \$5.40 per hun-
16 dredweight.

17 (13) In the case of lentils, \$11.28 per hundred-
18 weight.

19 (14) In the case of small chickpeas, \$7.43 per
20 hundredweight.

21 (15) In the case of large chickpeas, \$11.28 per
22 hundredweight.

23 (16) In the case of graded wool, \$1.15 per
24 pound.

1 (17) In the case of nongraded wool, \$0.40 per
2 pound.

3 (18) In the case of mohair, \$4.20 per pound.

4 (19) In the case of honey, \$0.69 per pound.

5 (20) In the case of peanuts, \$355 per ton.

6 (b) SINGLE COUNTY LOAN RATE FOR OTHER OIL-
7 SEEDS.—The Secretary shall establish a single loan rate
8 in each county for each kind of other oilseeds described
9 in subsection (a)(11).

10 **SEC. 1203. TERM OF LOANS.**

11 (a) TERM OF LOAN.—In the case of each loan com-
12 modity, a marketing assistance loan under section 1201
13 shall have a term of 9 months beginning on the first day
14 of the first month after the month in which the loan is
15 made.

16 (b) EXTENSIONS PROHIBITED.—The Secretary may
17 not extend the term of a marketing assistance loan for
18 any loan commodity.

19 **SEC. 1204. REPAYMENT OF LOANS.**

20 (a) GENERAL RULE.—The Secretary shall permit the
21 producers on a farm to repay a marketing assistance loan
22 under section 1201 for a loan commodity (other than up-
23 land cotton, long grain rice, medium grain rice, extra long
24 staple cotton, peanuts and confectionery and each other

1 kind of sunflower seed (other than oil sunflower seed)) at
2 a rate that is the lesser of—

3 (1) the loan rate established for the commodity
4 under section 1202, plus interest (determined in ac-
5 cordance with section 163 of the Federal Agriculture
6 Improvement and Reform Act of 1996 (7 U.S.C.
7 7283));

8 (2) a rate (as determined by the Secretary)
9 that—

10 (A) is calculated based on average market
11 prices for the loan commodity during the pre-
12 ceding 30-day period; and

13 (B) will minimize discrepancies in mar-
14 keting loan benefits across State boundaries
15 and across county boundaries; or

16 (3) a rate that the Secretary may develop using
17 alternative methods for calculating a repayment rate
18 for a loan commodity that the Secretary determines
19 will—

20 (A) minimize potential loan forfeitures;

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

23 (C) minimize the cost incurred by the Fed-
24 eral Government in storing the commodity;

1 (D) allow the commodity produced in the
2 United States to be marketed freely and com-
3 petitively, both domestically and internationally;
4 and

5 (E) minimize discrepancies in marketing
6 loan benefits across State boundaries and
7 across county boundaries.

8 (b) REPAYMENT RATES FOR UPLAND COTTON, LONG
9 GRAIN RICE, AND MEDIUM GRAIN RICE.—The Secretary
10 shall permit producers to repay a marketing assistance
11 loan under section 1201 for upland cotton, long grain rice,
12 and medium grain rice at a rate that is the lesser of—

13 (1) the loan rate established for the commodity
14 under section 1202, plus interest (determined in ac-
15 cordance with section 163 of the Federal Agriculture
16 Improvement and Reform Act of 1996 (7 U.S.C.
17 7283)); or

18 (2) the prevailing world market price for the
19 commodity, as determined and adjusted by the Sec-
20 retary in accordance with this section.

21 (c) REPAYMENT RATES FOR EXTRA LONG STAPLE
22 COTTON.—Repayment of a marketing assistance loan for
23 extra long staple cotton shall be at the loan rate estab-
24 lished for the commodity under section 1202, plus interest
25 (determined in accordance with section 163 of the Federal

1 Agriculture Improvement and Reform Act of 1996 (7
2 U.S.C. 7283)).

3 (d) PREVAILING WORLD MARKET PRICE.—For pur-
4 poses of this section and section 1207, the Secretary shall
5 prescribe by regulation—

6 (1) a formula to determine the prevailing world
7 market price for each of upland cotton, long grain
8 rice, and medium grain rice; and

9 (2) a mechanism by which the Secretary shall
10 announce periodically those prevailing world market
11 prices.

12 (e) ADJUSTMENT OF PREVAILING WORLD MARKET
13 PRICE FOR UPLAND COTTON, LONG GRAIN RICE, AND
14 MEDIUM GRAIN RICE.—

15 (1) RICE.—The prevailing world market price
16 for long grain rice and medium grain rice deter-
17 mined under subsection (d) shall be adjusted to
18 United States quality and location.

19 (2) COTTON.—The prevailing world market
20 price for upland cotton determined under subsection
21 (d)—

22 (A) shall be adjusted to United States
23 quality and location, with the adjustment to in-
24 clude—

1 (i) a reduction equal to any United
2 States Premium Factor for upland cotton
3 of a quality higher than Middling (M)
4 $1\frac{3}{32}$ -inch; and

5 (ii) the average costs to market the
6 commodity, including average transpor-
7 tation costs, as determined by the Sec-
8 retary; and

9 (B) may be further adjusted, during the
10 period beginning on the date of enactment of
11 this Act and ending on July 31, 2018, if the
12 Secretary determines the adjustment is nec-
13 essary—

14 (i) to minimize potential loan forfeit-
15 ures;

16 (ii) to minimize the accumulation of
17 stocks of upland cotton by the Federal
18 Government;

19 (iii) to ensure that upland cotton pro-
20 duced in the United States can be mar-
21 keted freely and competitively, both domes-
22 tically and internationally; and

23 (iv) to ensure an appropriate transi-
24 tion between current-crop and forward-
25 crop price quotations, except that the Sec-

1 retary may use forward-crop price
2 quotations prior to July 31 of a marketing
3 year only if—

4 (I) there are insufficient current-
5 crop price quotations; and

6 (II) the forward-crop price
7 quotation is the lowest such quotation
8 available.

9 (3) GUIDELINES FOR ADDITIONAL ADJUST-
10 MENTS.—In making adjustments under this sub-
11 section, the Secretary shall establish a mechanism
12 for determining and announcing the adjustments in
13 order to avoid undue disruption in the United States
14 market.

15 (f) REPAYMENT RATES FOR CONFECTIONERY AND
16 OTHER KINDS OF SUNFLOWER SEEDS.—The Secretary
17 shall permit the producers on a farm to repay a marketing
18 assistance loan under section 1201 for confectionery and
19 each other kind of sunflower seed (other than oil sunflower
20 seed) at a rate that is the lesser of—

21 (1) the loan rate established for the commodity
22 under section 1202, plus interest (determined in ac-
23 cordance with section 163 of the Federal Agriculture
24 Improvement and Reform Act of 1996 (7 U.S.C.
25 7283)); or

1 (2) the repayment rate established for oil sun-
2 flower seed.

3 (g) PAYMENT OF COTTON STORAGE COSTS.—Effec-
4 tive for each of the 2013 through 2017 crop years, the
5 Secretary shall make cotton storage payments available in
6 the same manner, and at the same rates as the Secretary
7 provided storage payments for the 2006 crop of cotton,
8 except that the rates shall be reduced by 10 percent.

9 (h) REPAYMENT RATE FOR PEANUTS.—The Sec-
10 retary shall permit producers on a farm to repay a mar-
11 keting assistance loan for peanuts under subsection (a) at
12 a rate that is the lesser of—

13 (1) the loan rate established for peanuts under
14 subsection (b), plus interest (determined in accord-
15 ance with section 163 of the Federal Agriculture Im-
16 provement and Reform Act of 1996 (7 U.S.C.
17 7283)); or

18 (2) a rate that the Secretary determines will—

19 (A) minimize potential loan forfeitures;

20 (B) minimize the accumulation of stocks of
21 peanuts by the Federal Government;

22 (C) minimize the cost incurred by the Fed-
23 eral Government in storing peanuts; and

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

4 (i) AUTHORITY TO TEMPORARILY ADJUST REPAY-
5 MENT RATES.—

6 (1) ADJUSTMENT AUTHORITY.—In the event of
7 a severe disruption to marketing, transportation, or
8 related infrastructure, the Secretary may modify the
9 repayment rate otherwise applicable under this sec-
10 tion for marketing assistance loans under section
11 1201 for a loan commodity.

12 (2) DURATION.—Any adjustment made under
13 paragraph (1) in the repayment rate for marketing
14 assistance loans for a loan commodity shall be in ef-
15 fect on a short-term and temporary basis, as deter-
16 mined by the Secretary.

17 **SEC. 1205. LOAN DEFICIENCY PAYMENTS.**

18 (a) AVAILABILITY OF LOAN DEFICIENCY PAY-
19 MENTS.—

20 (1) IN GENERAL.—Except as provided in sub-
21 section (d), the Secretary may make loan deficiency
22 payments available to producers on a farm that, al-
23 though eligible to obtain a marketing assistance loan
24 under section 1201 with respect to a loan com-
25 modity, agree to forgo obtaining the loan for the

1 commodity in return for loan deficiency payments
2 under this section.

3 (2) UNSHORN PELTS, HAY, AND SILAGE.—

4 (A) MARKETING ASSISTANCE LOANS.—

5 Subject to subparagraph (B), nongraded wool
6 in the form of unshorn pelts and hay and silage
7 derived from a loan commodity are not eligible
8 for a marketing assistance loan under section
9 1201.

10 (B) LOAN DEFICIENCY PAYMENT.—Effective
11 for the 2013 through 2017 crop years, the
12 Secretary may make loan deficiency payments
13 available under this section to producers on a
14 farm that produce unshorn pelts or hay and si-
15 lage derived from a loan commodity.

16 (b) COMPUTATION.—A loan deficiency payment for a
17 loan commodity or commodity referred to in subsection
18 (a)(2) shall be equal to the product obtained by multi-
19 plying—

20 (1) the payment rate determined under sub-
21 section (c) for the commodity; by

22 (2) the quantity of the commodity produced by
23 the eligible producers, excluding any quantity for
24 which the producers obtain a marketing assistance
25 loan under section 1201.

1 (c) PAYMENT RATE.—

2 (1) IN GENERAL.—In the case of a loan com-
3 modity, the payment rate shall be the amount by
4 which—

5 (A) the loan rate established under section
6 1202 for the loan commodity; exceeds

7 (B) the rate at which a marketing assist-
8 ance loan for the loan commodity may be repaid
9 under section 1204.

10 (2) UNSHORN PELTS.—In the case of unshorn
11 pelts, the payment rate shall be the amount by
12 which—

13 (A) the loan rate established under section
14 1202 for ungraded wool; exceeds

15 (B) the rate at which a marketing assist-
16 ance loan for ungraded wool may be repaid
17 under section 1204.

18 (3) HAY AND SILAGE.—In the case of hay or si-
19 lage derived from a loan commodity, the payment
20 rate shall be the amount by which—

21 (A) the loan rate established under section
22 1202 for the loan commodity from which the
23 hay or silage is derived; exceeds

1 (B) the rate at which a marketing assist-
 2 ance loan for the loan commodity may be repaid
 3 under section 1204.

4 (d) EXCEPTION FOR EXTRA LONG STAPLE COT-
 5 TON.—This section shall not apply with respect to extra
 6 long staple cotton.

7 (e) EFFECTIVE DATE FOR PAYMENT RATE DETER-
 8 MINATION.—The Secretary shall determine the amount of
 9 the loan deficiency payment to be made under this section
 10 to the producers on a farm with respect to a quantity of
 11 a loan commodity or commodity referred to in subsection
 12 (a)(2) using the payment rate in effect under subsection
 13 (c) as of the date the producers request the payment.

14 **SEC. 1206. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAY-**
 15 **MENTS FOR GRAZED ACREAGE.**

16 (a) ELIGIBLE PRODUCERS.—

17 (1) IN GENERAL.—Effective for the 2013
 18 through 2017 crop years, in the case of a producer
 19 that would be eligible for a loan deficiency payment
 20 under section 1205 for wheat, barley, or oats, but
 21 that elects to use acreage planted to the wheat, bar-
 22 ley, or oats for the grazing of livestock, the Sec-
 23 retary shall make a payment to the producer under
 24 this section if the producer enters into an agreement

1 with the Secretary to forgo any other harvesting of
2 the wheat, barley, or oats on that acreage.

3 (2) GRAZING OF TRITICALE ACREAGE.—Effective
4 tive for the 2013 through 2017 crop years, with re-
5 spect to a producer on a farm that uses acreage
6 planted to triticale for the grazing of livestock, the
7 Secretary shall make a payment to the producer
8 under this section if the producer enters into an
9 agreement with the Secretary to forgo any other
10 harvesting of triticale on that acreage.

11 (b) PAYMENT AMOUNT.—

12 (1) IN GENERAL.—The amount of a payment
13 made under this section to a producer on a farm de-
14 scribed in subsection (a)(1) shall be equal to the
15 amount determined by multiplying—

16 (A) the loan deficiency payment rate deter-
17 mined under section 1205(c) in effect, as of the
18 date of the agreement, for the county in which
19 the farm is located; by

20 (B) the payment quantity determined by
21 multiplying—

22 (i) the quantity of the grazed acreage
23 on the farm with respect to which the pro-
24 ducer elects to forgo harvesting of wheat,
25 barley, or oats; and

1 (ii)(I) the payment yield in effect for
2 the calculation of price loss coverage under
3 subtitle A with respect to that loan com-
4 modity on the farm; or

5 (II) in the case of a farm without a
6 payment yield for that loan commodity, an
7 appropriate yield established by the Sec-
8 retary in a manner consistent with section
9 1106(c) of this Act.

10 (2) GRAZING OF TRITICALE ACREAGE.—The
11 amount of a payment made under this section to a
12 producer on a farm described in subsection (a)(2)
13 shall be equal to the amount determined by multi-
14 plying—

15 (A) the loan deficiency payment rate deter-
16 mined under section 1205(c) in effect for
17 wheat, as of the date of the agreement, for the
18 county in which the farm is located; by

19 (B) the payment quantity determined by
20 multiplying—

21 (i) the quantity of the grazed acreage
22 on the farm with respect to which the pro-
23 ducer elects to forgo harvesting of triticale;
24 and

1 (ii)(I) the payment yield in effect for
 2 the calculation of price loss coverage under
 3 subtitle A with respect to wheat on the
 4 farm; or

5 (II) in the case of a farm without a
 6 payment yield for wheat, an appropriate
 7 yield established by the Secretary in a
 8 manner consistent with section 1106(c) of
 9 this Act.

10 (c) TIME, MANNER, AND AVAILABILITY OF PAY-
 11 MENT.—

12 (1) TIME AND MANNER.—A payment under this
 13 section shall be made at the same time and in the
 14 same manner as loan deficiency payments are made
 15 under section 1205.

16 (2) AVAILABILITY.—

17 (A) IN GENERAL.—The Secretary shall es-
 18 tablish an availability period for the payments
 19 authorized by this section.

20 (B) CERTAIN COMMODITIES.—In the case
 21 of wheat, barley, and oats, the availability pe-
 22 riod shall be consistent with the availability pe-
 23 riod for the commodity established by the Sec-
 24 retary for marketing assistance loans author-
 25 ized by this subtitle.

1 (d) PROHIBITION ON CROP INSURANCE INDEMNITY
2 OR NONINSURED CROP ASSISTANCE.—A 2013 through
3 2017 crop of wheat, barley, oats, or triticale planted on
4 acreage that a producer elects, in the agreement required
5 by subsection (a), to use for the grazing of livestock in
6 lieu of any other harvesting of the crop shall not be eligible
7 for an indemnity under a policy or plan of insurance au-
8 thorized under the Federal Crop Insurance Act (7 U.S.C.
9 1501 et seq.) or noninsured crop assistance under section
10 196 of the Federal Agriculture Improvement and Reform
11 Act of 1996 (7 U.S.C. 7333).

12 **SEC. 1207. SPECIAL MARKETING LOAN PROVISIONS FOR**
13 **UPLAND COTTON.**

14 (a) SPECIAL IMPORT QUOTA.—

15 (1) DEFINITION OF SPECIAL IMPORT QUOTA.—

16 In this subsection, the term “special import quota”
17 means a quantity of imports that is not subject to
18 the over-quota tariff rate of a tariff-rate quota.

19 (2) ESTABLISHMENT.—

20 (A) IN GENERAL.—The President shall
21 carry out an import quota program during the
22 period beginning on August 1, 2013, and end-
23 ing on July 31, 2018, as provided in this sub-
24 section.

1 (B) PROGRAM REQUIREMENTS.—Whenever
2 the Secretary determines and announces that
3 for any consecutive 4-week period, the Friday
4 through Thursday average price quotation for
5 the lowest-priced United States growth, as
6 quoted for Middling (M) 1³/₃₂-inch cotton, deliv-
7 ered to a definable and significant international
8 market, as determined by the Secretary, ex-
9 ceeds the prevailing world market price, there
10 shall immediately be in effect a special import
11 quota.

12 (3) QUANTITY.—The quota shall be equal to
13 the consumption during a 1-week period of cotton by
14 domestic mills at the seasonally adjusted average
15 rate of the most recent 3 months for which official
16 data of the Department of Agriculture are available
17 or, in the absence of sufficient data, as estimated by
18 the Secretary.

19 (4) APPLICATION.—The quota shall apply to
20 upland cotton purchased not later than 90 days
21 after the date of the Secretary's announcement
22 under paragraph (2) and entered into the United
23 States not later than 180 days after that date.

24 (5) OVERLAP.—A special quota period may be
25 established that overlaps any existing quota period if

1 required by paragraph (2), except that a special
2 quota period may not be established under this sub-
3 section if a quota period has been established under
4 subsection (b).

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

8 (A) section 213(d) of the Caribbean Basin

9 Economic Recovery Act (19 U.S.C. 2703(d));

10 (B) section 204 of the Andean Trade Pref-

11 erence Act (19 U.S.C. 3203);

12 (C) section 503(d) of the Trade Act of

13 1974 (19 U.S.C. 2463(d)); and

14 (D) General Note 3(a)(iv) to the Har-

15 monized Tariff Schedule.

16 (7) LIMITATION.—The quantity of cotton en-
17 tered into the United States during any marketing
18 year under the special import quota established
19 under this subsection may not exceed the equivalent
20 of 10 week's consumption of upland cotton by do-
21 mestic mills at the seasonally adjusted average rate
22 of the 3 months immediately preceding the first spe-
23 cial import quota established in any marketing year.

24 (b) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND

25 COTTON.—

1 (1) DEFINITIONS.—In this subsection:

2 (A) DEMAND.—The term “demand”
3 means—

4 (i) the average seasonally adjusted an-
5 nual rate of domestic mill consumption of
6 cotton during the most recent 3 months
7 for which official data of the Department
8 of Agriculture are available or, in the ab-
9 sence of sufficient data, as estimated by
10 the Secretary; and

11 (ii) the larger of—

12 (I) average exports of upland cot-
13 ton during the preceding 6 marketing
14 years; or

15 (II) cumulative exports of upland
16 cotton plus outstanding export sales
17 for the marketing year in which the
18 quota is established.

19 (B) LIMITED GLOBAL IMPORT QUOTA.—

20 The term “limited global import quota” means
21 a quantity of imports that is not subject to the
22 over-quota tariff rate of a tariff-rate quota.

23 (C) SUPPLY.—The term “supply” means,
24 using the latest official data of the Department
25 of Agriculture—

1 (i) the carry-over of upland cotton at
2 the beginning of the marketing year (ad-
3 justed to 480-pound bales) in which the
4 quota is established;

5 (ii) production of the current crop;
6 and

7 (iii) imports to the latest date avail-
8 able during the marketing year.

9 (2) PROGRAM.—The President shall carry out
10 an import quota program that provides that when-
11 ever the Secretary determines and announces that
12 the average price of the base quality of upland cot-
13 ton, as determined by the Secretary, in the des-
14 ignated spot markets for a month exceeded 130 per-
15 cent of the average price of the quality of cotton in
16 the markets for the preceding 36 months, notwith-
17 standing any other provision of law, there shall im-
18 mediately be in effect a limited global import quota
19 subject to the following conditions:

20 (A) QUANTITY.—The quantity of the quota
21 shall be equal to 21 days of domestic mill con-
22 sumption of upland cotton at the seasonally ad-
23 justed average rate of the most recent 3 months
24 for which official data of the Department of Ag-

1 riculture are available or, in the absence of suf-
2 ficient data, as estimated by the Secretary.

3 (B) QUANTITY IF PRIOR QUOTA.—If a
4 quota has been established under this sub-
5 section during the preceding 12 months, the
6 quantity of the quota next established under
7 this subsection shall be the smaller of 21 days
8 of domestic mill consumption calculated under
9 subparagraph (A) or the quantity required to
10 increase the supply to 130 percent of the de-
11 mand.

12 (C) PREFERENTIAL TARIFF TREAT-
13 MENT.—The quantity under a limited global
14 import quota shall be considered to be an in-
15 quota quantity for purposes of—

16 (i) section 213(d) of the Caribbean
17 Basin Economic Recovery Act (19 U.S.C.
18 2703(d));

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

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

23 (iv) General Note 3(a)(iv) to the Har-
24 monized Tariff Schedule.

1 (D) QUOTA ENTRY PERIOD.—When a
2 quota is established under this subsection, cot-
3 ton may be entered under the quota during the
4 90-day period beginning on the date the quota
5 is established by the Secretary.

6 (3) NO OVERLAP.—Notwithstanding paragraph
7 (2), a quota period may not be established that over-
8 laps an existing quota period or a special quota pe-
9 riod established under subsection (a).

10 (c) ECONOMIC ADJUSTMENT ASSISTANCE TO USERS
11 OF UPLAND COTTON.—

12 (1) IN GENERAL.—Subject to paragraph (2),
13 the Secretary shall, on a monthly basis, make eco-
14 nomic adjustment assistance available to domestic
15 users of upland cotton in the form of payments for
16 all documented use of that upland cotton during the
17 previous monthly period regardless of the origin of
18 the upland cotton.

19 (2) VALUE OF ASSISTANCE.—Effective begin-
20 ning on August 1, 2012, the value of the assistance
21 provided under paragraph (1) shall be 3 cents per
22 pound.

23 (3) ALLOWABLE PURPOSES.—Economic adjust-
24 ment assistance under this subsection shall be made
25 available only to domestic users of upland cotton

1 that certify that the assistance shall be used only to
2 acquire, construct, install, modernize, develop, con-
3 vert, or expand land, plant, buildings, equipment, fa-
4 cilities, or machinery.

5 (4) REVIEW OR AUDIT.—The Secretary may
6 conduct such review or audit of the records of a do-
7 mestic user under this subsection as the Secretary
8 determines necessary to carry out this subsection.

9 (5) IMPROPER USE OF ASSISTANCE.—If the
10 Secretary determines, after a review or audit of the
11 records of the domestic user, that economic adjust-
12 ment assistance under this subsection was not used
13 for the purposes specified in paragraph (3), the do-
14 mestic user shall be—

15 (A) liable for the repayment of the assist-
16 ance to the Secretary, plus interest, as deter-
17 mined by the Secretary; and

18 (B) ineligible to receive assistance under
19 this subsection for a period of 1 year following
20 the determination of the Secretary.

21 **SEC. 1208. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA**
22 **LONG STAPLE COTTON.**

23 (a) COMPETITIVENESS PROGRAM.—Notwithstanding
24 any other provision of law, during the period beginning

1 on the date of enactment of this Act through July 31,
2 2018, the Secretary shall carry out a program—

3 (1) to maintain and expand the domestic use of
4 extra long staple cotton produced in the United
5 States;

6 (2) to increase exports of extra long staple cot-
7 ton produced in the United States; and

8 (3) to ensure that extra long staple cotton pro-
9 duced in the United States remains competitive in
10 world markets.

11 (b) PAYMENTS UNDER PROGRAM; TRIGGER.—Under
12 the program, the Secretary shall make payments available
13 under this section whenever—

14 (1) for a consecutive 4-week period, the world
15 market price for the lowest priced competing growth
16 of extra long staple cotton (adjusted to United
17 States quality and location and for other factors af-
18 fecting the competitiveness of such cotton), as deter-
19 mined by the Secretary, is below the prevailing
20 United States price for a competing growth of extra
21 long staple cotton; and

22 (2) the lowest priced competing growth of extra
23 long staple cotton (adjusted to United States quality
24 and location and for other factors affecting the com-
25 petitiveness of such cotton), as determined by the

1 Secretary, is less than 134 percent of the loan rate
2 for extra long staple cotton.

3 (c) ELIGIBLE RECIPIENTS.—The Secretary shall
4 make payments available under this section to domestic
5 users of extra long staple cotton produced in the United
6 States and exporters of extra long staple cotton produced
7 in the United States that enter into an agreement with
8 the Commodity Credit Corporation to participate in the
9 program under this section.

10 (d) PAYMENT AMOUNT.—Payments under this sec-
11 tion shall be based on the amount of the difference in the
12 prices referred to in subsection (b)(1) during the fourth
13 week of the consecutive 4-week period multiplied by the
14 amount of documented purchases by domestic users and
15 sales for export by exporters made in the week following
16 such a consecutive 4-week period.

17 **SEC. 1209. AVAILABILITY OF RECOURSE LOANS FOR HIGH**
18 **MOISTURE FEED GRAINS AND SEED COTTON.**

19 (a) HIGH MOISTURE FEED GRAINS.—

20 (1) DEFINITION OF HIGH MOISTURE STATE.—

21 In this subsection, the term “high moisture state”
22 means corn or grain sorghum having a moisture con-
23 tent in excess of Commodity Credit Corporation
24 standards for marketing assistance loans made by
25 the Secretary under section 1201.

1 (2) RECOURSE LOANS AVAILABLE.—For each of
2 the 2013 through 2017 crops of corn and grain sor-
3 ghum, the Secretary shall make available recourse
4 loans, as determined by the Secretary, to producers
5 on a farm that—

6 (A) normally harvest all or a portion of
7 their crop of corn or grain sorghum in a high
8 moisture state;

9 (B) present—

10 (i) certified scale tickets from an in-
11 spected, certified commercial scale, includ-
12 ing a licensed warehouse, feedlot, feed mill,
13 distillery, or other similar entity approved
14 by the Secretary, pursuant to regulations
15 issued by the Secretary; or

16 (ii) field or other physical measure-
17 ments of the standing or stored crop in re-
18 gions of the United States, as determined
19 by the Secretary, that do not have certified
20 commercial scales from which certified
21 scale tickets may be obtained within rea-
22 sonable proximity of harvest operation;

23 (C) certify that the producers on the farm
24 were the owners of the feed grain at the time
25 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.

(3) 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 farm of the producer; by

(B) the lower of the farm program payment yield used to make payments under subtitle A 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.

1 (b) RECOURSE LOANS AVAILABLE FOR SEED COT-
 2 TON.—For each of the 2013 through 2017 crops of upland
 3 cotton and extra long staple cotton, the Secretary shall
 4 make available recourse seed cotton loans, as determined
 5 by the Secretary, on any production.

6 (c) REPAYMENT RATES.—Repayment of a recourse
 7 loan made under this section shall be at the loan rate es-
 8 tablished for the commodity by the Secretary, plus interest
 9 (determined in accordance with section 163 of the Federal
 10 Agriculture Improvement and Reform Act of 1996 (7
 11 U.S.C. 7283)).

12 **SEC. 1210. ADJUSTMENTS OF LOANS.**

13 (a) ADJUSTMENT AUTHORITY.—Subject to sub-
 14 section (e), the Secretary may make appropriate adjust-
 15 ments in the loan rates for any loan commodity (other
 16 than cotton) for differences in grade, type, quality, loca-
 17 tion, and other factors.

18 (b) MANNER OF ADJUSTMENT.—The adjustments
 19 under subsection (a) shall, to the maximum extent prac-
 20 ticable, be made in such a manner that the average loan
 21 level for the commodity will, on the basis of the anticipated
 22 incidence of the factors, be equal to the level of support
 23 determined in accordance with this subtitle and subtitles
 24 C through E.

25 (c) ADJUSTMENT ON COUNTY BASIS.—

1 (1) IN GENERAL.—The Secretary may establish
2 loan rates for a crop for producers in individual
3 counties in a manner that results in the lowest loan
4 rate being 95 percent of the national average loan
5 rate, if those loan rates do not result in an increase
6 in outlays.

7 (2) PROHIBITION.—Adjustments under this
8 subsection shall not result in an increase in the na-
9 tional average loan rate for any year.

10 (d) ADJUSTMENT IN LOAN RATE FOR COTTON.—

11 (1) IN GENERAL.—The Secretary may make
12 appropriate adjustments in the loan rate for cotton
13 for differences in quality factors.

14 (2) TYPES OF ADJUSTMENTS.—Loan rate ad-
15 justments under paragraph (1) may include—

16 (A) the use of non-spot market price data,
17 in addition to spot market price data, that
18 would enhance the accuracy of the price infor-
19 mation used in determining quality adjustments
20 under this subsection;

21 (B) adjustments in the premiums or dis-
22 counts associated with upland cotton with a sta-
23 ple length of 33 or above due to micronaire
24 with the goal of eliminating any unnecessary ar-

1 tificial splits in the calculations of the pre-
2 miums or discounts; and

3 (C) such other adjustments as the Sec-
4 retary determines appropriate, after consulta-
5 tions conducted in accordance with paragraph
6 (3).

7 (3) CONSULTATION WITH PRIVATE SECTOR.—

8 (A) PRIOR TO REVISION.—In making ad-
9 justments to the loan rate for cotton (including
10 any review of the adjustments) as provided in
11 this subsection, the Secretary shall consult with
12 representatives of the United States cotton in-
13 dustry.

14 (B) INAPPLICABILITY OF FEDERAL ADVI-
15 SORY COMMITTEE ACT.—The Federal Advisory
16 Committee Act (5 U.S.C. App.) shall not apply
17 to consultations under this subsection.

18 (4) REVIEW OF ADJUSTMENTS.—The Secretary
19 may review the operation of the upland cotton qual-
20 ity adjustments implemented pursuant to this sub-
21 section and may make further adjustments to the
22 administration of the loan program for upland cot-
23 ton, by revoking or revising any adjustment taken
24 under paragraph (2).

1 (e) RICE.—The Secretary shall not make adjust-
 2 ments in the loan rates for long grain rice and medium
 3 grain rice, except for differences in grade and quality (in-
 4 cluding milling yields).

5 **Subtitle C—Sugar**

6 **SEC. 1301. SUGAR PROGRAM.**

7 (a) CONTINUATION OF CURRENT PROGRAM AND
 8 LOAN RATES.—

9 (1) SUGARCANE.—Section 156(a)(5) of the
 10 Federal Agriculture Improvement and Reform Act of
 11 1996 (7 U.S.C. 7272(a)(5)) is amended by striking
 12 “the 2012 crop year” and inserting “each of the
 13 2012 through 2017 crop years”.

14 (2) SUGAR BEETS.—Section 156(b)(2) of the
 15 Federal Agriculture Improvement and Reform Act of
 16 1996 (7 U.S.C. 7272(b)(2)) is amended by striking
 17 “2012” and inserting “2017”.

18 (3) EFFECTIVE PERIOD.—Section 156(i) of the
 19 Federal Agriculture Improvement and Reform Act of
 20 1996 (7 U.S.C. 7272(i)) is amended by striking
 21 “2012” and inserting “2017”.

22 (b) FLEXIBLE MARKETING ALLOTMENTS FOR
 23 SUGAR.—

24 (1) SUGAR ESTIMATES.—Section 359b(a)(1) of
 25 the Agricultural Adjustment Act of 1938 (7 U.S.C.

1 1359bb(a)(1)) is amended by striking “2012” and
 2 inserting “2017”.

3 (2) EFFECTIVE PERIOD.—Section 359l(a) of
 4 the Agricultural Adjustment Act of 1938 (7 U.S.C.
 5 1359ll(a)) is amended by striking “2012” and in-
 6 serting “2017”.

7 **Subtitle D—Dairy**

8 **PART I—DAIRY PRODUCER MARGIN PROTECTION** 9 **AND DAIRY MARKET STABILIZATION PROGRAMS**

10 **SEC. 1401. DEFINITIONS.**

11 In this part:

12 (1) ACTUAL DAIRY PRODUCER MARGIN.—The
 13 term “actual dairy producer margin” means the dif-
 14 ference between the all-milk price and the average
 15 feed cost, as calculated under section 1402.

16 (2) ALL-MILK PRICE.—The term “all-milk
 17 price” means the average price received, per hun-
 18 dredweight of milk, by dairy producers for all milk
 19 sold to plants and dealers in the United States, as
 20 determined by the Secretary.

21 (3) ANNUAL PRODUCTION HISTORY.—The term
 22 “annual production history” means the production
 23 history determined for a participating dairy producer
 24 under section 1413(b) whenever the dairy producer
 25 purchases supplemental margin protection.

1 (4) AVERAGE FEED COST.—The term “average
2 feed cost” means the average cost of feed used by
3 a dairy operation to produce a hundredweight of
4 milk, determined under section 1402 using the sum
5 of the following:

6 (A) The product determined by multiplying
7 1.0728 by the price of corn per bushel.

8 (B) The product determined by multiplying
9 0.00735 by the price of soybean meal per ton.

10 (C) The product determined by multiplying
11 0.0137 by the price of alfalfa hay per ton.

12 (5) BASIC PRODUCTION HISTORY.—The term
13 “basic production history” means the production
14 history determined for a participating dairy producer
15 under section 1413(a) for provision of basic margin
16 protection.

17 (6) CONSECUTIVE TWO-MONTH PERIOD.—The
18 term “consecutive two-month period” refers to the
19 two-month period consisting of the months of Janu-
20 ary and February, March and April, May and June,
21 July and August, September and October, or No-
22 vember and December, respectively.

23 (7) DAIRY PRODUCER.—

24 (A) IN GENERAL.—Subject to subpara-
25 graph (B), the term “dairy producer” means an

individual or entity that directly or indirectly
(as determined by the Secretary)—

(i) shares in the risk of producing
milk; and

(ii) makes contributions (including
land, labor, management, equipment, or
capital) to the dairy operation of the indi-
vidual or entity that are at least commen-
surate with the share of the individual or
entity of the proceeds of the operation.

(B) ADDITIONAL OWNERSHIP STRUC-
TURES.—The Secretary shall determine addi-
tional ownership structures to be covered by the
definition of dairy producer.

(8) HANDLER.—

(A) IN GENERAL.—The term “handler”
means the initial individual or entity making
payment to a dairy producer for milk produced
in the United States and marketed for commer-
cial use.

(B) PRODUCER-HANDLER.—The term in-
cludes a “producer-handler” when the producer
satisfies the definition in subparagraph (A).

(9) MARGIN PROTECTION PROGRAM.—The term
“margin protection program” means the dairy pro-

1 ducer margin protection program required by sub-
2 part A.

3 (10) PARTICIPATING DAIRY PRODUCER.—The
4 term “participating dairy producer” means a dairy
5 producer that—

6 (A) signs up under section 1412 to partici-
7 pate in the margin protection program under
8 subpart A; and

9 (B) as a result, also participates in the sta-
10 bilization program under subpart B.

11 (11) SECRETARY.—The term “Secretary”
12 means the Secretary of Agriculture.

13 (12) STABILIZATION PROGRAM.—The term
14 “stabilization program” means the dairy market sta-
15 bilization program required by subpart B for all par-
16 ticipating dairy producers.

17 (13) STABILIZATION PROGRAM BASE.—The
18 term “stabilization program base”, with respect to a
19 participating dairy producer, means the stabilization
20 program base calculated for the producer under sec-
21 tion 1431(b).

22 (14) UNITED STATES.—The term “United
23 States”, in a geographical sense, means the 50
24 States, the District of Columbia, American Samoa,
25 Guam, the Commonwealth of the Northern Mariana

1 Islands, the Commonwealth of Puerto Rico, the Vir-
2 gin Islands of the United States, and any other ter-
3 ritory or possession of the United States.

4 **SEC. 1402. CALCULATION OF AVERAGE FEED COST AND AC-**
5 **TUAL DAIRY PRODUCER MARGINS.**

6 (a) CALCULATION OF AVERAGE FEED COST.—The
7 Secretary shall calculate the national average feed cost for
8 each month using the following data:

9 (1) The price of corn for a month shall be the
10 price received during that month by farmers in the
11 United States for corn, as reported in the monthly
12 Agricultural Prices report by the Secretary.

13 (2) The price of soybean meal for a month shall
14 be the central Illinois price for soybean meal, as re-
15 ported in the Market News-Monthly Soybean Meal
16 Price Report by the Secretary.

17 (3) The price of alfalfa hay for a month shall
18 be the price received during that month by farmers
19 in the United States for alfalfa hay, as reported in
20 the monthly Agricultural Prices report by the Sec-
21 retary.

22 (b) CALCULATION OF ACTUAL DAIRY PRODUCER
23 MARGINS.—

24 (1) MARGIN PROTECTION PROGRAM.—For use
25 in the margin protection program under subpart A,

1 the Secretary shall calculate the actual dairy pro-
2 ducer margin for each consecutive two-month period
3 by subtracting—

4 (A) the average feed cost for that consec-
5 tive two-month period, determined in accord-
6 ance with subsection (a); from

7 (B) the all-milk price for that consecutive
8 two-month period.

9 (2) STABILIZATION PROGRAM.—For use in the
10 stabilization program under subpart B, the Sec-
11 retary shall calculate each month the actual dairy
12 producer margin for the preceding month by sub-
13 tracting—

14 (A) the average feed cost for that pre-
15 ceding month, determined in accordance with
16 subsection (a); from

17 (B) the all-milk price for that preceding
18 month.

19 (3) TIME FOR CALCULATIONS.—The calcula-
20 tions required by paragraphs (1) and (2) shall be
21 made as soon as practicable each month using the
22 full month price of the applicable reference month,
23 but in no case shall the calculation be made later
24 than the last business day of the month.

1 **Subpart A—Dairy Producer Margin Protection**
2 **Program**

3 **SEC. 1411. ESTABLISHMENT OF DAIRY PRODUCER MARGIN**
4 **PROTECTION PROGRAM.**

5 The Secretary shall establish and administer a dairy
6 producer margin protection program for the purpose of
7 protecting dairy producer income by paying participating
8 dairy producers—

9 (1) basic margin protection payments when ac-
10 tual dairy producer margins are less than the
11 threshold levels for such payments; and

12 (2) supplemental margin protection payments if
13 purchased by a participating dairy producer.

14 **SEC. 1412. PARTICIPATION OF DAIRY PRODUCERS IN MAR-**
15 **GIN PROTECTION PROGRAM.**

16 (a) **ELIGIBILITY.**—All dairy producers in the United
17 States are eligible to participate in the margin protection
18 program, except that a dairy producer must sign up with
19 the Secretary before the producer may receive—

20 (1) basic margin protection payments under
21 section 1414; and

22 (2) if the dairy producer purchases supple-
23 mental margin protection under section 1415, sup-
24 plemental margin protection payments under such
25 section.

26 (b) **SIGN-UP PROCESS.**—

1 (1) IN GENERAL.—The Secretary shall allow all
2 interested dairy producers to sign up to participate
3 in the margin protection program. The Secretary
4 shall specify the manner and form by which a dairy
5 producer must sign up to participate in the margin
6 protection program.

7 (2) TREATMENT OF MULTI-PRODUCER OPER-
8 ATIONS.—If a dairy operation consists of more than
9 one dairy producer, all of the dairy producers of the
10 operation shall be treated as a single dairy producer
11 for purposes of—

12 (A) registration to receive basic margin
13 protection and purchase supplemental margin
14 protection;

15 (B) payment of the administrative fee
16 under subsection (e) and producer premiums
17 under section 1415; and

18 (C) participation in the stabilization pro-
19 gram under subpart B.

20 (3) TREATMENT OF PRODUCERS WITH MUL-
21 TIPLE DAIRY OPERATIONS.—If a dairy producer op-
22 erates two or more dairy operations, each dairy op-
23 eration of the producer shall require a separate reg-
24 istration to receive basic margin protection and pur-
25 chase supplemental margin protection. Only those

1 dairy operations so registered shall be subject to the
2 stabilization program.

3 (c) TIME FOR SIGN UP.—

4 (1) EXISTING DAIRY PRODUCERS.—During the
5 one-year period beginning on the date of the initi-
6 ation of the sign-up period for the margin protection
7 program, a dairy producer that is actively engaged
8 in a dairy operation as of such date may sign up
9 with the Secretary—

10 (A) to receive basic margin protection; and

11 (B) if the producer elects, to purchase sup-
12 plemental margin protection.

13 (2) NEW ENTRANTS.—A dairy producer that
14 has no existing interest in a dairy operation as of
15 the date of the initiation of the sign-up period for
16 the margin protection program, but that, after such
17 date, establishes a new dairy operation, may sign up
18 with the Secretary during the one year period begin-
19 ning on the date on which the dairy operation first
20 markets milk commercially—

21 (A) to receive basic margin protection; and

22 (B) if the producer elects, to purchase sup-
23 plemental margin protection.

24 (d) RETROACTIVITY PROVISION.—

1 (1) NOTICE OF AVAILABILITY OF RETROACTIVE
2 PROTECTION.—Not later than 30 days after the ef-
3 fective date of this subtitle, the Secretary shall pub-
4 lish a notice in the Federal Register to inform dairy
5 producers of the availability of retroactive basic mar-
6 gin protection and retroactive supplemental margin
7 protection, subject to the condition that interested
8 producers must file a notice of intent (in such form
9 and manner as the Secretary specifies in the Federal
10 Register notice)—

11 (A) to participate in the margin protection
12 program and receive basic margin protection;
13 and

14 (B) at the election of the producer under
15 paragraph (3), to also obtain supplemental
16 margin protection.

17 (2) RETROACTIVE BASIC MARGIN PROTEC-
18 TION.—

19 (A) AVAILABILITY.—If a dairy producer
20 files a notice of intent under paragraph (1) to
21 participate in the margin protection program
22 before the initiation of the sign-up period for
23 the margin protection program and subse-
24 quently signs up for the margin protection pro-
25 gram, the producer shall receive basic margin

1 protection retroactive to the effective date of
2 this subtitle.

3 (B) DURATION.—Retroactive basic margin
4 protection under this paragraph for a dairy pro-
5 ducer shall apply from the effective date of this
6 subtitle until the date on which the producer
7 signs up for the margin protection program.

8 (3) RETROACTIVE SUPPLEMENTAL MARGIN
9 PROTECTION.—

10 (A) AVAILABILITY.—Subject to subpara-
11 graphs (B) and (C), if a dairy producer files a
12 notice of intent under paragraph (1) to partici-
13 pate in the margin protection program and ob-
14 tain supplemental margin protection and subse-
15 quently signs up for the margin protection pro-
16 gram, the producer shall receive supplemental
17 margin protection, in addition to the basic mar-
18 gin protection under paragraph (2), retroactive
19 to the effective date of this subtitle.

20 (B) DEADLINE FOR SUBMISSION.—A no-
21 tice of intent to obtain retroactive supplemental
22 margin protection must be filed with the Sec-
23 retary no later than the earlier of the following:

24 (i) 150 days after the date on which
25 the Secretary publishes the notice in the

1 Federal Register required by paragraph
2 (1).

3 (ii) The date on which the Secretary
4 initiates the sign up period for the margin
5 protection program.

6 (C) ELECTION OF COVERAGE LEVEL AND
7 PERCENTAGE OF COVERAGE.—To be sufficient
8 to obtain retroactive supplemental margin pro-
9 tection, the notice of intent to participate filed
10 by a dairy producer must specify—

11 (i) a selected coverage level that is
12 higher, in any increment of \$0.50, than the
13 payment threshold for basic margin protec-
14 tion specified in section 1414(b), but not
15 to exceed \$6.00; and

16 (ii) the percentage of coverage, subject
17 to limits imposed in section 1415(c).

18 (D) DURATION.—The coverage level and
19 percentage specified in the notice of intent to
20 participate filed by a dairy producer shall apply
21 from the effective date of this subtitle until the
22 later of the following:

23 (i) October 1, 2013.

1 (ii) The date on which the Secretary
2 initiates the sign-up period for the margin
3 protection program.

4 (4) NOTICE OF INTENT AND OBLIGATION TO
5 PARTICIPATE IN MARGIN PROTECTION PROGRAM.—
6 In no way does filing a notice of intent under this
7 subsection obligate a dairy producer to sign up for
8 the margin protection program once the program
9 rules are final, but if a producer does file a notice
10 of intent and subsequently signs up for the margin
11 protection program, that dairy producer is obligated
12 to pay fees and premiums for any retroactive basic
13 margin protection or retroactive supplemental mar-
14 gin protection selected in the notice of intent.

15 (e) ADMINISTRATIVE FEE.—

16 (1) ADMINISTRATIVE FEE REQUIRED.—A dairy
17 producer shall pay an administrative fee under this
18 subsection to sign up to participate in the margin
19 protection program. The participating dairy pro-
20 ducer shall pay the administrative fee annually
21 thereafter to continue to participate in the margin
22 protection program.

23 (2) FEE AMOUNT.—The administrative fee for
24 a participating dairy producer for a calendar year is
25 based on the pounds of milk (in millions) marketed

1 by the dairy producer in the previous calendar year,
 2 as follows:

Pounds Marketed (in millions)	Admin. Fee
less than 1	\$100
1 to 10	\$250
more than 10 to 40	\$500
more than 40	\$1000

3 (3) DEPOSIT OF FEES.—All administrative fees
 4 collected under this subsection shall be credited to
 5 the fund or account used to cover the costs incurred
 6 to administer the margin protection program and
 7 the stabilization program and shall be available to
 8 the Secretary, without further appropriation and
 9 until expended, for use or transfer as provided in
 10 paragraph (4).

11 (4) USE OF FEES.—The Secretary shall use ad-
 12 ministrative fees collected under this subsection—

13 (A) to cover administrative costs of the
 14 margin protection program and stabilization
 15 program; and

16 (B) to the extent funds remain available
 17 after operation of subparagraphs (A), to cover
 18 costs of the Department of Agriculture relating
 19 to reporting of dairy market news and to carry
 20 out section 273 of the Agricultural Marketing
 21 Act of 1946 (7 U.S.C. 1637b).

1 (f) RECONSTITUTION.—The Secretary shall prohibit
2 a dairy producer from reconstituting a dairy operation for
3 the sole purpose of the dairy producer—

4 (1) receiving basic margin protection;

5 (2) purchasing supplemental margin protection;

6 or

7 (3) avoiding participation in the stabilization
8 program.

9 (g) PRIORITY CONSIDERATION.—A dairy operation
10 that participates in the production margin protection pro-
11 gram shall be eligible to participate in the livestock gross
12 margin for dairy program under the Federal Crop Insur-
13 ance Act (7 U.S.C. 1501 et seq.) only after operations that
14 are not participating in the production margin protection
15 program are enrolled.

16 **SEC. 1413. PRODUCTION HISTORY OF PARTICIPATING**
17 **DAIRY PRODUCERS.**

18 (a) PRODUCTION HISTORY FOR BASIC MARGIN PRO-
19 TECTION.—

20 (1) DETERMINATION REQUIRED.—For purposes
21 of providing basic margin protection, the Secretary
22 shall determine the basic production history of the
23 dairy operation of each participating dairy producer
24 in the margin protection program.

1 (2) CALCULATION.—Except as provided in
2 paragraph (3), the basic production history of a par-
3 ticipating dairy producer for basic margin protection
4 is equal to the highest annual milk marketings of
5 the dairy producer during any one of the three cal-
6 endar years immediately preceding the calendar year
7 in which the dairy producer first signed up to par-
8 ticipate in the margin protection program.

9 (3) ELECTION BY NEW PRODUCERS.—If a par-
10 ticipating dairy producer has been in operation for
11 less than a year, the dairy producer shall elect one
12 of the following methods for the Secretary to deter-
13 mine the basic production history of the dairy pro-
14 ducer:

15 (A) The volume of the actual milk mar-
16 ketings for the months the dairy producer has
17 been in operation extrapolated to a yearly
18 amount.

19 (B) An estimate of the actual milk mar-
20 ketings of the dairy producer based on the herd
21 size of the producer relative to the national roll-
22 ing herd average data published by the Sec-
23 retary.

24 (4) NO CHANGE IN PRODUCTION HISTORY FOR
25 BASIC MARGIN PROTECTION.—Once the basic pro-

1 duction history of a participating dairy producer is
2 determined under paragraph (2) or (3), the basic
3 production history shall not be subsequently changed
4 for purposes of determining the amount of any basic
5 margin protection payments for the dairy producer
6 made under section 1414.

7 (b) ANNUAL PRODUCTION HISTORY FOR SUPPLE-
8 MENTAL MARGIN PROTECTION.—

9 (1) DETERMINATION REQUIRED.—For purposes
10 of providing supplemental margin protection for a
11 participating dairy producer that purchases supple-
12 mental margin protection for a year under section
13 1415, the Secretary shall determine the annual pro-
14 duction history of the dairy operation of the dairy
15 producer under paragraph (2).

16 (2) CALCULATION.—The annual production his-
17 tory of a participating dairy producer for a year is
18 equal to the actual milk marketings of the dairy pro-
19 ducer during the preceding calendar year.

20 (3) NEW PRODUCERS.—Subsection (a)(3) shall
21 apply with respect to determining the annual pro-
22 duction history of a participating dairy producer
23 that has been in operation for less than a year.

1 (c) REQUIRED INFORMATION.—A participating dairy
 2 producer shall provide all information that the Secretary
 3 may require in order to establish—

4 (1) the basic production history of the dairy op-
 5 eration of the dairy producer under subsection (a);
 6 and

7 (2) the production history of the dairy oper-
 8 ation of the dairy producer whenever the producer
 9 purchases supplemental margin protection under
 10 section 1415.

11 (d) TRANSFER OF PRODUCTION HISTORIES.—

12 (1) TRANSFER BY SALE OR LEASE.—In promul-
 13 gating the rules to initiate the margin protection
 14 program, the Secretary shall specify the conditions
 15 under which and the manner by which the produc-
 16 tion history of a dairy operation may be transferred
 17 by sale or lease.

18 (2) COVERAGE LEVEL.—

19 (A) BASIC MARGIN PROTECTION.—A pur-
 20 chaser or lessee to whom the Secretary trans-
 21 fers a basic production history under this sub-
 22 section shall not obtain a different level of basic
 23 margin protection than the basic margin protec-
 24 tion coverage held by the seller or lessor from
 25 whom the transfer was obtained.

1 (B) SUPPLEMENTAL MARGIN PROTEC-
2 TION.—A purchaser or lessee to whom the Sec-
3 retary transfers an annual production history
4 under this subsection shall not obtain a dif-
5 ferent level of supplemental margin protection
6 coverage than the supplemental margin protec-
7 tion coverage in effect for the seller or lessor
8 from whom the transfer was obtained for the
9 calendar year in which the transfer was made.

10 (e) MOVEMENT AND TRANSFER OF PRODUCTION
11 HISTORY.—

12 (1) MOVEMENT AND TRANSFER AUTHOR-
13 IZED.—Subject to paragraph (2), if a dairy producer
14 moves from one location to another location, the
15 dairy producer may maintain the basic production
16 history and annual production history associated
17 with the operation.

18 (2) NOTIFICATION REQUIREMENT.—A dairy
19 producer shall notify the Secretary of any move of
20 a dairy operation under paragraph (1).

21 (3) SUBSEQUENT OCCUPATION OF VACATED LO-
22 CATION.—A party subsequently occupying a dairy
23 operation location vacated as described in paragraph
24 (1) shall have no interest in the basic production

1 history or annual production history previously asso-
2 ciated with the operation at such location.

3 **SEC. 1414. BASIC MARGIN PROTECTION.**

4 (a) ELIGIBILITY.—All participating dairy producers
5 are eligible to receive basic margin protection under the
6 margin protection program.

7 (b) PAYMENT THRESHOLD.—Participating dairy pro-
8 ducers shall receive a basic margin protection payment
9 whenever the average actual dairy producer margin for a
10 consecutive two-month period is less than \$4.00 per hun-
11 dredweight of milk.

12 (c) BASIC MARGIN PROTECTION PAYMENT.—

13 (1) PAYMENT REQUIRED.—The Secretary shall
14 make a basic margin protection payment to each
15 participating dairy producer whenever such a pay-
16 ment is required by subsection (b).

17 (2) AMOUNT OF PAYMENT.—The basic margin
18 protection payment for the dairy operation of a par-
19 ticipating dairy producer for a consecutive two-
20 month period shall be determined as follows:

21 (A) The Secretary shall calculate the dif-
22 ference between the average actual dairy pro-
23 ducer margin for the consecutive two-month pe-
24 riod and \$4.00, except that, if the difference is
25 more than \$4.00, the Secretary shall use \$4.00.

1 (B) The Secretary shall multiply the
2 amount under subparagraph (A) by the lesser
3 of the following:

4 (i) 80 percent of the production his-
5 tory of the dairy producer, divided by six.

6 (ii) The actual amount of milk mar-
7 keted by the dairy operation of the dairy
8 producer during the consecutive two-month
9 period.

10 **SEC. 1415. SUPPLEMENTAL MARGIN PROTECTION.**

11 (a) ELECTION OF SUPPLEMENTAL MARGIN PROTEC-
12 TION.—Supplemental margin protection is available only
13 on an annual basis. A participating dairy producer may
14 annually purchase supplemental margin protection to pro-
15 tect, during the calendar year for which purchased, a high-
16 er level of the income of a participating dairy producer
17 than the income level guaranteed by basic margin protec-
18 tion under section 1414.

19 (b) SELECTION OF PAYMENT THRESHOLD.—A par-
20 ticipating dairy producer purchasing supplemental margin
21 protection for a year shall elect a coverage level that is
22 higher, in any increment of \$0.50, than the payment
23 threshold for basic margin protection specified in section
24 1414(b), but not to exceed \$8.00.

1 (c) SELECTION OF COVERAGE PERCENTAGE.—A par-
 2 ticipating dairy producer purchasing supplemental margin
 3 protection for a year shall elect a percentage of coverage
 4 equal to not more than 90 percent, nor less than 25 per-
 5 cent, of the annual production history of the dairy oper-
 6 ation of the participating dairy producer.

7 (d) PRODUCER PREMIUMS FOR SUPPLEMENTAL
 8 MARGIN PROTECTION.—

9 (1) PREMIUMS REQUIRED.—A participating
 10 dairy producer that purchases supplemental margin
 11 protection shall pay an annual premium equal to the
 12 product obtained by multiplying—

13 (A) the percentage selected by the dairy
 14 producer under subsection (c);

15 (B) the annual production history of the
 16 dairy producer; and

17 (C) the premium per hundredweight of
 18 milk, as specified in the applicable table under
 19 paragraph (2) or (3).

20 (2) PREMIUM PER HUNDREDWEIGHT FOR FIRST
 21 4 MILLION POUNDS OF PRODUCTION.—For the first
 22 4,000,000 pounds of milk marketings included in
 23 the annual production history of a participating
 24 dairy producer, the premium per hundredweight cor-

1 responding to each coverage level specified in the fol-
 2 lowing table is as follows:

Coverage Level	Premium per Cwt.
\$4.50	\$0.01
\$5.00	\$0.025
\$5.50	\$0.04
\$6.00	\$0.065
\$6.50	\$0.09
\$7.00	\$0.434
\$7.50	\$0.590
\$8.00	\$0.922

3 (3) PREMIUM PER HUNDREDWEIGHT FOR PRO-
 4 Duction in excess of 4 million pounds.—For
 5 milk marketings in excess of 4,000,000 pounds in-
 6 cluded in the annual production history of a partici-
 7 pating dairy producer, the premium per hundred-
 8 weight corresponding to each coverage level is as fol-
 9 lows:

Coverage Level	Premium per Cwt.
\$4.50	\$0.015
\$5.00	\$0.036
\$5.50	\$0.081
\$6.00	\$0.155
\$6.50	\$0.230
\$7.00	\$0.434
\$7.50	\$0.590
\$8.00	\$0.922

10 (4) TIME FOR PAYMENT.—In promulgating the
 11 rules to initiate the margin protection program, the
 12 Secretary shall provide more than one method by
 13 which a participating dairy producer that purchases
 14 supplemental margin protection for a calendar year

1 may pay the premium under this subsection for that
2 year that maximizes producer payment flexibility
3 and program integrity.

4 (e) PRODUCER'S PREMIUM OBLIGATIONS.—

5 (1) PRO-RATION OF PREMIUM FOR NEW PRO-
6 DUCERS.—A dairy producer described in section
7 1412(c)(2) that purchases supplemental margin pro-
8 tection for a calendar year after the start of the cal-
9 endar year shall pay a pro-rated premium for that
10 calendar year based on the portion of the calendar
11 year for which the producer purchases the coverage.

12 (2) LEGAL OBLIGATION.—A participating dairy
13 producer that purchases supplemental margin pro-
14 tection for a calendar year shall be legally obligated
15 to pay the applicable premium for that calendar
16 year, except that, if the dairy producer retires, the
17 producer may request that Secretary cancel the sup-
18 plemental margin protection if the producer has ter-
19 minated the dairy operation entirely and certifies
20 under oath that the producer will not be actively en-
21 gaged in any dairy operation for at least the next
22 seven years.

23 (f) SUPPLEMENTAL PAYMENT THRESHOLD.—A par-
24 ticipating dairy producer with supplemental margin pro-
25 tection shall receive a supplemental margin protection

1 payment whenever the average actual dairy producer mar-
2 gin for a consecutive two-month period is less than the
3 coverage level threshold selected by the dairy producer
4 under subsection (b).

5 (g) SUPPLEMENTAL MARGIN PROTECTION PAY-
6 MENTS.—

7 (1) IN GENERAL.—The supplemental margin
8 protection payment for a participating dairy pro-
9 ducer is in addition to the basic margin protection
10 payment.

11 (2) AMOUNT OF PAYMENT.—The supplemental
12 margin protection payment for the dairy operation
13 of a participating dairy producer shall be determined
14 as follows:

15 (A) The Secretary shall calculate the dif-
16 ference between the coverage level threshold se-
17 lected by the dairy producer under subsection
18 (b) and the greater of—

19 (i) the average actual dairy producer
20 margin for the consecutive two-month pe-
21 riod; or

22 (ii) \$4.00.

23 (B) The amount determined under sub-
24 paragraph (A) shall be multiplied by the per-
25 centage selected by the participating dairy pro-

1 ducer under subsection (c) and by the lesser of
2 the following:

3 (i) The annual production history of
4 the dairy operation of the dairy producer,
5 divided by six.

6 (ii) The actual amount of milk mar-
7 keted by the dairy operation of the dairy
8 producer during the consecutive two-month
9 period.

10 **SEC. 1416. EFFECT OF FAILURE TO PAY ADMINISTRATIVE**
11 **FEES OR PREMIUMS.**

12 (a) LOSS OF BENEFITS.—A participating dairy pro-
13 ducer that fails to pay the required administrative fee
14 under section 1412 or is in arrears on premium payments
15 for supplemental margin protection under section 1415—

16 (1) remains legally obligated to pay the admin-
17 istrative fee or premiums, as the case may be; and

18 (2) may not receive basic margin protection
19 payments or supplemental margin protection pay-
20 ments until the fees or premiums are fully paid.

21 (b) ENFORCEMENT.—The Secretary may take such
22 action as necessary to collect administrative fees and pre-
23 mium payments for supplemental margin protection.

1 **Subpart B—Dairy Market Stabilization Program**

2 **SEC. 1431. ESTABLISHMENT OF DAIRY MARKET STABILIZA-**
3 **TION PROGRAM.**

4 (a) PROGRAM REQUIRED; PURPOSE.—The Secretary
5 shall establish and administer a dairy market stabilization
6 program applicable to participating dairy producers for
7 the purpose of assisting in balancing the supply of milk
8 with demand when dairy producers are experiencing low
9 or negative operating margins.

10 (b) ELECTION OF STABILIZATION PROGRAM BASE
11 CALCULATION METHOD.—

12 (1) ELECTION.—When a dairy producer signs
13 up under section 1412 to participate in the margin
14 protection program, the dairy producer shall inform
15 the Secretary of the method by which the stabiliza-
16 tion program base for the dairy producer for 2012
17 will be calculated under paragraph (3).

18 (2) CHANGE IN CALCULATION METHOD.—A
19 participating dairy producer may change the sta-
20 bilization program base calculation method to be
21 used for a calendar year by notifying the Secretary
22 of the change not later than a date determined by
23 the Secretary.

24 (3) CALCULATION METHODS.—A participating
25 dairy producer may elect either of the following

1 methods for calculation of the stabilization program
2 base for the producer:

3 (A) The volume of the average monthly
4 milk marketings of the dairy producer for the
5 three months immediately preceding the an-
6 nouncement by the Secretary that the stabiliza-
7 tion program will become effective.

8 (B) The volume of the monthly milk mar-
9 ketings of the dairy producer for the same
10 month in the preceding year as the month for
11 which the Secretary has announced the sta-
12 bilization program will become effective.

13 **SEC. 1432. THRESHOLD FOR IMPLEMENTATION AND RE-**
14 **DUCTION IN DAIRY PRODUCER PAYMENTS.**

15 (a) WHEN STABILIZATION PROGRAM REQUIRED.—
16 Except as provided in subsection (b), the Secretary shall
17 announce that the stabilization program is in effect and
18 order reduced payments for any participating dairy pro-
19 ducer that exceeds the applicable percentage of the pro-
20 ducer's stabilization program base whenever—

21 (1) the actual dairy producer margin has been
22 \$6.00 or less per hundredweight of milk for each of
23 the immediately preceding two months; or

1 (2) the actual dairy producer margin has been
2 \$4.00 or less per hundredweight of milk for the im-
3 mediately preceding month.

4 (b) EXCEPTION.—The Secretary shall not make the
5 announcement under subsection (a) to implement the sta-
6 bilization program or order reduced payments if any of
7 the conditions described in section 1436(b) have been met
8 during the two months immediately preceding the month
9 in which the announcement under subsection (a) would
10 otherwise be made by the Secretary in the absence of this
11 exception.

12 (c) EFFECTIVE DATE FOR IMPLEMENTATION OF
13 PAYMENT REDUCTIONS.—Reductions in dairy producer
14 payments shall commence beginning on the first day of
15 the month immediately following the date of the announce-
16 ment by the Secretary under subsection (a).

17 **SEC. 1433. PRODUCER MILK MARKETINGS INFORMATION.**

18 (a) COLLECTION OF MILK MARKETING DATA.—The
19 Secretary shall establish, by regulation, a process to collect
20 from participating dairy producers and handlers such in-
21 formation that the Secretary considers necessary for each
22 month during which the stabilization program is in effect.

23 (b) REDUCE REGULATORY BURDEN.—When imple-
24 menting the process under subsection (a), the Secretary

1 shall minimize the regulatory burden on dairy producers
2 and handlers.

3 **SEC. 1434. CALCULATION AND COLLECTION OF REDUCED**
4 **DAIRY PRODUCER PAYMENTS.**

5 (a) REDUCED PRODUCER PAYMENTS REQUIRED.—
6 During any month in which payment reductions are in ef-
7 fect under the stabilization program, each handler shall
8 reduce payments to each participating dairy producer
9 from whom the handler receives milk.

10 (b) REDUCTIONS BASED ON ACTUAL DAIRY PRO-
11 DUCER MARGIN.—

12 (1) REDUCTION REQUIREMENT 1.—Unless the
13 reduction required by paragraph (2) or (3) applies,
14 when the actual dairy producer margin has been
15 \$6.00 or less per hundredweight of milk for two con-
16 secutive months, the handler shall make payments to
17 a participating dairy producer for a month based on
18 the greater of the following:

19 (A) 98 percent of the stabilization program
20 base of the dairy producer.

21 (B) 94 percent of the marketings of milk
22 for the month by the producer.

23 (2) REDUCTION REQUIREMENT 2.—Unless the
24 reduction required by paragraph (3) applies, when
25 the actual dairy producer margin has been \$5.00 or

1 less per hundredweight of milk for two consecutive
2 months, the handler shall make payments to a par-
3 ticipating dairy producer for a month based on the
4 greater of the following:

5 (A) 97 percent of the stabilization program
6 base of the dairy producer.

7 (B) 93 percent of the marketings of milk
8 for the month by the producer.

9 (3) REDUCTION REQUIREMENT 3.—When the
10 actual dairy producer margin has been \$4.00 or less
11 for any one month, the handler shall make payments
12 to a participating dairy producer for a month based
13 on the greater of the following:

14 (A) 96 percent of the stabilization program
15 base of the dairy producer.

16 (B) 92 percent of the marketings of milk
17 for the month by the producer.

18 (c) CONTINUATION OF REDUCTIONS.—The largest
19 level of payment reduction required under paragraph (1),
20 (2), or (3) of subsection (b) shall be continued for each
21 month until the Secretary suspends the stabilization pro-
22 gram and terminates payment reductions in accordance
23 with section 1436.

24 (d) PAYMENT REDUCTION EXCEPTION.—Notwith-
25 standing any preceding subsection of this section, a han-

1 dler shall make no payment reductions for a dairy pro-
 2 ducer for a month if the producer's milk marketings for
 3 the month are equal to or less than the percentage of the
 4 stabilization program base applicable to the producer
 5 under paragraph (1), (2), or (3) of subsection (b).

6 **SEC. 1435. REMITTING MONIES TO THE SECRETARY AND**
 7 **USE OF MONIES.**

8 (a) REMITTING MONIES.—As soon as practicable
 9 after the end of each month during which payment reduc-
 10 tions are in effect under the stabilization program, each
 11 handler shall remit to the Secretary an amount equal to
 12 the amount by which payments to participating dairy pro-
 13 ducers are reduced by the handler under section 1434.

14 (b) DEPOSIT OF MONIES.—All monies received under
 15 subsection (a) shall be available to the Secretary, without
 16 further appropriation and until expended, for use or trans-
 17 fer as provided in subsection (c).

18 (c) USE OF MONIES.—

19 (1) AVAILABILITY FOR CERTAIN COMMODITY
 20 DONATIONS.—Within three months of the receipt of
 21 monies under subsection (a), the Secretary shall ob-
 22 ligate the monies for the purpose of—

23 (A) purchasing dairy products for donation
 24 to food banks and other programs that the Sec-
 25 retary determines appropriate; and

1 (B) expanding consumption and building
2 demand for dairy products.

3 (2) NO DUPLICATION OF EFFORT.—The Sec-
4 retary shall ensure that expenditures under para-
5 graph (1) are compatible with, and do not duplicate,
6 programs supported by the dairy research and pro-
7 motion activities conducted under the Dairy Produc-
8 tion Stabilization Act of 1983 (7 U.S.C. 4501 et
9 seq.).

10 (3) ACCOUNTING.—The Secretary shall keep an
11 accurate account of all monies obligated under para-
12 graph (1).

13 (d) ANNUAL REPORT.—Not later than December 31
14 of each year that the stabilization program is in effect,
15 the Secretary shall submit to the Committee on Agri-
16 culture of the House of Representatives and the Com-
17 mittee on Agriculture, Nutrition, and Forestry of the Sen-
18 ate a report that provides an accurate accounting of—

19 (1) the monies received by the Secretary during
20 the preceding fiscal year under subsection (a); and

21 (2) all expenditures made by the Secretary
22 under subsection (b) during the preceding fiscal
23 year.

24 (e) ENFORCEMENT.—If a participating dairy pro-
25 ducer or handler fails to remit or collect the amounts by

1 which payments to participating dairy producers are re-
2 duced under section 1434, the producer or handler respon-
3 sible for the failure shall be liable to the Secretary for the
4 amount that should have been remitted or collected, plus
5 interest. In addition to the enforcement authorities avail-
6 able under section 1437, the Secretary may enforce this
7 subsection in the courts of the United States.

8 **SEC. 1436. SUSPENSION OF REDUCED PAYMENT REQUIRE-**
9 **MENT.**

10 (a) DETERMINATION OF PRICES.—For purposes of
11 this section:

12 (1) The price in the United States for cheddar
13 cheese and nonfat dry milk shall be determined by
14 the Secretary.

15 (2) The world price of cheddar cheese and skim
16 milk powder shall be determined by the Secretary.

17 (b) INITIAL SUSPENSION THRESHOLDS.—The Sec-
18 retary shall announce that the stabilization program shall
19 be suspended whenever the Secretary determines that—

20 (1) the actual dairy producer margin is greater
21 than \$6.00 per hundredweight of milk for two con-
22 secutive months;

23 (2) the dairy producer margin is equal to or
24 less than \$6.00 (but greater than \$5.00) for two

1 consecutive months, and during the same two con-
2 secutive months—

3 (A) the price in the United States for
4 cheddar cheese is equal to or greater than the
5 world price of cheddar cheese; or

6 (B) the price in the United States for non-
7 fat dry milk is equal to or greater than the
8 world price of skim milk powder;

9 (3) the dairy producer margin is equal to or
10 less than \$5.00 (but greater than \$4.00) for two
11 consecutive months, and during the same two con-
12 secutive months—

13 (A) the price in the United States for
14 cheddar cheese is more than 5 percent above
15 the world price of cheddar cheese; or

16 (B) the price in the United States for non-
17 fat dry milk is more than 5 percent above the
18 world price of skim milk powder; or

19 (4) the dairy producer margin is equal to or
20 less than \$4.00 for two consecutive months, and
21 during the same two consecutive months—

22 (A) the price in the United States for
23 cheddar cheese is more than 7 percent above
24 the world price of cheddar cheese; or

1 (B) the price in the United States for non-
2 fat dry milk is more than 7 percent above the
3 world price of skim milk powder.

4 (c) ENHANCED SUSPENSION THRESHOLDS.—If the
5 stabilization program is not suspended pursuant to sub-
6 section (b) for six consecutive months or more, the sta-
7 bilization program shall be suspended whenever the Sec-
8 retary determines that—

9 (1) the actual dairy producer margin is greater
10 than \$6.00 per hundredweight of milk for two con-
11 secutive months;

12 (2) the dairy producer margin is equal to or
13 less than \$6.00 (but greater than \$5.00) for two
14 consecutive months, and during the same two con-
15 secutive months—

16 (A) the price in the United States for
17 cheddar cheese is not less than 97 percent of
18 the world price of cheddar cheese; or

19 (B) the price in the United States for non-
20 fat dry milk is not less than 97 percent of the
21 world price of skim milk powder;

22 (3) the dairy producer margin is equal to or
23 less than \$5.00 (but greater than \$4.00) for two
24 consecutive months, and during the same two con-
25 secutive months—

1 (A) the price in the United States for
2 cheddar cheese is more than 3 percent above
3 the world price of cheddar cheese; or

4 (B) the price in the United States for non
5 fat dry milk is more than 3 percent above the
6 world price of skim milk powder; or

7 (4) the dairy producer margin is equal to or
8 less than \$4.00 for two consecutive months, and
9 during the same two consecutive months—

10 (A) the price in the United States for
11 cheddar cheese is more than 6 percent above
12 the world price of cheddar cheese; or

13 (B) the price in the United States for non
14 fat dry milk is more than 6 percent above the
15 world price of skim milk powder.

16 (d) IMPLEMENTATION BY HANDLERS.—Effective on
17 the day after the date of the announcement by the Sec-
18 retary under subsection (b) or (c) of the suspension of the
19 stabilization program, the handler shall cease reducing
20 payments to participating dairy producers under the sta-
21 bilization program.

22 (e) CONDITION ON RESUMPTION OF STABILIZATION
23 PROGRAM.—Upon the announcement by the Secretary
24 under subsection (b) or (c) that the stabilization program

1 has been suspended, the stabilization program may not be
2 implemented again until, at the earliest—

3 (1) two months have passed, beginning on the
4 first day of the month immediately following the an-
5 nouncement by the Secretary; and

6 (2) the conditions of section 1432(a) are again
7 met.

8 **SEC. 1437. ENFORCEMENT.**

9 (a) UNLAWFUL ACT.—It shall be unlawful and a vio-
10 lation of the this subpart for any person subject to the
11 stabilization program to willfully fail or refuse to provide,
12 or delay the timely reporting of, accurate information and
13 remittance of funds to the Secretary in accordance with
14 this subpart.

15 (b) ORDER.—After providing notice and opportunity
16 for a hearing to an affected person, the Secretary may
17 issue an order against any person to cease and desist from
18 continuing any violation of this subpart.

19 (c) APPEAL.—An order of the Secretary under sub-
20 section (b) shall be final and conclusive unless an affected
21 person files an appeal of the order of the Secretary in
22 United States district court not later than 30 days after
23 the date of the issuance of the order. A finding of the
24 Secretary in the order shall be set aside only if the finding
25 is not supported by substantial evidence.

1 (d) NONCOMPLIANCE WITH ORDER.—If a person
2 subject to this subpart fails to obey an order issued under
3 subsection (b) after the order has become final and
4 unappealable, or after the appropriate United States dis-
5 trict court has entered a final judgment in favor of the
6 Secretary, the United States may apply to the appropriate
7 United States district court for enforcement of the order.
8 If the court determines that the order was lawfully made
9 and duly served and that the person violated the order,
10 the court shall enforce the order.

11 **SEC. 1438. AUDIT REQUIREMENTS.**

12 (a) AUDITS OF PRODUCER AND HANDLER COMPLI-
13 ANCE.—

14 (1) AUDITS AUTHORIZED.—If determined by
15 the Secretary to be necessary to ensure compliance
16 by participating dairy producers and handlers with
17 the stabilization program, the Secretary may con-
18 duct periodic audits of participating dairy producers
19 and handlers.

20 (2) SAMPLE OF DAIRY PRODUCERS.—Any audit
21 conducted under this subsection shall include, at a
22 minimum, investigation of a statistically valid and
23 random sample of participating dairy producers.

24 (b) SUBMISSION OF RESULTS.—The Secretary shall
25 submit the results of any audit conducted under sub-

1 section (a) to the Committee on Agriculture of the House
2 of Representatives and the Committee on Agriculture, Nu-
3 trition, and Forestry of the Senate and include such rec-
4 ommendations as the Secretary considers appropriate re-
5 garding the stabilization program.

6 **Subpart C—Commodity Credit Corporation**

7 **SEC. 1451. USE OF COMMODITY CREDIT CORPORATION.**

8 The Secretary shall use the funds, facilities, and the
9 authorities of the Commodity Credit Corporation to carry
10 out this part.

11 **Subpart D—Initiation and Duration**

12 **SEC. 1461. RULEMAKING.**

13 (a) PROCEDURE.—The promulgation of regulations
14 for the initiation of the margin protection program and
15 the stabilization program, and for administration of such
16 programs, shall be made without regard to—

17 (1) chapter 35 of title 44, United States Code
18 (commonly known as the Paperwork Reduction Act);

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

23 (3) the notice and comment provisions of sec-
24 tion 553 of title 5, United States Code.

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

5 **SEC. 1462. DURATION.**

6 The margin protection program and the stabilization
 7 program shall end on December 31, 2017.

8 **PART II—REPEAL OR REAUTHORIZATION OF**
 9 **OTHER DAIRY-RELATED PROVISIONS**

10 **SEC. 1481. REPEAL OF DAIRY PRODUCT PRICE SUPPORT**
 11 **AND MILK INCOME LOSS CONTRACT PRO-**
 12 **GRAMS.**

13 (a) REPEAL OF DAIRY PRODUCT PRICE SUPPORT
 14 PROGRAM.—Section 1501 of the Food, Conservation, and
 15 Energy Act of 2008 (7 U.S.C. 8771) is repealed.

16 (b) REPEAL OF MILK INCOME LOSS CONTRACT PRO-
 17 GRAM.—Section 1506 of the Food, Conservation, and En-
 18 ergy Act of 2008 (7 U.S.C. 8773) is repealed.

19 **SEC. 1482. REPEAL OF DAIRY EXPORT INCENTIVE PRO-**
 20 **GRAM.**

21 (a) REPEAL.—Section 153 of the Food Security Act
 22 of 1985 (15 U.S.C. 713a–14) is repealed.

23 (b) CONFORMING AMENDMENTS.—Section 902(2) of
 24 the Trade Sanctions Reform and Export Enhancement
 25 Act of 2000 (22 U.S.C. 7201(2)) is amended—

1 (1) by striking subparagraph (D); and
2 (2) by redesignating subparagraphs (E) and
3 (F) as subparagraphs (D) and (E), respectively.

4 **SEC. 1483. EXTENSION OF DAIRY FORWARD PRICING PRO-**
5 **GRAM.**

6 Section 1502(e) of the Food, Conservation, and En-
7 ergy Act of 2008 (7 U.S.C. 8772(e)) is amended—

8 (1) in paragraph (1), by striking “2012” and
9 inserting “2017”; and

10 (2) in paragraph (2), by striking “2015” and
11 inserting “2020”.

12 **SEC. 1484. EXTENSION OF DAIRY INDEMNITY PROGRAM.**

13 Section 3 of Public Law 90–484 (7 U.S.C. 450l) is
14 amended by striking “2012” and inserting “2017”.

15 **SEC. 1485. EXTENSION OF DAIRY PROMOTION AND RE-**
16 **SEARCH PROGRAM.**

17 Section 113(e)(2) of the Dairy Production Stabiliza-
18 tion Act of 1983 (7 U.S.C. 4504(e)(2)) is amended by
19 striking “2012” and inserting “2017”.

20 **SEC. 1486. REPEAL OF FEDERAL MILK MARKETING ORDER**
21 **REVIEW COMMISSION.**

22 Section 1509 of the Food, Conservation, and Energy
23 Act of 2008 (Public Law 110–246; 122 Stat. 1726) is re-
24 pealed.

PART III—EFFECTIVE DATE

SEC. 1491. EFFECTIVE DATE.

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

Subtitle E—Supplemental Agricultural Disaster Assistance Programs

SEC. 1501. SUPPLEMENTAL AGRICULTURAL DISASTER ASSISTANCE.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE PRODUCER ON A FARM.—

(A) IN GENERAL.—The term “eligible producer on a farm” means an individual or entity described in subparagraph (B) that, as determined by the Secretary, assumes the production and market risks associated with the agricultural production of crops or livestock.

(B) DESCRIPTION.—An individual or entity referred to in subparagraph (A) is—

(i) a citizen of the United States;

(ii) a resident alien;

(iii) a partnership of citizens of the United States; or

(iv) a corporation, limited liability corporation, or other farm organizational structure organized under State law.

1 (2) FARM-RAISED FISH.—The term “farm-
2 raised fish” means any aquatic species that is propa-
3 gated and reared in a controlled environment.

4 (3) LIVESTOCK.—The term “livestock” in-
5 cludes—

6 (A) cattle (including dairy cattle);

7 (B) bison;

8 (C) poultry;

9 (D) sheep;

10 (E) swine;

11 (F) horses; and

12 (G) other livestock, as determined by the
13 Secretary.

14 (4) SECRETARY.—The term “Secretary” means
15 the Secretary of Agriculture.

16 (b) LIVESTOCK INDEMNITY PAYMENTS.—

17 (1) PAYMENTS.—For each of the fiscal years
18 2012 through 2017, the Secretary shall use such
19 sums as are necessary of the funds of the Com-
20 modity Credit Corporation to make livestock indem-
21 nity payments to eligible producers on farms that
22 have incurred livestock death losses in excess of the
23 normal mortality, as determined by the Secretary,
24 due to—

1 (A) attacks by animals reintroduced into
2 the wild by the Federal Government or pro-
3 tected by Federal law, including wolves and
4 avian predators; or

5 (B) adverse weather, as determined by the
6 Secretary, during the calendar year, including
7 losses due to hurricanes, floods, blizzards, dis-
8 ease, wildfires, extreme heat, and extreme cold.

9 (2) PAYMENT RATES.—Indemnity payments to
10 an eligible producer on a farm under paragraph (1)
11 shall be made at a rate of 75 percent of the market
12 value of the applicable livestock on the day before
13 the date of death of the livestock, as determined by
14 the Secretary.

15 (3) SPECIAL RULE FOR PAYMENTS MADE DUE
16 TO DISEASE.—The Secretary shall ensure that pay-
17 ments made to an eligible producer under paragraph
18 (1) are not made for the same livestock losses for
19 which compensation is provided pursuant to section
20 10407(d) of the Animal Health Protection Act (7
21 U.S.C. 8306(d)).

22 (c) LIVESTOCK FORAGE DISASTER PROGRAM.—

23 (1) DEFINITIONS.—In this subsection:

24 (A) COVERED LIVESTOCK.—

1 (i) IN GENERAL.—Except as provided
2 in clause (ii), the term “covered livestock”
3 means livestock of an eligible livestock pro-
4 ducer that, during the 60 days prior to the
5 beginning date of a qualifying drought or
6 fire condition, as determined by the Sec-
7 retary, the eligible livestock producer—

8 (I) owned;

9 (II) leased;

10 (III) purchased;

11 (IV) entered into a contract to
12 purchase;

13 (V) is a contract grower; or

14 (VI) sold or otherwise disposed of
15 due to qualifying drought conditions
16 during—

17 (aa) the current production
18 year; or

19 (bb) subject to paragraph
20 (3)(B)(ii), 1 or both of the 2 pro-
21 duction years immediately pre-
22 ceding the current production
23 year.

24 (ii) EXCLUSION.—The term “covered
25 livestock” does not include livestock that

1 were or would have been in a feedlot, on
2 the beginning date of the qualifying
3 drought or fire condition, as a part of the
4 normal business operation of the eligible
5 livestock producer, as determined by the
6 Secretary.

7 (B) DROUGHT MONITOR.—The term
8 “drought monitor” means a system for
9 classifying drought severity according to a
10 range of abnormally dry to exceptional drought,
11 as defined by the Secretary.

12 (C) ELIGIBLE LIVESTOCK PRODUCER.—

13 (i) IN GENERAL.—The term “eligible
14 livestock producer” means an eligible pro-
15 ducer on a farm that—

16 (I) is an owner, cash or share
17 lessee, or contract grower of covered
18 livestock that provides the pastureland
19 or grazing land, including cash-leased
20 pastureland or grazing land, for the
21 livestock;

22 (II) provides the pastureland or
23 grazing land for covered livestock, in-
24 cluding cash-leased pastureland or

1 grazing land that is physically located
2 in a county affected by drought;

3 (III) certifies grazing loss; and

4 (IV) meets all other eligibility re-
5 quirements established under this sub-
6 section.

7 (ii) EXCLUSION.—The term “eligible
8 livestock producer” does not include an
9 owner, cash or share lessee, or contract
10 grower of livestock that rents or leases
11 pastureland or grazing land owned by an-
12 other person on a rate-of-gain basis.

13 (D) NORMAL CARRYING CAPACITY.—The
14 term “normal carrying capacity”, with respect
15 to each type of grazing land or pastureland in
16 a county, means the normal carrying capacity,
17 as determined under paragraph (3)(D)(i), that
18 would be expected from the grazing land or
19 pastureland for livestock during the normal
20 grazing period, in the absence of a drought or
21 fire that diminishes the production of the graz-
22 ing land or pastureland.

23 (E) NORMAL GRAZING PERIOD.—The term
24 “normal grazing period”, with respect to a
25 county, means the normal grazing period during

1 the calendar year for the county, as determined
2 under paragraph (3)(D)(i).

3 (2) PROGRAM.—For each of the fiscal years
4 2012 through 2017, the Secretary shall use such
5 sums as are necessary of the funds of the Com-
6 modity Credit Corporation to provide compensation
7 for losses to eligible livestock producers due to graz-
8 ing losses for covered livestock due to—

9 (A) a drought condition, as described in
10 paragraph (3); or

11 (B) fire, as described in paragraph (4).

12 (3) ASSISTANCE FOR LOSSES DUE TO DROUGHT
13 CONDITIONS.—

14 (A) ELIGIBLE LOSSES.—

15 (i) IN GENERAL.—An eligible livestock
16 producer may receive assistance under this
17 subsection only for grazing losses for cov-
18 ered livestock that occur on land that—

19 (I) is native or improved
20 pastureland with permanent vegeta-
21 tive cover; or

22 (II) is planted to a crop planted
23 specifically for the purpose of pro-
24 viding grazing for covered livestock.

1 (ii) EXCLUSIONS.—An eligible live-
2 stock producer may not receive assistance
3 under this subsection for grazing losses
4 that occur on land used for haying or graz-
5 ing under the conservation reserve pro-
6 gram established under subchapter B of
7 chapter 1 of subtitle D of title XII of the
8 Food Security Act of 1985 (16 U.S.C.
9 3831 et seq.).

10 (B) MONTHLY PAYMENT RATE.—

11 (i) IN GENERAL.—Except as provided
12 in clause (ii), the payment rate for assist-
13 ance under this paragraph for 1 month
14 shall, in the case of drought, be equal to
15 60 percent of the lesser of—

16 (I) the monthly feed cost for all
17 covered livestock owned or leased by
18 the eligible livestock producer, as de-
19 termined under subparagraph (C); or

20 (II) the monthly feed cost cal-
21 culated by using the normal carrying
22 capacity of the eligible grazing land of
23 the eligible livestock producer.

24 (ii) PARTIAL COMPENSATION.—In the
25 case of an eligible livestock producer that

1 sold or otherwise disposed of covered live-
2 stock due to drought conditions in 1 or
3 both of the 2 production years immediately
4 preceding the current production year, as
5 determined by the Secretary, the payment
6 rate shall be 80 percent of the payment
7 rate otherwise calculated in accordance
8 with clause (i).

9 (C) MONTHLY FEED COST.—

10 (i) IN GENERAL.—The monthly feed
11 cost shall equal the product obtained by
12 multiplying—

13 (I) 30 days;

14 (II) a payment quantity that is
15 equal to the feed grain equivalent, as
16 determined under clause (ii); and

17 (III) a payment rate that is equal
18 to the corn price per pound, as deter-
19 mined under clause (iii).

20 (ii) FEED GRAIN EQUIVALENT.—For
21 purposes of clause (i)(II), the feed grain
22 equivalent shall equal—

23 (I) in the case of an adult beef
24 cow, 15.7 pounds of corn per day; or

1 (II) in the case of any other type
 2 of weight of livestock, an amount de-
 3 termined by the Secretary that rep-
 4 represents the average number of pounds
 5 of corn per day necessary to feed the
 6 livestock.

7 (iii) CORN PRICE PER POUND.—For
 8 purposes of clause (i)(III), the corn price
 9 per pound shall equal the quotient ob-
 10 tained by dividing—

11 (I) the higher of—

12 (aa) the national average
 13 corn price per bushel for the 12-
 14 month period immediately pre-
 15 ceding March 1 of the year for
 16 which the disaster assistance is
 17 calculated; or

18 (bb) the national average
 19 corn price per bushel for the 24-
 20 month period immediately pre-
 21 ceding that March 1; by

22 (II) 56.

23 (D) NORMAL GRAZING PERIOD AND
 24 DROUGHT MONITOR INTENSITY.—

1 (i) FSA COUNTY COMMITTEE DETER-
2 MINATIONS.—

3 (I) IN GENERAL.—The Secretary
4 shall determine the normal carrying
5 capacity and normal grazing period
6 for each type of grazing land or
7 pastureland in the county served by
8 the applicable committee.

9 (II) CHANGES.—No change to
10 the normal carrying capacity or nor-
11 mal grazing period established for a
12 county under subclause (I) shall be
13 made unless the change is requested
14 by the appropriate State and county
15 Farm Service Agency committees.

16 (ii) DROUGHT INTENSITY.—

17 (I) D2.—An eligible livestock
18 producer that owns or leases grazing
19 land or pastureland that is physically
20 located in a county that is rated by
21 the U.S. Drought Monitor as having a
22 D2 (severe drought) intensity in any
23 area of the county for at least 8 con-
24 secutive weeks during the normal
25 grazing period for the county, as de-

1 terminated by the Secretary, shall be el-
2 igible to receive assistance under this
3 paragraph in an amount equal to 1
4 monthly payment using the monthly
5 payment rate determined under sub-
6 paragraph (B).

7 (II) D3.—An eligible livestock
8 producer that owns or leases grazing
9 land or pastureland that is physically
10 located in a county that is rated by
11 the U.S. Drought Monitor as having
12 at least a D3 (extreme drought) in-
13 tensity in any area of the county at
14 any time during the normal grazing
15 period for the county, as determined
16 by the Secretary, shall be eligible to
17 receive assistance under this para-
18 graph—

19 (aa) in an amount equal to
20 2 monthly payments using the
21 monthly payment rate deter-
22 mined under subparagraph (B);
23 or

24 (bb) if the county is rated as
25 having a D3 (extreme drought)

1 intensity in any area of the coun-
2 ty for at least 4 weeks during the
3 normal grazing period for the
4 county, or is rated as having a
5 D4 (exceptional drought) inten-
6 sity in any area of the county at
7 any time during the normal graz-
8 ing period, in an amount equal to
9 3 monthly payments using the
10 monthly payment rate deter-
11 mined under subparagraph (B).

12 (4) ASSISTANCE FOR LOSSES DUE TO FIRE ON
13 PUBLIC MANAGED LAND.—

14 (A) IN GENERAL.—An eligible livestock
15 producer may receive assistance under this
16 paragraph only if—

17 (i) the grazing losses occur on range-
18 land that is managed by a Federal agency;
19 and

20 (ii) the eligible livestock producer is
21 prohibited by the Federal agency from
22 grazing the normal permitted livestock on
23 the managed rangeland due to a fire.

24 (B) PAYMENT RATE.—The payment rate
25 for assistance under this paragraph shall be

1 equal to 50 percent of the monthly feed cost for
2 the total number of livestock covered by the
3 Federal lease of the eligible livestock producer,
4 as determined under paragraph (3)(C).

5 (C) PAYMENT DURATION.—

6 (i) IN GENERAL.—Subject to clause
7 (ii), an eligible livestock producer shall be
8 eligible to receive assistance under this
9 paragraph for the period—

10 (I) beginning on the date on
11 which the Federal agency excludes the
12 eligible livestock producer from using
13 the managed rangeland for grazing;
14 and

15 (II) ending on the last day of the
16 Federal lease of the eligible livestock
17 producer.

18 (ii) LIMITATION.—An eligible livestock
19 producer may only receive assistance under
20 this paragraph for losses that occur on not
21 more than 180 days per year.

22 (5) NO DUPLICATIVE PAYMENTS.—An eligible
23 livestock producer may elect to receive assistance for
24 grazing or pasture feed losses due to drought condi-
25 tions under paragraph (3) or fire under paragraph

1 (4), but not both for the same loss, as determined
 2 by the Secretary.

3 (d) EMERGENCY ASSISTANCE FOR LIVESTOCK,
 4 HONEY BEES, AND FARM-RAISED FISH.—

5 (1) IN GENERAL.—For each of the fiscal years
 6 2012 through 2017, the Secretary shall use not
 7 more than \$20,000,000 of the funds of the Com-
 8 modity Credit Corporation to provide emergency re-
 9 lief to eligible producers of livestock, honey bees, and
 10 farm-raised fish to aid in the reduction of losses due
 11 to disease (including cattle tick fever), adverse
 12 weather, or other conditions, such as blizzards and
 13 wildfires, as determined by the Secretary, that are
 14 not covered under subsection (b) or (c).

15 (2) USE OF FUNDS.—Funds made available
 16 under this subsection shall be used to reduce losses
 17 caused by feed or water shortages, disease, or other
 18 factors as determined by the Secretary.

19 (3) AVAILABILITY OF FUNDS.—Any funds made
 20 available under this subsection shall remain available
 21 until expended.

22 (e) TREE ASSISTANCE PROGRAM.—

23 (1) DEFINITIONS.—In this subsection:

24 (A) ELIGIBLE ORCHARDIST.—The term
 25 “eligible orchardist” means a person that pro-

1 duces annual crops from trees for commercial
2 purposes.

3 (B) NATURAL DISASTER.—The term “nat-
4 ural disaster” means plant disease, insect infes-
5 tation, drought, fire, freeze, flood, earthquake,
6 lightning, or other occurrence, as determined by
7 the Secretary.

8 (C) NURSERY TREE GROWER.—The term
9 “nursery tree grower” means a person who pro-
10 duces nursery, ornamental, fruit, nut, or Christ-
11 mas trees for commercial sale, as determined by
12 the Secretary.

13 (D) TREE.—The term “tree” includes a
14 tree, bush, and vine.

15 (2) ELIGIBILITY.—

16 (A) LOSS.—Subject to subparagraph (B),
17 for each of the fiscal years 2012 through 2017,
18 the Secretary shall use such sums as are nec-
19 essary of the funds of the Commodity Credit
20 Corporation to provide assistance—

21 (i) under paragraph (3) to eligible or-
22 chardists and nursery tree growers that
23 planted trees for commercial purposes but
24 lost the trees as a result of a natural dis-
25 aster, as determined by the Secretary; and

1 (ii) under paragraph (3)(B) to eligible
2 orchardists and nursery tree growers that
3 have a production history for commercial
4 purposes on planted or existing trees but
5 lost the trees as a result of a natural dis-
6 aster, as determined by the Secretary.

7 (B) LIMITATION.—An eligible orchardist
8 or nursery tree grower shall qualify for assist-
9 ance under subparagraph (A) only if the tree
10 mortality of the eligible orchardist or nursery
11 tree grower, as a result of damaging weather or
12 related condition, exceeds 15 percent (adjusted
13 for normal mortality).

14 (3) ASSISTANCE.—Subject to paragraph (4),
15 the assistance provided by the Secretary to eligible
16 orchardists and nursery tree growers for losses de-
17 scribed in paragraph (2) shall consist of—

18 (A)(i) reimbursement of 65 percent of the
19 cost of replanting trees lost due to a natural
20 disaster, as determined by the Secretary, in ex-
21 cess of 15 percent mortality (adjusted for nor-
22 mal mortality); or

23 (ii) at the option of the Secretary, suffi-
24 cient seedlings to reestablish a stand; and

1 (B) reimbursement of 50 percent of the
2 cost of pruning, removal, and other costs in-
3 curred by an eligible orchardist or nursery tree
4 grower to salvage existing trees or, in the case
5 of tree mortality, to prepare the land to replant
6 trees as a result of damage or tree mortality
7 due to a natural disaster, as determined by the
8 Secretary, in excess of 15 percent damage or
9 mortality (adjusted for normal tree damage and
10 mortality).

11 (4) LIMITATIONS ON ASSISTANCE.—

12 (A) DEFINITIONS OF LEGAL ENTITY AND
13 PERSON.—In this paragraph, the terms “legal
14 entity” and “person” have the meaning given
15 those terms in section 1001(a) of the Food Se-
16 curity Act of 1985 (7 U.S.C. 1308(a)).

17 (B) AMOUNT.—The total amount of pay-
18 ments received, directly or indirectly, by a per-
19 son or legal entity (excluding a joint venture or
20 general partnership) under this subsection may
21 not exceed \$125,000 for any crop year, or an
22 equivalent value in tree seedlings.

23 (C) ACRES.—The total quantity of acres
24 planted to trees or tree seedlings for which a
25 person or legal entity shall be entitled to receive

1 payments under this subsection may not exceed
2 500 acres.

3 (f) PAYMENT LIMITATIONS.—

4 (1) DEFINITIONS OF LEGAL ENTITY AND PER-
5 SON.—In this subsection, the terms “legal entity”
6 and “person” have the meaning given those terms in
7 section 1001(a) of the Food Security Act of 1985 (7
8 U.S.C. 1308(a).

9 (2) AMOUNT.—The total amount of disaster as-
10 sistance payments received, directly or indirectly, by
11 a person or legal entity (excluding a joint venture or
12 general partnership) under this section (excluding
13 payments received under subsection (e)) may not ex-
14 ceed \$125,000 for any crop year.

15 (3) DIRECT ATTRIBUTION.—Subsections (e)
16 and (f) of section 1001 of the Food Security Act of
17 1985 (7 U.S.C. 1308) or any successor provisions
18 relating to direct attribution shall apply with respect
19 to assistance provided under this section.

20 **Subtitle F—Administration**

21 **SEC. 1601. ADMINISTRATION GENERALLY.**

22 (a) USE OF COMMODITY CREDIT CORPORATION.—
23 The Secretary of Agriculture shall use the funds, facilities,
24 and authorities of the Commodity Credit Corporation to
25 carry out this title.

1 (b) DETERMINATIONS BY SECRETARY.—A deter-
2 mination made by the Secretary under this title shall be
3 final and conclusive.

4 (c) REGULATIONS.—

5 (1) IN GENERAL.—Except as otherwise pro-
6 vided in this subsection, not later than 90 days after
7 the date of enactment of this Act, the Secretary and
8 the Commodity Credit Corporation, as appropriate,
9 shall promulgate such regulations as are necessary
10 to implement this title and the amendments made by
11 this title.

12 (2) PROCEDURE.—The promulgation of the reg-
13 ulations and administration of this title and the
14 amendments made by this title and sections 11002
15 and 11011 of this division shall be made without re-
16 gard to—

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

19 (B) chapter 35 of title 44, United States
20 Code (commonly known as the “Paperwork Re-
21 duction Act”); and

22 (C) the Statement of Policy of the Sec-
23 retary of Agriculture effective July 24, 1971
24 (36 Fed. Reg. 13804), relating to notices of

1 proposed rulemaking and public participation in
2 rulemaking.

3 (3) CONGRESSIONAL REVIEW OF AGENCY RULE-
4 MAKING.—In carrying out this subsection, the Sec-
5 retary shall use the authority provided under section
6 808 of title 5, United States Code.

7 (d) ADJUSTMENT AUTHORITY RELATED TO TRADE
8 AGREEMENTS COMPLIANCE.—

9 (1) REQUIRED DETERMINATION; ADJUST-
10 MENT.—If the Secretary determines that expendi-
11 tures under this title that are subject to the total al-
12 lowable domestic support levels under the Uruguay
13 Round Agreements (as defined in section 2 of the
14 Uruguay Round Agreements Act (19 U.S.C. 3501))
15 will exceed the allowable levels for any applicable re-
16 porting period, the Secretary shall, to the maximum
17 extent practicable, make adjustments in the amount
18 of the expenditures during that period to ensure that
19 the expenditures do not exceed the allowable levels.

20 (2) CONGRESSIONAL NOTIFICATION.—Before
21 making any adjustment under paragraph (1), the
22 Secretary shall submit to the Committee on Agri-
23 culture of the House of Representatives and the
24 Committee on Agriculture, Nutrition, and Forestry
25 of the Senate a report describing the determination

1 made under that paragraph and the extent of the
2 adjustment to be made.

3 **SEC. 1602. SUSPENSION OF PERMANENT PRICE SUPPORT**
4 **AUTHORITY.**

5 (a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—
6 The following provisions of the Agricultural Adjustment
7 Act of 1938 shall not be applicable to the 2013 through
8 2017 crops of covered commodities (as defined in section
9 1104), cotton, and sugar and shall not be applicable to
10 milk during the period beginning on the date of enactment
11 of this Act through December 31, 2017:

12 (1) Parts II through V of subtitle B of title III
13 (7 U.S.C. 1326 et seq.).

14 (2) In the case of upland cotton, section 377 (7
15 U.S.C. 1377).

16 (3) Subtitle D of title III (7 U.S.C. 1379a et
17 seq.).

18 (4) Title IV (7 U.S.C. 1401 et seq.).

19 (b) AGRICULTURAL ACT OF 1949.—The following
20 provisions of the Agricultural Act of 1949 shall not be ap-
21 plicable to the 2013 through 2017 crops of covered com-
22 modities (as defined in section 1104), cotton, and sugar
23 and shall not be applicable to milk during the period be-
24 ginning on the date of enactment of this Act and through
25 December 31, 2017:

1 (1) Section 101 (7 U.S.C. 1441).

2 (2) Section 103(a) (7 U.S.C. 1444(a)).

3 (3) Section 105 (7 U.S.C. 1444b).

4 (4) Section 107 (7 U.S.C. 1445a).

5 (5) Section 110 (7 U.S.C. 1445e).

6 (6) Section 112 (7 U.S.C. 1445g).

7 (7) Section 115 (7 U.S.C. 1445k).

8 (8) Section 201 (7 U.S.C. 1446).

9 (9) Title III (7 U.S.C. 1447 et seq.).

10 (10) Title IV (7 U.S.C. 1421 et seq.), other
11 than sections 404, 412, and 416 (7 U.S.C. 1424,
12 1429, and 1431).

13 (11) Title V (7 U.S.C. 1461 et seq.).

14 (12) Title VI (7 U.S.C. 1471 et seq.).

15 (c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—

16 The joint resolution entitled “A joint resolution relating
17 to corn and wheat marketing quotas under the Agricul-
18 tural Adjustment Act of 1938, as amended”, approved
19 May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be
20 applicable to the crops of wheat planted for harvest in the
21 calendar years 2013 through 2017.

22 **SEC. 1603. PAYMENT LIMITATIONS.**

23 (a) IN GENERAL.—Section 1001 of the Food Security
24 Act of 1985 (7 U.S.C. 1308) is amended by striking sub-
25 sections (b) and (c) and inserting the following:

1 “(b) LIMITATION ON PAYMENTS FOR COVERED COM-
2 MODITIES (OTHER THAN PEANUTS).—The total amount
3 of payments received, directly or indirectly, by a person
4 or legal entity (except a joint venture or general partner-
5 ship) for any crop year under subtitle A of title I of the
6 Federal Agriculture Reform and Risk Management Act of
7 2012 for 1 or more covered commodities (other than pea-
8 nuts) may not exceed \$125,000.

9 “(c) LIMITATION ON PAYMENTS FOR PEANUTS.—
10 The total amount of payments received, directly or indi-
11 rectly, by a person or legal entity (except a joint venture
12 or general partnership) for any crop year under subtitle
13 A of title I of the Federal Agriculture Reform and Risk
14 Management Act of 2012 for peanuts may not exceed
15 \$125,000.”.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Section 1001(f) of the Food Security Act of
18 1985 (7 U.S.C. 1308(f)) is amended by striking “or
19 title XII” each place it appears in paragraphs (5)(A)
20 and (6)(A) and inserting “, title I of the Federal Ag-
21 riculture Reform and Risk Management Act of
22 2012, or title XII”.

23 (2) Section 1001C(a) of the Food Security Act
24 of 1985 (7 U.S.C. 1308–3(a)) is amended by insert-

1 ing “title I of the Federal Agriculture Reform and
2 Risk Management Act of 2012,” after “2008,”.

3 (c) APPLICATION.—The amendments made by this
4 section shall apply beginning with the 2013 crop year.

5 **SEC. 1604. ADJUSTED GROSS INCOME LIMITATION.**

6 (a) LIMITATIONS AND COVERED BENEFITS.—Section
7 1001D(b) of the Food Security Act of 1985 (7 U.S.C.
8 1308–3a(b)) is amended—

9 (1) in the subsection heading, by striking “LIM-
10 ITATIONS” and inserting “LIMITATIONS ON COM-
11 MODITY AND CONSERVATION PROGRAMS”;

12 (2) by striking paragraphs (1) and (2) and in-
13 serting the following new paragraphs:

14 “(1) LIMITATION.—Notwithstanding any other
15 provision of law, a person or legal entity shall not
16 be eligible to receive any benefit described in para-
17 graph (2) during a crop, fiscal, or program year, as
18 appropriate, if the average adjusted gross income of
19 the person or legal entity exceeds \$950,000.

20 “(2) COVERED BENEFITS.—Paragraph (1) ap-
21 plies with respect to a payment or benefit under sec-
22 tion 1107, subtitle B or E of title I, or title II of
23 the Federal Agriculture Reform and Risk Manage-
24 ment Act of 2012, title II of the Farm Security and
25 Rural Investment Act of 2002, title II of the Food,

1 Conservation, and Energy Act of 2008, title XII of
2 the Food Security Act of 1985, section 524(b) of the
3 Federal Crop Insurance Act (7 U.S.C. 1524(b)), or
4 section 196 of the Federal Agriculture Improvement
5 and Reform Act of 1996 (7 U.S.C. 7333).”.

6 (b) ELIMINATION OF UNUSED DEFINITIONS.—Para-
7 graph (1) of section 1001D(a) of the Food Security Act
8 of 1985 (7 U.S.C. 1308–3a(a)) is amended to read as fol-
9 lows:

10 “(1) AVERAGE ADJUSTED GROSS INCOME.—In
11 this section, the term ‘average adjusted gross in-
12 come’, with respect to a person or legal entity,
13 means the average of the adjusted gross income or
14 comparable measure of the person or legal entity
15 over the 3 taxable years preceding the most imme-
16 diately preceding complete taxable year, as deter-
17 mined by the Secretary.”.

18 (c) INCOME DETERMINATION.—Section 1001D of the
19 Food Security Act of 1985 (7 U.S.C. 1308–3a) is amend-
20 ed—

21 (1) by striking subsection (c); and

22 (2) by redesignating subsections (d), (e), and
23 (f) as subsections (c), (d), and (e), respectively.

1 (d) CONFORMING AMENDMENTS.—Section 1001D of
2 the Food Security Act of 1985 (7 U.S.C. 1308–3a) is
3 amended—

4 (1) in subsection (a)(2)—

5 (A) by striking “subparagraph (A) or (B)
6 of”; and

7 (B) by striking “, the average adjusted
8 gross farm income, and the average adjusted
9 gross nonfarm income”;

10 (2) in subsection (a)(3), by striking “, average
11 adjusted gross farm income, and average adjusted
12 gross nonfarm income” both places it appears;

13 (3) in subsection (c) (as redesignated by sub-
14 section (c)(2) of this section)—

15 (A) in paragraph (1), by striking “, aver-
16 age adjusted gross farm income, and average
17 adjusted gross nonfarm income” both places it
18 appears; and

19 (B) in paragraph (2), by striking “para-
20 graphs (1)(C) and (2)(B) of subsection (b)”
21 and inserting “subsection (b)(2)”; and

22 (4) in subsection (d) (as redesignated by sub-
23 section (c)(2) of this section)—

1 (A) by striking “paragraphs (1)(C) and
2 (2)(B) of subsection (b)” and inserting “sub-
3 section (b)(2)”; and

4 (B) by striking “, average adjusted gross
5 farm income, or the average adjusted gross
6 nonfarm income”.

7 (e) EFFECTIVE PERIOD.—Subsection (e) of section
8 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–
9 3a), as redesignated by subsection (c)(2) of this section,
10 is amended by striking “2009 through 2012” and insert-
11 ing “2013 through 2017”.

12 (f) LIMITATION ON APPLICABILITY.—Section
13 1001(d) of the Food Security Act of 1985 (7 U.S.C. 1308)
14 is amended by inserting before the period at the end the
15 following: “or title I of the Federal Agriculture Reform
16 and Risk Management Act of 2012”.

17 (g) TRANSITION.—Section 1001D of the Food Secu-
18 rity Act of 1985 (7 U.S.C. 1308-3a), as in effect on the
19 day before the date of the enactment of this Act, shall
20 apply with respect to the 2012 crop, fiscal, or program
21 year, as appropriate, for each program described in para-
22 graphs (1)(C) and (2)(B) of subsection (b) of that section
23 (as so in effect on that date).

1 **SEC. 1605. GEOGRAPHICALLY DISADVANTAGED FARMERS**
2 **AND RANCHERS.**

3 Section 1621(d) of the Food, Conservation, and En-
4 ergy Act of 2008 (7 U.S.C. 8792(d)) is amended by strik-
5 ing “2012” and inserting “2017”.

6 **SEC. 1606. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.**
7

8 Section 164 of the Federal Agriculture Improvement
9 and Reform Act of 1996 (7 U.S.C. 7284) is amended by
10 striking “and title I of the Food, Conservation, and En-
11 ergy Act of 2008” each place it appears and inserting
12 “title I of the Food, Conservation, and Energy Act of
13 2008 (7 U.S.C. 8702 et seq.), and title I of the Federal
14 Agriculture Reform and Risk Management Act of 2012”.

15 **SEC. 1607. PREVENTION OF DECEASED INDIVIDUALS RE-**
16 **CEIVING PAYMENTS UNDER FARM COM-**
17 **MODITY PROGRAMS.**

18 (a) RECONCILIATION.—At least twice each year, the
19 Secretary shall reconcile social security numbers of all in-
20 dividuals who receive payments under this title, whether
21 directly or indirectly, with the Commissioner of Social Se-
22 curity to determine if the individuals are alive.

23 (b) PRECLUSION.—The Secretary shall preclude the
24 issuance of payments to, and on behalf of, deceased indi-
25 viduals that were not eligible for payments.

1 **SEC. 1608. TECHNICAL CORRECTIONS.**

2 (a) MISSING PUNCTUATION.—Section 359f(c)(1)(B)
3 of the Agricultural Adjustment Act of 1938 (7 U.S.C.
4 1359ff(c)(1)(B)) is amended by adding a period at the
5 end.

6 (b) ERRONEOUS CROSS REFERENCE.—

7 (1) AMENDMENT.—Section 1603(g) of the
8 Food, Conservation, and Energy Act of 2008 (Public
9 Law 110–246; 122 Stat. 1739) is amended in para-
10 graphs (2) through (6) and the amendments made
11 by those paragraphs by striking “1703(a)” each
12 place it appears and inserting “1603(a)”.

13 (2) EFFECTIVE DATE.—This subsection and the
14 amendments made by this subsection take effect as
15 if included in the Food, Conservation, and Energy
16 Act of 2008 (Public Law 110–246; 122 Stat. 1651).

17 (c) CONTINUED APPLICABILITY OF APPROPRIATIONS
18 GENERAL PROVISION.—Section 767 of division A of Pub-
19 lic Law 108–7 (7 U.S.C. 7911 note; 117 Stat. 48) is
20 amended—

21 (1) in subsection (a)—

22 (A) by striking “sections 1101 and 1102 of
23 Public Law 107–171” and inserting “subtitle A
24 of title I of the Federal Agriculture Reform and
25 Risk Management Act of 2012”; and

1 (B) by striking “such section 1102” and
2 inserting “such subtitle”; and

3 (2) by striking subsection (b) and inserting the
4 following new subsection:

5 “(b) This section, as amended by section 1608(c) of
6 the Federal Agriculture Reform and Risk Management
7 Act of 2012, shall take effect beginning with the 2013
8 crop year.”.

9 **SEC. 1609. ASSIGNMENT OF PAYMENTS.**

10 (a) IN GENERAL.—The provisions of section 8(g) of
11 the Soil Conservation and Domestic Allotment Act (16
12 U.S.C. 590h(g)), relating to assignment of payments, shall
13 apply to payments made under this title.

14 (b) NOTICE.—The producer making the assignment,
15 or the assignee, shall provide the Secretary with notice,
16 in such manner as the Secretary may require, of any as-
17 signment made under this section.

18 **SEC. 1610. TRACKING OF BENEFITS.**

19 As soon as practicable after the date of enactment
20 of this Act, the Secretary may track the benefits provided,
21 directly or indirectly, to individuals and entities under ti-
22 tles I and II and the amendments made by those titles.

23 **SEC. 1611. SIGNATURE AUTHORITY.**

24 (a) IN GENERAL.—In carrying out this title and title
25 II and amendments made by those titles, if the Secretary

1 approves a document, the Secretary shall not subsequently
2 determine the document is inadequate or invalid because
3 of the lack of authority of any person signing the docu-
4 ment on behalf of the applicant or any other individual,
5 entity, general partnership, or joint venture, or the docu-
6 ments relied upon were determined inadequate or invalid,
7 unless the person signing the program document know-
8 ingly and willfully falsified the evidence of signature au-
9 thority or a signature.

10 (b) AFFIRMATION.—

11 (1) IN GENERAL.—Nothing in this section pro-
12 hibits the Secretary from asking a proper party to
13 affirm any document that otherwise would be consid-
14 ered approved under subsection (a).

15 (2) NO RETROACTIVE EFFECT.—A denial of
16 benefits based on a lack of affirmation under para-
17 graph (1) shall not be retroactive with respect to
18 third-party producers who were not the subject of
19 the erroneous representation of authority, if the
20 third-party producers—

21 (A) relied on the prior approval by the Sec-
22 retary of the documents in good faith; and

23 (B) substantively complied with all pro-
24 gram requirements.

1 **SEC. 1612. IMPLEMENTATION.**

2 (a) STREAMLINING.—In implementing this title, the
3 Secretary shall, to the maximum extent practicable—

4 (1) seek to reduce administrative burdens and
5 costs to producers by streamlining and reducing pa-
6 perwork, forms, and other administrative require-
7 ments;

8 (2) improve coordination, information sharing,
9 and administrative work with the Risk Management
10 Agency and the Natural Resources Conservation
11 Service; and

12 (3) take advantage of new technologies to en-
13 hance efficiency and effectiveness of program deliv-
14 ery to producers.

15 (b) MAINTENANCE OF BASE ACRES AND PAYMENT
16 YIELDS.—

17 (1) IN GENERAL.—The Secretary shall main-
18 tain through September 30, 2017, for each covered
19 commodity and upland cotton, base acres and pay-
20 ment yields on a farm established under—

21 (A)(i) in the case of covered commodities,
22 sections 1101 and 1102 of the Farm Security
23 and Rural Investment Act of 2002 (7 U.S.C.
24 7911, 7912); and

25 (ii) in the case of peanuts, section 1302 of
26 that Act (7 U.S.C. 7952); and

1 (B)(i) in the case of covered commodities,
2 sections 1101 and 1102 of the Food, Conserva-
3 tion, and Energy Act of 2008 (7 U.S.C. 8711,
4 8712); and

5 (ii) in the case of peanuts, section 1302 of
6 that Act (7 U.S.C. 8752).

7 (2) SPECIAL RULE FOR LONG GRAIN AND ME-
8 DIUM GRAIN RICE.—

9 (A) IN GENERAL.—The Secretary shall
10 maintain separate base acres for long grain and
11 medium grain rice.

12 (B) LIMITATION.—In carrying out this
13 paragraph, the Secretary shall use the same
14 total base acres and payment yields established
15 with respect to rice under sections 1108 of the
16 Food, Conservation, and Energy Act of 2008 (7
17 U.S.C. 8718), as in effect on the day before the
18 date of enactment of this Act, subject to any
19 adjustment under section 1105.

20 (c) IMPLEMENTATION.—The Secretary shall make
21 available to the Farm Service Agency to carry out this
22 title \$100,000,000.

1 **TITLE II—CONSERVATION**
2 **Subtitle A—Conservation Reserve**
3 **Program**

4 **SEC. 2001. EXTENSION AND ENROLLMENT REQUIREMENTS**
5 **OF CONSERVATION RESERVE PROGRAM.**

6 (a) EXTENSION.—Section 1231(a) of the Food Secu-
7 rity Act of 1985 (16 U.S.C. 3831(a)) is amended by strik-
8 ing “2012” and inserting “2017”.

9 (b) ELIGIBLE LAND.—Section 1231(b) of the Food
10 Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

11 (1) in paragraph (1)(B), by striking “the date
12 of enactment of the Food, Conservation, and Energy
13 Act of 2008” and inserting “the date of the enact-
14 ment of the Federal Agriculture Reform and Risk
15 Management Act of 2012”;

16 (2) by striking paragraph (2) and redesignating
17 paragraph (3) as paragraph (2);

18 (3) by inserting before paragraph (4) the fol-
19 lowing new paragraph:

20 “(3) grasslands that—

21 “(A) contain forbs or shrubland (including
22 improved rangeland and pastureland) for which
23 grazing is the predominant use;

24 “(B) are located in an area historically
25 dominated by grasslands; and

1 “(C) could provide habitat for animal and
 2 plant populations of significant ecological value
 3 if the land is retained in its current use or re-
 4 stored to a natural condition;”;

5 (4) in paragraph (4)(C), by striking
 6 “filterstrips devoted to trees or shrubs” and insert-
 7 ing “filterstrips or riparian buffers devoted to trees,
 8 shrubs, or grasses”; and

9 (5) by striking paragraph (5) and inserting the
 10 following new paragraph:

11 “(5) the portion of land in a field not enrolled
 12 in the conservation reserve in a case in which—

13 “(A) more than 50 percent of the land in
 14 the field is enrolled as a buffer or filterstrip, or
 15 more than 75 percent of the land in the field
 16 is enrolled as a conservation practice other than
 17 as a buffer or filterstrip; and

18 “(B) the remainder of the field is—

19 “(i) infeasible to farm; and

20 “(ii) enrolled at regular rental rates.”.

21 (c) PLANTING STATUS OF CERTAIN LAND.—Section
 22 1231(c) of the Food Security Act of 1985 (16 U.S.C.
 23 3831(c)) is amended by striking “if” and all that follows
 24 through the period at the end and inserting “if, during
 25 the crop year, the land was devoted to a conserving use.”.

1 (d) ENROLLMENT.—Subsection (d) of section 1231
2 of the Food Security Act of 1985 (16 U.S.C. 3831) is
3 amended to read as follows:

4 “(d) ENROLLMENT.—

5 “(1) MAXIMUM ACREAGE ENROLLED.—The
6 Secretary may maintain in the conservation reserve
7 at any one time during—

8 “(A) fiscal year 2012, no more than
9 32,000,000 acres;

10 “(B) fiscal year 2013, no more than
11 29,000,000 acres;

12 “(C) fiscal year 2014, no more than
13 26,000,000 acres;

14 “(D) fiscal year 2015, no more than
15 26,000,000 acres;

16 “(E) fiscal year 2016, no more than
17 25,500,000 acres; and

18 “(F) fiscal year 2017, no more than
19 25,000,000 acres.

20 “(2) GRASSLANDS.—

21 “(A) LIMITATION.—For purposes of apply-
22 ing the limitations in paragraph (1), no more
23 than 2,000,000 acres of the land described in
24 subsection (b)(3) may be enrolled in the pro-

1 gram at any one time during the 2013 through
2 2017 fiscal years.

3 “(B) PRIORITY.—In enrolling acres under
4 subparagraph (A), the Secretary may give pri-
5 ority to land with expiring conservation reserve
6 program contracts.

7 “(C) METHOD OF ENROLLMENT.—In en-
8 rolling acres under subparagraph (A), the Sec-
9 retary shall make the program available to own-
10 ers or operators of eligible land on a continuous
11 enrollment basis with one or more ranking peri-
12 ods.”.

13 (e) DURATION OF CONTRACT.—Section 1231(e) of
14 the Food Security Act of 1985 (16 U.S.C. 3831(e)) is
15 amended by striking paragraphs (2) and (3) and inserting
16 the following new paragraph:

17 “(2) SPECIAL RULE FOR CERTAIN LAND.—In
18 the case of land devoted to hardwood trees,
19 shelterbelts, windbreaks, or wildlife corridors under
20 a contract entered into under this subchapter, the
21 owner or operator of the land may, within the limita-
22 tions prescribed under paragraph (1), specify the du-
23 ration of the contract.”.

1 (f) CONSERVATION PRIORITY AREAS.—Section
2 1231(f) of the Food Security Act of 1985 (16 U.S.C.
3 3831(f)) is amended—

4 (1) in paragraph (1), by striking “watershed
5 areas of the Chesapeake Bay Region, the Great
6 Lakes Region, the Long Island Sound Region, and
7 other”;

8 (2) in paragraph (2), by striking “WATER-
9 SHEDS.—Watersheds” and inserting “AREAS.—
10 Areas”; and

11 (3) in paragraph (3), by striking “a watershed’s
12 designation—” and all that follows through the pe-
13 riod at the end and inserting “an area’s designation
14 if the Secretary finds that the area no longer con-
15 tains actual and significant adverse water quality or
16 habitat impacts related to agricultural production
17 activities.”.

18 **SEC. 2002. FARMABLE WETLAND PROGRAM.**

19 (a) EXTENSION.—Section 1231B(a)(1) of the Food
20 Security Act of 1985 (16 U.S.C. 3831b(a)(1)) is amend-
21 ed—

22 (1) by striking “2012” and inserting “2017”;
23 and

24 (2) by striking “a program” and inserting “a
25 farmable wetland program”.

1 (b) ELIGIBLE ACREAGE.—Section 1231B(b)(1)(B) of
 2 the Food Security Act of 1985 (16 U.S.C.
 3 3831b(b)(1)(B)) is amended by striking “flow from a row
 4 crop agriculture drainage system” and inserting “surface
 5 and subsurface flow from row crop agricultural produc-
 6 tion”.

7 (c) ACREAGE LIMITATION.—Section 1231B(c)(1)(B)
 8 of the Food Security Act of 1985 (16 U.S.C.
 9 3831b(c)(1)(B)) is amended by striking “1,000,000” and
 10 inserting “750,000”.

11 (d) CLERICAL AMENDMENT.—The heading of section
 12 1231B of the Food Security Act of 1985 (16 U.S.C.
 13 3831b) is amended to read as follows: “**FARMABLE WET-**
 14 **LAND PROGRAM**”.

15 **SEC. 2003. DUTIES OF OWNERS AND OPERATORS.**

16 (a) LIMITATION ON HARVESTING, GRAZING, OR COM-
 17 Mercial Use of Forage.—Section 1232(a)(8) of the
 18 Food Security Act of 1985 (16 U.S.C. 3832(a)(8)) is
 19 amended by striking “except that” and all that follows
 20 through the semicolon at the end of the paragraph and
 21 inserting “except as provided in subsection (b) or (c) of
 22 section 1233;”.

23 (b) CONSERVATION PLAN REQUIREMENTS.—Sub-
 24 section (b) of section 1232 of the Food Security Act of
 25 1985 (16 U.S.C. 3832) is amended to read as follows:

1 “(b) CONSERVATION PLANS.—The plan referred to
2 in subsection (a)(1) shall set forth—

3 “(1) the conservation measures and practices to
4 be carried out by the owner or operator during the
5 term of the contract; and

6 “(2) the commercial use, if any, to be permitted
7 on the land during the term.”.

8 (c) RENTAL PAYMENT REDUCTION.—Section 1232
9 of the Food Security Act of 1985 (16 U.S.C. 3832) is
10 amended by striking subsection (d).

11 **SEC. 2004. DUTIES OF THE SECRETARY.**

12 Section 1233 of the Food Security Act of 1985 (16
13 U.S.C. 3833) is amended to read as follows:

14 **“SEC. 1233. DUTIES OF THE SECRETARY.**

15 “(a) COST-SHARE AND RENTAL PAYMENTS.—In re-
16 turn for a contract entered into by an owner or operator
17 under the conservation reserve program, the Secretary
18 shall—

19 “(1) share the cost of carrying out the con-
20 servation measures and practices set forth in the
21 contract for which the Secretary determines that
22 cost sharing is appropriate and in the public inter-
23 est; and

1 “(2) for a period of years not in excess of the
2 term of the contract, pay an annual rental payment
3 in an amount necessary to compensate for—

4 “(A) the conversion of highly erodible crop-
5 land or other eligible lands normally devoted to
6 the production of an agricultural commodity on
7 a farm or ranch to a less intensive use;

8 “(B) the retirement of any base history
9 that the owner or operator agrees to retire per-
10 manently; and

11 “(C) the development and management of
12 grasslands for multiple natural resource con-
13 servation benefits, including to soil, water, air,
14 and wildlife.

15 “(b) SPECIFIED ACTIVITIES PERMITTED.—The Sec-
16 retary shall permit certain activities or commercial uses
17 of land that is subject to a contract under the conservation
18 reserve program in a manner that is consistent with a plan
19 approved by the Secretary, as follows:

20 “(1) Harvesting, grazing, or other commercial
21 use of the forage in response to a drought or other
22 emergency created by a natural disaster, without
23 any reduction in the rental rate.

24 “(2) Consistent with the conservation of soil,
25 water quality, and wildlife habitat (including habitat

1 during nesting seasons for birds in the area), and in
2 exchange for a reduction of not less than 25 percent
3 in the annual rental rate for the acres covered by
4 the authorized activity—

5 “(A) managed harvesting and other com-
6 mercial use (including the managed harvesting
7 of biomass), except that in permitting managed
8 harvesting, the Secretary, in coordination with
9 the State technical committee—

10 “(i) shall develop appropriate vegeta-
11 tion management requirements; and

12 “(ii) shall identify periods during
13 which managed harvesting may be con-
14 ducted, such that the frequency is not
15 more than once every three years;

16 “(B) routine grazing or prescribed grazing
17 for the control of invasive species, except that
18 in permitting such routine grazing or prescribed
19 grazing, the Secretary, in coordination with the
20 State technical committee—

21 “(i) shall develop appropriate vegeta-
22 tion management requirements and stock-
23 ing rates for the land that are suitable for
24 continued routine grazing; and

1 “(ii) shall identify the periods during
2 which routine grazing may be conducted,
3 such that the frequency is not more than
4 once every two years, taking into consider-
5 ation regional differences such as—

6 “(I) climate, soil type, and nat-
7 ural resources;

8 “(II) the number of years that
9 should be required between routine
10 grazing activities; and

11 “(III) how often during a year in
12 which routine grazing is permitted
13 that routine grazing should be allowed
14 to occur; and

15 “(C) the installation of wind turbines and
16 associated access, except that in permitting the
17 installation of wind turbines, the Secretary shall
18 determine the number and location of wind tur-
19 bines that may be installed, taking into ac-
20 count—

21 “(i) the location, size, and other phys-
22 ical characteristics of the land;

23 “(ii) the extent to which the land con-
24 tains wildlife and wildlife habitat; and

1 “(iii) the purposes of the conservation
2 reserve program under this subchapter.

3 “(3) The intermittent and seasonal use of vege-
4 tative buffer practices incidental to agricultural pro-
5 duction on lands adjacent to the buffer such that the
6 permitted use does not destroy the permanent vege-
7 tative cover.

8 “(c) AUTHORIZED ACTIVITIES ON GRASSLANDS.—
9 For eligible land described in section 1231(b)(3), the Sec-
10 retary shall permit the following activities:

11 “(1) Common grazing practices, including
12 maintenance and necessary cultural practices, on the
13 land in a manner that is consistent with maintaining
14 the viability of grassland, forb, and shrub species ap-
15 propriate to that locality.

16 “(2) Haying, mowing, or harvesting for seed
17 production, subject to appropriate restrictions dur-
18 ing the nesting season for critical bird species in the
19 area.

20 “(3) Fire presuppression, fire-related rehabilita-
21 tion, and construction of fire breaks.

22 “(4) Grazing-related activities, such as fencing
23 and livestock watering.

24 “(d) RESOURCE CONSERVING USE.—

1 “(1) IN GENERAL.—Beginning on the date that
2 is 1 year before the date of termination of a contract
3 under the program, the Secretary shall allow an
4 owner or operator to make conservation and land
5 improvements that facilitate maintaining protection
6 of enrolled land after expiration of the contract.

7 “(2) CONSERVATION PLAN.—The Secretary
8 shall require an owner or operator carrying out the
9 activities described in paragraph (1) to develop and
10 implement a conservation plan.

11 “(3) RE-ENROLLMENT PROHIBITED.—Land im-
12 proved under paragraph (1) may not be re-enrolled
13 in the conservation reserve program for 5 years after
14 the date of termination of the contract.”.

15 **SEC. 2005. PAYMENTS.**

16 (a) TREES, WINDBREAKS, SHELTERBELTS, AND
17 WILDLIFE CORRIDORS.—Section 1234(b)(3)(A) of the
18 Food Security Act of 1985 (16 U.S.C. 3834(b)(3)(A)) is
19 amended—

20 (1) in clause (i), by inserting “and” after the
21 semicolon;

22 (2) by striking clause (ii); and

23 (3) by redesignating clause (iii) as clause (ii).

1 (b) ANNUAL RENTAL PAYMENTS.—Section 1234(c)
2 of the Food Security Act of 1985 (16 U.S.C. 3834(c)) is
3 amended—

4 (1) in paragraph (1), by inserting “or other eli-
5 gible lands” after “highly erodible cropland” both
6 places it appears; and

7 (2) by striking paragraph (2) and inserting the
8 following new paragraph:

9 “(2) METHODS OF DETERMINATION.—

10 “(A) IN GENERAL.—The amounts payable
11 to owners or operators in the form of rental
12 payments under contracts entered into under
13 this subchapter may be determined through—

14 “(i) the submission of bids for such
15 contracts by owners and operators in such
16 manner as the Secretary may prescribe; or

17 “(ii) such other means as the Sec-
18 retary determines are appropriate.

19 “(B) GRASSLANDS.—In the case of eligible
20 land described in section 1231(b)(3), the Sec-
21 retary shall make annual payments in an
22 amount that is not more than 75 percent of the
23 grazing value of the land covered by the con-
24 tract.”.

1 (c) PAYMENT SCHEDULE.—Subsection (d) of section
2 1234 of the Food Security Act of 1985 (16 U.S.C. 3834)
3 is amended to read as follows:

4 “(d) PAYMENT SCHEDULE.—

5 “(1) IN GENERAL.—Except as otherwise pro-
6 vided in this section, payments under this sub-
7 chapter shall be made in cash in such amount and
8 on such time schedule as is agreed on and specified
9 in the contract.

10 “(2) ADVANCE PAYMENT.—Payments under
11 this subchapter may be made in advance of deter-
12 mination of performance.”.

13 (d) PAYMENT LIMITATION.—Section 1234(f) of the
14 Food Security Act of 1985 (16 U.S.C. 3834(f)) is amend-
15 ed—

16 (1) in paragraph (1), by striking “, including
17 rental payments made in the form of in-kind com-
18 modities,”;

19 (2) by striking paragraph (3); and

20 (3) by redesignating paragraph (4) as para-
21 graph (2).

22 **SEC. 2006. CONTRACT REQUIREMENTS.**

23 (a) EARLY TERMINATION BY OWNER OR OPER-
24 ATOR.—Section 1235(e) of the Food Security Act of 1985
25 (16 U.S.C. 3835(e)) is amended—

1 (1) in paragraph (1)(A)—

2 (A) by striking “The Secretary” and in-
3 serting “During fiscal year 2013, the Sec-
4 retary”; and

5 (B) by striking “before January 1, 1995,”;

6 (2) in paragraph (2), by striking subparagraph

7 (C) and inserting the following:

8 “(C) Land devoted to hardwood trees.

9 “(D) Wildlife habitat, duck nesting habi-
10 tat, pollinator habitat, upland bird habitat buff-
11 er, wildlife food plots, State acres for wildlife
12 enhancement, shallow water areas for wildlife,
13 and rare and declining habitat.

14 “(E) Farmable wetland and restored wet-
15 land.

16 “(F) Land that contains diversions, ero-
17 sion control structures, flood control structures,
18 contour grass strips, living snow fences, salinity
19 reducing vegetation, cross wind trap strips, and
20 sediment retention structures.

21 “(G) Land located within a federally-des-
22 ignated wellhead protection area.

23 “(H) Land that is covered by an easement
24 under the conservation reserve program.

1 “(I) Land located within an average width,
2 according to the applicable Natural Resources
3 Conservation Service field office technical guide,
4 of a perennial stream or permanent water
5 body.”; and

6 (3) in paragraph (3), by striking “60 days after
7 date on which the owner or operator submits the no-
8 tice required under paragraph (1)(C)” and inserting
9 “upon approval by the Secretary”.

10 (b) TRANSITION OPTION FOR CERTAIN FARMERS OR
11 RANCHERS.—Section 1235(f) of the Food Security Act of
12 1985 (16 U.S.C. 3835(f)) is amended—

13 (1) in paragraph (1)—

14 (A) in the matter preceding subparagraph
15 (A), by striking “DUTIES” and all that follows
16 through “a beginning farmer” and inserting
17 “TRANSITION TO COVERED FARMER OR RANCH-
18 ER.—In the case of a contract modification ap-
19 proved in order to facilitate the transfer of land
20 subject to a contract from a retired farmer or
21 rancher to a beginning farmer”;

22 (B) in subparagraph (A)(i), by inserting “,
23 including preparing to plant an agricultural
24 crop” after “improvements”;

1 (C) in subparagraph (D), by striking “the
2 farmer or rancher” and inserting “the covered
3 farmer or rancher”; and

4 (D) in subparagraph (E), by striking “sec-
5 tion 1001A(b)(3)(B)” and inserting “section
6 1001”; and

7 (2) in paragraph (2), by striking “requirement
8 of section 1231(h)(4)(B)” and inserting “option pur-
9 suant to section 1234(c)(2)(A)(ii)”.

10 (c) FINAL YEAR CONTRACT.—Section 1235 of the
11 Food Security Act of 1985 (16 U.S.C. 3835) is amended
12 by adding at the end the following new subsections:

13 “(g) FINAL YEAR OF CONTRACT.—The Secretary
14 shall not consider an owner or operator to be in violation
15 of a term or condition of the conservation reserve contract
16 if—

17 “(1) during the year prior to expiration of the
18 contract, the land is enrolled in the conservation
19 stewardship program; and

20 “(2) the activity required under the conserva-
21 tion stewardship program pursuant to such enroll-
22 ment is consistent with this subchapter.

23 “(h) LAND ENROLLED IN AGRICULTURAL CON-
24 SERVATION EASEMENT PROGRAM.—The Secretary may
25 terminate or modify a contract entered into under this

1 subchapter if eligible land that is subject to such contract
2 is transferred into the agricultural conservation easement
3 program under subtitle H.”.

4 **SEC. 2007. CONVERSION OF LAND SUBJECT TO CONTRACT**
5 **TO OTHER CONSERVING USES.**

6 Section 1235A of the Food Security Act of 1985 (16
7 U.S.C. 3835a) is repealed.

8 **SEC. 2008. EFFECTIVE DATE.**

9 (a) IN GENERAL.—The amendments made by this
10 subtitle shall take effect on October 1, 2012, except the
11 amendment made by section 2001(d), which shall take ef-
12 fect on the date of the enactment of this Act.

13 (b) EFFECT ON EXISTING CONTRACTS.—

14 (1) IN GENERAL.—Except as provided in para-
15 graph (2), the amendments made by this subtitle
16 shall not affect the validity or terms of any contract
17 entered into by the Secretary of Agriculture under
18 subchapter B of chapter 1 of subtitle D of title XII
19 of the Food Security Act of 1985 (16 U.S.C. 3831
20 et seq.) before October 1, 2012, or any payments re-
21 quired to be made in connection with the contract.

22 (2) UPDATING OF EXISTING CONTRACTS.—The
23 Secretary shall permit an owner or operator of land
24 subject to a contract entered into under subchapter
25 B of chapter 1 of subtitle D of title XII of the Food

1 Security Act of 1985 (16 U.S.C. 3831 et seq.) be-
 2 fore October 1, 2012, to update the contract to re-
 3 flect the activities and uses of land under contract
 4 permitted under the terms and conditions of section
 5 1233(b) of that Act (as amended by section 2004),
 6 as determined appropriate by the Secretary.

7 **Subtitle B—Conservation** 8 **Stewardship Program**

9 **SEC. 2101. CONSERVATION STEWARDSHIP PROGRAM.**

10 (a) REVISION OF CURRENT PROGRAM.—Subchapter
 11 B of chapter 2 of subtitle D of title XII of the Food Secu-
 12 rity Act of 1985 (16 U.S.C. 3838d et seq.) is amended
 13 to read as follows:

14 **“Subchapter B—Conservation Stewardship** 15 **Program**

16 **“SEC. 1238D. DEFINITIONS.**

17 “In this subchapter:

18 “(1) AGRICULTURAL OPERATION.—The term
 19 ‘agricultural operation’ means all eligible land,
 20 whether or not contiguous, that is—

21 “(A) under the effective control of a pro-
 22 ducer at the time the producer enters into a
 23 contract under the program; and

24 “(B) operated with equipment, labor, man-
 25 agement, and production or cultivation prac-

1 tices that are substantially separate from other
2 agricultural operations, as determined by the
3 Secretary.

4 “(2) CONSERVATION ACTIVITIES.—

5 “(A) IN GENERAL.—The term ‘conserva-
6 tion activities’ means conservation systems,
7 practices, or management measures.

8 “(B) INCLUSIONS.—The term ‘conserva-
9 tion activities’ includes—

10 “(i) structural measures, vegetative
11 measures, and land management measures,
12 including agriculture drainage manage-
13 ment systems, as determined by the Sec-
14 retary; and

15 “(ii) planning needed to address a pri-
16 ority resource concern.

17 “(3) CONSERVATION STEWARDSHIP PLAN.—

18 The term ‘conservation stewardship plan’ means a
19 plan that—

20 “(A) identifies and inventories priority re-
21 source concerns;

22 “(B) establishes benchmark data and con-
23 servation objectives;

24 “(C) describes conservation activities to be
25 implemented, managed, or improved; and

1 “(D) includes a schedule and evaluation
2 plan for the planning, installation, and manage-
3 ment of the new and existing conservation ac-
4 tivities.

5 “(4) ELIGIBLE LAND.—

6 “(A) IN GENERAL.—The term ‘eligible
7 land’ means—

8 “(i) private or tribal land on which
9 agricultural commodities, livestock, or for-
10 est-related products are produced; and

11 “(ii) lands associated with the land
12 described in clause (i) on which priority re-
13 source concerns could be addressed
14 through a contract under the program.

15 “(B) INCLUSIONS.—The term ‘eligible
16 land’ includes—

17 “(i) cropland;

18 “(ii) grassland;

19 “(iii) rangeland;

20 “(iv) pasture land;

21 “(v) nonindustrial private forest land;

22 and

23 “(vi) other agricultural areas (includ-
24 ing cropped woodland, marshes, and agri-
25 cultural land used or capable of being used

1 for the production of livestock), as deter-
2 mined by the Secretary.

3 “(5) PRIORITY RESOURCE CONCERN.—The
4 term ‘priority resource concern’ means a natural re-
5 source concern or problem, as determined by the
6 Secretary, that—

7 “(A) is identified at the national, State, or
8 local level as a priority for a particular area of
9 a State;

10 “(B) represents a significant concern in a
11 State or region; and

12 “(C) is likely to be addressed successfully
13 through the implementation of conservation ac-
14 tivities under this program.

15 “(6) PROGRAM.—The term ‘program’ means
16 the conservation stewardship program established by
17 this subchapter.

18 “(7) STEWARDSHIP THRESHOLD.—The term
19 ‘stewardship threshold’ means the level of manage-
20 ment required, as determined by the Secretary, to
21 conserve and improve the quality and condition of a
22 natural resource.

23 **“SEC. 1238E. CONSERVATION STEWARDSHIP PROGRAM.**

24 “(a) ESTABLISHMENT AND PURPOSE.—During each
25 of fiscal years 2013 through 2017, the Secretary shall

1 carry out a conservation stewardship program to encour-
2 age producers to address priority resource concerns in a
3 comprehensive manner—

4 “(1) by undertaking additional conservation ac-
5 tivities; and

6 “(2) by improving, maintaining, and managing
7 existing conservation activities.

8 “(b) EXCLUSIONS.—

9 “(1) LAND ENROLLED IN OTHER CONSERVA-
10 TION PROGRAMS.—Subject to paragraph (2), the fol-
11 lowing land (even if covered by the definition of eli-
12 gible land) is not eligible for enrollment in the pro-
13 gram:

14 “(A) Land enrolled in the conservation re-
15 serve program, unless—

16 “(i) the conservation reserve contract
17 will expire at the end of the fiscal year in
18 which the land is to be enrolled in the pro-
19 gram; and

20 “(ii) conservation reserve program
21 payments for land enrolled in the program
22 cease before the first program payment is
23 made to the applicant under this sub-
24 chapter.

1 “(B) Land enrolled in a wetland easement
2 through the agricultural conservation easement
3 program.

4 “(C) Land enrolled in the conservation se-
5 curity program.

6 “(2) CONVERSION TO CROPLAND.—Eligible
7 land used for crop production after October 1, 2012,
8 that had not been planted, considered to be planted,
9 or devoted to crop production for at least 4 of the
10 6 years preceding that date shall not be the basis for
11 any payment under the program, unless the land
12 does not meet the requirement because—

13 “(A) the land had previously been enrolled
14 in the conservation reserve program;

15 “(B) the land has been maintained using
16 long-term crop rotation practices, as determined
17 by the Secretary; or

18 “(C) the land is incidental land needed for
19 efficient operation of the farm or ranch, as de-
20 termined by the Secretary.

21 **“SEC. 1238F. STEWARDSHIP CONTRACTS.**

22 “(a) SUBMISSION OF CONTRACT OFFERS.—To be eli-
23 gible to participate in the conservation stewardship pro-
24 gram, a producer shall submit to the Secretary a contract
25 offer for the agricultural operation that—

1 “(1) demonstrates to the satisfaction of the
2 Secretary that the producer, at the time of the con-
3 tract offer, meets or exceeds the stewardship thresh-
4 old for at least 2 priority resource concerns; and

5 “(2) would, at a minimum, meet or exceed the
6 stewardship threshold for at least 1 additional pri-
7 ority resource concern by the end of the stewardship
8 contract by—

9 “(A) installing and adopting additional
10 conservation activities; and

11 “(B) improving, maintaining, and man-
12 aging existing conservation activities across the
13 entire agricultural operation in a manner that
14 increases or extends the conservation benefits in
15 place at the time the contract offer is accepted
16 by the Secretary.

17 “(b) EVALUATION OF CONTRACT OFFERS.—

18 “(1) RANKING OF APPLICATIONS.—In evalu-
19 ating contract offers submitted under subsection (a),
20 the Secretary shall rank applications based on—

21 “(A) the level of conservation treatment on
22 all applicable priority resource concerns at the
23 time of application;

1 “(B) the degree to which the proposed con-
2 servation activities effectively increase conserva-
3 tion performance;

4 “(C) the number of applicable priority re-
5 source concerns proposed to be treated to meet
6 or exceed the stewardship threshold by the end
7 of the contract;

8 “(D) the extent to which other priority re-
9 source concerns will be addressed to meet or ex-
10 ceed the stewardship threshold by the end of
11 the contract period;

12 “(E) the extent to which the actual and
13 anticipated conservation benefits from the con-
14 tract are provided at the least cost relative to
15 other similarly beneficial contract offers; and

16 “(F) the extent to which priority resource
17 concerns will be addressed when transitioning
18 from the conservation reserve program to agri-
19 cultural production.

20 “(2) PROHIBITION.—The Secretary may not as-
21 sign a higher priority to any application because the
22 applicant is willing to accept a lower payment than
23 the applicant would otherwise be eligible to receive.

24 “(3) ADDITIONAL CRITERIA.—The Secretary
25 may develop and use such additional criteria that

1 the Secretary determines are necessary to ensure
2 that national, State, and local priority resource con-
3 cerns are effectively addressed.

4 “(c) ENTERING INTO CONTRACTS.—After a deter-
5 mination that a producer is eligible for the program under
6 subsection (a), and a determination that the contract offer
7 ranks sufficiently high under the evaluation criteria under
8 subsection (b), the Secretary shall enter into a conserva-
9 tion stewardship contract with the producer to enroll the
10 eligible land to be covered by the contract.

11 “(d) CONTRACT PROVISIONS.—

12 “(1) TERM.—A conservation stewardship con-
13 tract shall be for a term of 5 years.

14 “(2) REQUIRED PROVISIONS.—The conservation
15 stewardship contract of a producer shall—

16 “(A) state the amount of the payment the
17 Secretary agrees to make to the producer for
18 each year of the conservation stewardship con-
19 tract under section 1238G(d);

20 “(B) require the producer—

21 “(i) to implement a conservation stew-
22 ardship plan that describes the program
23 purposes to be achieved through 1 or more
24 conservation activities;

1 “(ii) to maintain and supply informa-
2 tion as required by the Secretary to deter-
3 mine compliance with the conservation
4 stewardship plan and any other require-
5 ments of the program; and

6 “(iii) not to conduct any activities on
7 the agricultural operation that would tend
8 to defeat the purposes of the program;

9 “(C) permit all economic uses of the eligi-
10 ble land that—

11 “(i) maintain the agricultural nature
12 of the land; and

13 “(ii) are consistent with the conserva-
14 tion purposes of the conservation steward-
15 ship contract;

16 “(D) include a provision to ensure that a
17 producer shall not be considered in violation of
18 the contract for failure to comply with the con-
19 tract due to circumstances beyond the control
20 of the producer, including a disaster or related
21 condition, as determined by the Secretary;

22 “(E) include provisions requiring that
23 upon the violation of a term or condition of the
24 contract at any time the producer has control
25 of the land—

1 “(i) if the Secretary determines that
2 the violation warrants termination of the
3 contract—

4 “(I) the producer shall forfeit all
5 rights to receive payments under the
6 contract; and

7 “(II) the producer shall refund
8 all or a portion of the payments re-
9 ceived by the producer under the con-
10 tract, including any interest on the
11 payments, as determined by the Sec-
12 retary; or

13 “(ii) if the Secretary determines that
14 the violation does not warrant termination
15 of the contract, the producer shall refund
16 or accept adjustments to the payments
17 provided to the producer, as the Secretary
18 determines to be appropriate;

19 “(F) include provisions in accordance with
20 paragraphs (3) and (4) of this section; and

21 “(G) include any additional provisions the
22 Secretary determines are necessary to carry out
23 the program.

24 “(3) CHANGE OF INTEREST IN LAND SUBJECT
25 TO A CONTRACT.—

1 “(A) IN GENERAL.—At the time of appli-
2 cation, a producer shall have control of the eli-
3 gible land to be enrolled in the program. Except
4 as provided in subparagraph (B), a change in
5 the interest of a producer in eligible land cov-
6 ered by a contract under the program shall re-
7 sult in the termination of the contract with re-
8 gard to that land.

9 “(B) TRANSFER OF DUTIES AND
10 RIGHTS.—Subparagraph (A) shall not apply
11 if—

12 “(i) within a reasonable period of time
13 (as determined by the Secretary) after the
14 date of the change in the interest in eligi-
15 ble land covered by a contract under the
16 program, the transferee of the land pro-
17 vides written notice to the Secretary that
18 all duties and rights under the contract
19 have been transferred to, and assumed by,
20 the transferee for the portion of the land
21 transferred;

22 “(ii) the transferee meets the eligi-
23 bility requirements of the program; and

1 “(iii) the Secretary approves the
2 transfer of all duties and rights under the
3 contract.

4 “(4) MODIFICATION AND TERMINATION OF
5 CONTRACTS.—

6 “(A) VOLUNTARY MODIFICATION OR TER-
7 MINATION.—The Secretary may modify or ter-
8 minate a contract with a producer if—

9 “(i) the producer agrees to the modi-
10 fication or termination; and

11 “(ii) the Secretary determines that
12 the modification or termination is in the
13 public interest.

14 “(B) INVOLUNTARY TERMINATION.—The
15 Secretary may terminate a contract if the Sec-
16 retary determines that the producer violated the
17 contract.

18 “(5) REPAYMENT.—If a contract is terminated,
19 the Secretary may, consistent with the purposes of
20 the program—

21 “(A) allow the producer to retain payments
22 already received under the contract; or

23 “(B) require repayment, in whole or in
24 part, of payments received and assess liquidated
25 damages.

1 “(e) CONTRACT RENEWAL.—At the end of the initial
2 5-year contract period, the Secretary may allow the pro-
3 ducer to renew the contract for 1 additional 5-year period
4 if the producer—

5 “(1) demonstrates compliance with the terms of
6 the initial contract;

7 “(2) agrees to adopt and continue to integrate
8 conservation activities across the entire agricultural
9 operation, as determined by the Secretary; and

10 “(3) agrees, by the end of the contract period—

11 “(A) to meet the stewardship threshold of
12 at least two additional priority resource con-
13 cerns on the agricultural operation; or

14 “(B) to exceed the stewardship threshold
15 of two existing priority resource concerns that
16 are specified by the Secretary in the initial con-
17 tract.

18 **“SEC. 1238G. DUTIES OF THE SECRETARY.**

19 “(a) IN GENERAL.—To achieve the conservation
20 goals of a contract under the conservation stewardship
21 program, the Secretary shall—

22 “(1) make the program available to eligible pro-
23 ducers on a continuous enrollment basis with 1 or
24 more ranking periods, one of which shall occur in
25 the first quarter of each fiscal year;

1 “(2) identify not less than 5 priority resource
2 concerns in a particular watershed or other appro-
3 priate region or area within a State; and

4 “(3) establish a science-based stewardship
5 threshold for each priority resource concern identi-
6 fied under paragraph (2).

7 “(b) ALLOCATION TO STATES.—The Secretary shall
8 allocate acres to States for enrollment, based—

9 “(1) primarily on each State’s proportion of eli-
10 gible land to the total acreage of eligible land in all
11 States; and

12 “(2) also on consideration of—

13 “(A) the extent and magnitude of the con-
14 servation needs associated with agricultural
15 production in each State;

16 “(B) the degree to which implementation
17 of the program in the State is, or will be, effec-
18 tive in helping producers address those needs;
19 and

20 “(C) other considerations to achieve equi-
21 table geographic distribution of funds, as deter-
22 mined by the Secretary.

23 “(c) ACREAGE ENROLLMENT LIMITATION.—During
24 the period beginning on October 1, 2012, and ending on

1 September 30, 2021, the Secretary shall, to the maximum
2 extent practicable—

3 “(1) enroll in the program an additional
4 9,000,000 acres for each fiscal year; and

5 “(2) manage the program to achieve a national
6 average rate of \$18 per acre, which shall include the
7 costs of all financial assistance, technical assistance,
8 and any other expenses associated with enrollment
9 or participation in the program.

10 “(d) CONSERVATION STEWARDSHIP PAYMENTS.—

11 “(1) AVAILABILITY OF PAYMENTS.—The Sec-
12 retary shall provide annual payments under the pro-
13 gram to compensate the producer for—

14 “(A) installing and adopting additional
15 conservation activities; and

16 “(B) improving, maintaining, and man-
17 aging conservation activities in place at the ag-
18 ricultural operation of the producer at the time
19 the contract offer is accepted by the Secretary.

20 “(2) PAYMENT AMOUNT.—The amount of the
21 conservation stewardship annual payment shall be
22 determined by the Secretary and based, to the max-
23 imum extent practicable, on the following factors:

24 “(A) Costs incurred by the producer asso-
25 ciated with planning, design, materials, installa-

1 tion, labor, management, maintenance, or train-
2 ing.

3 “(B) Income forgone by the producer.

4 “(C) Expected conservation benefits.

5 “(D) The extent to which priority resource
6 concerns will be addressed through the installa-
7 tion and adoption of conservation activities on
8 the agricultural operation.

9 “(E) The level of stewardship in place at
10 the time of application and maintained over the
11 term of the contract.

12 “(F) The degree to which the conservation
13 activities will be integrated across the entire ag-
14 ricultural operation for all applicable priority
15 resource concerns over the term of the contract.

16 “(G) Such other factors as determined ap-
17 propriate by the Secretary.

18 “(3) EXCLUSIONS.—A payment to a producer
19 under this subsection shall not be provided for—

20 “(A) the design, construction, or mainte-
21 nance of animal waste storage or treatment fa-
22 cilities or associated waste transport or transfer
23 devices for animal feeding operations; or

1 “(B) conservation activities for which there
2 is no cost incurred or income forgone to the
3 producer.

4 “(4) DELIVERY OF PAYMENTS.—In making
5 payments under this subsection, the Secretary shall,
6 to the extent practicable—

7 “(A) prorate conservation performance
8 over the term of the contract so as to accommo-
9 date, to the extent practicable, producers earn-
10 ing equal annual payments in each fiscal year;
11 and

12 “(B) make payments as soon as prac-
13 ticable after October 1 of each fiscal year for
14 activities carried out in the previous fiscal year.

15 “(e) SUPPLEMENTAL PAYMENTS FOR RESOURCE-
16 CONSERVING CROP ROTATIONS.—

17 “(1) AVAILABILITY OF PAYMENTS.—The Sec-
18 retary shall provide additional payments to pro-
19 ducers that, in participating in the program, agree
20 to adopt or improve resource-conserving crop rota-
21 tions to achieve beneficial crop rotations as appro-
22 priate for the eligible land of the producers.

23 “(2) BENEFICIAL CROP ROTATIONS.—The Sec-
24 retary shall determine whether a resource-conserving
25 crop rotation is a beneficial crop rotation eligible for

1 additional payments under paragraph (1) based on
2 whether the resource-conserving crop rotation is de-
3 signed to provide natural resource conservation and
4 production benefits.

5 “(3) ELIGIBILITY.—To be eligible to receive a
6 payment described in paragraph (1), a producer
7 shall agree to adopt and maintain beneficial re-
8 source-conserving crop rotations for the term of the
9 contract.

10 “(4) RESOURCE-CONSERVING CROP ROTA-
11 TION.—In this subsection, the term ‘resource-con-
12 serving crop rotation’ means a crop rotation that—

13 “(A) includes at least 1 resource con-
14 serving crop (as defined by the Secretary);

15 “(B) reduces erosion;

16 “(C) improves soil fertility and tilth;

17 “(D) interrupts pest cycles; and

18 “(E) in applicable areas, reduces depletion
19 of soil moisture or otherwise reduces the need
20 for irrigation.

21 “(f) PAYMENT LIMITATIONS.—A person or legal enti-
22 ty may not receive, directly or indirectly, payments under
23 the program that, in the aggregate, exceed \$200,000
24 under all contracts entered into during fiscal years 2013
25 through 2017, excluding funding arrangements with In-

1 dian tribes, regardless of the number of contracts entered
2 into under the program by the person or legal entity.

3 “(g) SPECIALTY CROP AND ORGANIC PRODUCERS.—
4 The Secretary shall ensure that outreach and technical as-
5 sistance are available, and program specifications are ap-
6 propriate to enable specialty crop and organic producers
7 to participate in the program.

8 “(h) COORDINATION WITH ORGANIC CERTIFI-
9 CATION.—The Secretary shall establish a transparent
10 means by which producers may initiate organic certifi-
11 cation under the Organic Foods Production Act of 1990
12 (7 U.S.C. 6501 et seq.) while participating in a contract
13 under the program.

14 “(i) REGULATIONS.—The Secretary shall promulgate
15 regulations that—

16 “(1) prescribe such other rules as the Secretary
17 determines to be necessary to ensure a fair and rea-
18 sonable application of the limitations established
19 under subsection (f); and

20 “(2) otherwise enable the Secretary to carry out
21 the program.”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 this section shall take effect on October 1, 2012.

24 (c) EFFECT ON EXISTING CONTRACTS.—

1 (1) IN GENERAL.—The amendment made by
2 this section shall not affect the validity or terms of
3 any contract entered into by the Secretary of Agri-
4 culture under subchapter B of chapter 2 of subtitle
5 D of title XII of the Food Security Act of 1985 (16
6 U.S.C. 3838d et seq.) before October 1, 2012, or
7 any payments required to be made in connection
8 with the contract.

9 (2) CONSERVATION STEWARDSHIP PROGRAM.—
10 Funds made available under section 1241(a)(4) of
11 the Food Security Act of 1985 (16 U.S.C.
12 3841(a)(4)) (as amended by section 2601(a) of this
13 title) may be used to administer and make payments
14 to program participants that enrolled into contracts
15 during any of fiscal years 2009 through 2012.

16 **Subtitle C—Environmental Quality** 17 **Incentives Program**

18 **SEC. 2201. PURPOSES.**

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

21 (1) in paragraph (3)—

22 (A) in subparagraph (A), by striking
23 “and” at the end;

1 (B) by redesignating subparagraph (B) as
 2 subparagraph (C) and, in such subparagraph,
 3 by inserting “and” after the semicolon; and

4 (C) by inserting after subparagraph (A)
 5 the following new subparagraph:

6 “(B) developing and improving wildlife
 7 habitat; and”;

8 (2) in paragraph (4), by striking “; and” and
 9 inserting a period; and

10 (3) by striking paragraph (5).

11 **SEC. 2202. DEFINITIONS.**

12 Section 1240A of the Food Security Act of 1985 (16
 13 U.S.C. 3839aa–1) is amended by striking paragraphs (2)
 14 and (3) and redesignating paragraphs (4) through (6) as
 15 paragraphs (2) through (4), respectively.

16 **SEC. 2203. ESTABLISHMENT AND ADMINISTRATION.**

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

19 (1) in subsection (a), by striking “2014” and
 20 inserting “2017”;

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

23 “(2) TERM.—A contract under the program
 24 shall have a term that does not exceed 10 years.”;

25 (3) in subsection (d)(4)—

1 (A) in subparagraph (A), in the matter
2 preceding clause (i), by inserting “, veteran
3 farmer or rancher (as defined in section
4 2501(e) of the Food, Agriculture, Conservation,
5 and Trade Act of 1990 (7 U.S.C. 2279(e)),”
6 before “or a beginning farmer or rancher”; and

7 (B) by striking subparagraph (B) and in-
8 serting the following new subparagraph:

9 “(B) ADVANCE PAYMENTS.—

10 “(i) IN GENERAL.—Not more than 50
11 percent of the amount determined under
12 subparagraph (A) may be provided in ad-
13 vance for the purpose of purchasing mate-
14 rials or contracting.

15 “(ii) RETURN OF FUNDS.—If funds
16 provided in advance are not expended dur-
17 ing the 90-day period beginning on the
18 date of receipt of the funds, the funds shall
19 be returned within a reasonable time
20 frame, as determined by the Secretary.”;

21 (4) by striking subsection (f) and inserting the
22 following new subsection:

23 “(f) ALLOCATION OF FUNDING.—

24 “(1) LIVESTOCK.—For each of fiscal years
25 2013 through 2017, at least 60 percent of the funds

1 made available for payments under the program
2 shall be targeted at practices relating to livestock
3 production.

4 “(2) WILDLIFE HABITAT.—For each of fiscal
5 years 2013 through 2017, 5 percent of the funds
6 made available for payments under the program
7 shall be targeted at practices benefitting wildlife
8 habitat.”;

9 (5) in subsection (g)—

10 (A) in the subsection heading, by striking
11 “FEDERALLY RECOGNIZED NATIVE AMERICAN
12 INDIAN TRIBES AND ALASKA NATIVE COR-
13 PORATIONS” and inserting “INDIAN TRIBES”;

14 (B) by striking “federally recognized Na-
15 tive American Indian Tribes and Alaska Native
16 Corporations (including their affiliated member-
17 ship organizations)” and inserting “Indian
18 tribes”; and

19 (C) by striking “or Native Corporation”;
20 and

21 (6) by adding at the end the following:

22 “(j) WILDLIFE HABITAT INCENTIVE PRACTICE.—
23 The Secretary shall provide payments under the program
24 for conservation practices that support the restoration, de-

1 velopment, and improvement of wildlife habitat on eligible
2 land, including—

3 “(1) upland wildlife habitat;

4 “(2) wetland wildlife habitat;

5 “(3) habitat for threatened and endangered
6 species;

7 “(4) fish habitat;

8 “(5) habitat on pivot corners and other irreg-
9 ular areas of a field; and

10 “(6) other types of wildlife habitat, as deter-
11 mined appropriate by the Secretary.”.

12 **SEC. 2204. EVALUATION OF APPLICATIONS.**

13 Section 1240C(b) of the Food Security Act of 1985
14 (16 U.S.C. 3839aa–3(b)) is amended—

15 (1) in paragraph (1), by striking “environ-
16 mental” and inserting “conservation”; and

17 (2) in paragraph (3), by striking “purpose of
18 the environmental quality incentives program speci-
19 fied in section 1240(1)” and inserting “purposes of
20 the program”.

21 **SEC. 2205. DUTIES OF PRODUCERS.**

22 Section 1240D(2) of the Food Security Act of 1985
23 (16 U.S.C. 3839aa–4(2)) is amended by striking “farm,
24 ranch, or forest” and inserting “enrolled”.

1 **SEC. 2206. LIMITATION ON PAYMENTS.**

2 Section 1240G of the Food Security Act of 1985 (16
3 U.S.C. 3839aa–7) is amended to read as follows:

4 **“SEC. 1240G. LIMITATION ON PAYMENTS.**

5 “A person or legal entity may not receive, directly
6 or indirectly, cost share or incentive payments under this
7 chapter that, in aggregate, exceed \$450,000 for all con-
8 tracts entered into under this chapter by the person or
9 legal entity during the period of fiscal years 2013 through
10 2017, regardless of the number of contracts entered into
11 under this chapter by the person or legal entity.”.

12 **SEC. 2207. CONSERVATION INNOVATION GRANTS AND PAY-**
13 **MENTS.**

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

16 (1) in subsection (a)(2)—

17 (A) in subparagraph (C), by striking “;
18 and” and inserting a semicolon;

19 (B) in subparagraph (D), by striking the
20 period and inserting a semicolon; and

21 (C) by adding at the end the following new
22 subparagraphs:

23 “(E) facilitate on-farm conservation re-
24 search and demonstration activities; and

1 “(F) facilitate pilot testing of new tech-
2 nologies or innovative conservation practices.”;
3 and

4 (2) by striking subsection (b) and inserting the
5 following new subsection:

6 “(b) REPORTING.—Not later than December 31,
7 2013, and every two years thereafter, the Secretary shall
8 submit to the Committee on Agriculture, Nutrition, and
9 Forestry of the Senate and the Committee on Agriculture
10 of the House of Representatives a report on the status
11 of projects funded under this section, including—

12 “(1) funding awarded;

13 “(2) project results; and

14 “(3) incorporation of project findings, such as
15 new technology and innovative approaches, into the
16 conservation efforts implemented by the Secretary.”.

17 **SEC. 2208. EFFECTIVE DATE.**

18 (a) IN GENERAL.—The amendments made by this
19 subtitle shall take effect on October 1, 2012.

20 (b) EFFECT ON EXISTING CONTRACTS.—The amend-
21 ments made by this subtitle shall not affect the validity
22 or terms of any contract entered into by the Secretary of
23 Agriculture under chapter 4 of subtitle D of title XII of
24 the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.)

1 before October 1, 2012, or any payments required to be
 2 made in connection with the contract.

3 **Subtitle D—Agricultural**
 4 **Conservation Easement Program**

5 **SEC. 2301. AGRICULTURAL CONSERVATION EASEMENT**
 6 **PROGRAM.**

7 (a) ESTABLISHMENT.—Title XII of the Food Secu-
 8 rity Act of 1985 is amended by adding at the end the fol-
 9 lowing new subtitle:

10 **“Subtitle H—Agricultural**
 11 **Conservation Easement Program**

12 **“SEC. 1265. ESTABLISHMENT AND PURPOSES.**

13 “(a) ESTABLISHMENT.—The Secretary shall estab-
 14 lish an agricultural conservation easement program for the
 15 conservation of eligible land and natural resources through
 16 easements or other interests in land.

17 “(b) PURPOSES.—The purposes of the program are
 18 to—

19 “(1) combine the purposes and coordinate the
 20 functions of the wetlands reserve program estab-
 21 lished under section 1237, the grassland reserve pro-
 22 gram established under section 1238N, and the
 23 farmland protection program established under sec-
 24 tion 1238I, as such sections were in effect on Sep-
 25 tember 30, 2012;

1 “(2) restore, protect, and enhance wetlands on
2 eligible land;

3 “(3) protect the agricultural use and related
4 conservation values of eligible land by limiting non-
5 agricultural uses of that land; and

6 “(4) protect grazing uses and related conserva-
7 tion values by restoring and conserving eligible land.

8 **“SEC. 1265A. DEFINITIONS.**

9 “‘In this subtitle:

10 “(1) AGRICULTURAL LAND EASEMENT.—The
11 term ‘agricultural land easement’ means an ease-
12 ment or other interest in eligible land that—

13 “(A) is conveyed for the purpose of pro-
14 tecting natural resources and the agricultural
15 nature of the land; and

16 “(B) permits the landowner the right to
17 continue agricultural production and related
18 uses subject to an agricultural land easement
19 plan, as approved by the Secretary.

20 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
21 tity’ means—

22 “(A) an agency of State or local govern-
23 ment or an Indian tribe (including a farmland
24 protection board or land resource council estab-
25 lished under State law); or

1 “(B) an organization that is—

2 “(i) organized for, and at all times
3 since the formation of the organization has
4 been operated principally for, 1 or more of
5 the conservation purposes specified in
6 clause (i), (ii), (iii), or (iv) of section
7 170(h)(4)(A) of the Internal Revenue Code
8 of 1986;

9 “(ii) an organization described in sec-
10 tion 501(c)(3) of that Code that is exempt
11 from taxation under section 501(a) of that
12 Code; or

13 “(iii) described in—

14 “(I) paragraph (1) or (2) of sec-
15 tion 509(a) of that Code; or

16 “(II) section 509(a)(3) of that
17 Code and is controlled by an organiza-
18 tion described in section 509(a)(2) of
19 that Code.

20 “(3) ELIGIBLE LAND.—The term ‘eligible land’
21 means private or tribal land that is—

22 “(A) in the case of an agricultural land
23 easement, agricultural land, including land on a
24 farm or ranch—

1 “(i) that is subject to a pending offer
2 for purchase of an agricultural land ease-
3 ment from an eligible entity;

4 “(ii) that—

5 “(I) has prime, unique, or other
6 productive soil;

7 “(II) contains historical or ar-
8 chaeological resources; or

9 “(III) the protection of which will
10 further a State or local policy con-
11 sistent with the purposes of the pro-
12 gram; and

13 “(iii) that is—

14 “(I) cropland;

15 “(II) rangeland;

16 “(III) grassland or land that con-
17 tains forbs, or shrubland for which
18 grazing is the predominate use;

19 “(IV) pastureland; or

20 “(V) nonindustrial private forest
21 land that contributes to the economic
22 viability of an offered parcel or serves
23 as a buffer to protect such land from
24 development;

1 “(B) in the case of a wetland easement, a
2 wetland or related area, including—

3 “(i) farmed or converted wetlands, to-
4 gether with adjacent land that is function-
5 ally dependent on that land, if the Sec-
6 retary determines it—

7 “(I) is likely to be successfully
8 restored in a cost effective manner;
9 and

10 “(II) will maximize the wildlife
11 benefits and wetland functions and
12 values, as determined by the Secretary
13 in consultation with the Secretary of
14 the Interior at the local level;

15 “(ii) cropland or grassland that was
16 used for agricultural production prior to
17 flooding from the natural overflow of—

18 “(I) a closed basin lake and adja-
19 cent land that is functionally depend-
20 ent upon it, if the State or other enti-
21 ty is willing to provide 50 percent
22 share of the cost of an easement;

23 “(II) a pothole and adjacent land
24 that is functionally dependent on it;

1 “(iii) farmed wetlands and adjoining
2 lands that—

3 “(I) are enrolled in the conserva-
4 tion reserve program;

5 “(II) have the highest wetland
6 functions and values, as determined
7 by the Secretary; and

8 “(III) are likely to return to pro-
9 duction after they leave the conserva-
10 tion reserve program;

11 “(iv) riparian areas that link wetlands
12 that are protected by easements or some
13 other device that achieves the same pur-
14 pose as an easement; or

15 “(v) other wetlands of an owner that
16 would not otherwise be eligible, if the Sec-
17 retary determines that the inclusion of
18 such wetlands in a wetland easement would
19 significantly add to the functional value of
20 the easement; or

21 “(C) in the case of either an agricultural
22 land easement or wetland easement, other land
23 that is incidental to land described in subpara-
24 graph (A) or (B), if the Secretary determines

1 that it is necessary for the efficient administra-
2 tion of the easements under this program.

3 “(4) PROGRAM.—The term ‘program’ means
4 the agricultural conservation easement program es-
5 tablished by this subtitle.

6 “(5) WETLAND EASEMENT.—The term ‘wetland
7 easement’ means a reserved interest in eligible land
8 that—

9 “(A) is defined and delineated in a deed;
10 and

11 “(B) stipulates—

12 “(i) the rights, title, and interests in
13 land conveyed to the Secretary; and

14 “(ii) the rights, title, and interests in
15 land that are reserved to the landowner.

16 **“SEC. 1265B. AGRICULTURAL LAND EASEMENTS.**

17 “(a) AVAILABILITY OF ASSISTANCE.—The Secretary
18 shall facilitate and provide funding for—

19 “(1) the purchase by eligible entities of agricul-
20 tural land easements and other interests in eligible
21 land; and

22 “(2) technical assistance to provide for the con-
23 servation of natural resources pursuant to an agri-
24 cultural land easement plan.

25 “(b) COST-SHARE ASSISTANCE.—

1 “(1) IN GENERAL.—The Secretary shall protect
2 the agricultural use, including grazing, and related
3 conservation values of eligible land through cost-
4 share assistance to eligible entities for purchasing
5 agricultural land easements.

6 “(2) SCOPE OF ASSISTANCE AVAILABLE.—

7 “(A) FEDERAL SHARE.—An agreement de-
8 scribed in paragraph (4) shall provide for a
9 Federal share determined by the Secretary of
10 an amount not to exceed 50 percent of the fair
11 market value of the agricultural land easement
12 or other interest in land, as determined by the
13 Secretary using—

14 “(i) the Uniform Standards of Profes-
15 sional Appraisal Practice;

16 “(ii) an area-wide market analysis or
17 survey; or

18 “(iii) another industry-approved meth-
19 od.

20 “(B) NON-FEDERAL SHARE.—

21 “(i) IN GENERAL.—Under the agree-
22 ment, the eligible entity shall provide a
23 share that is at least equivalent to that
24 provided by the Secretary.

1 “(ii) SOURCE OF CONTRIBUTION.—An
2 eligible entity may include as part of its
3 share a charitable donation or qualified
4 conservation contribution (as defined by
5 section 170(h) of the Internal Revenue
6 Code of 1986) from the private landowner
7 if the eligible entity contributes its own
8 cash resources in an amount that is at
9 least 50 percent of the amount contributed
10 by the Secretary.

11 “(C) EXCEPTION.—In the case of grass-
12 land of special environmental significance, as
13 determined by the Secretary, the Secretary may
14 provide an amount not to exceed 75 percent of
15 the fair market value of the agricultural land
16 easement.

17 “(3) EVALUATION AND RANKING OF APPLICA-
18 TIONS.—

19 “(A) CRITERIA.—The Secretary shall es-
20 tablish evaluation and ranking criteria to maxi-
21 mize the benefit of Federal investment under
22 the program.

23 “(B) CONSIDERATIONS.—In establishing
24 the criteria, the Secretary shall emphasize sup-
25 port for—

1 “(i) protecting agricultural uses and
2 related conservation values of the land; and

3 “(ii) maximizing the protection of
4 areas devoted to agricultural use.

5 “(C) BIDDING DOWN.—If the Secretary
6 determines that 2 or more applications for cost-
7 share assistance are comparable in achieving
8 the purpose of the program, the Secretary shall
9 not assign a higher priority to any of those ap-
10 plications solely on the basis of lesser cost to
11 the program.

12 “(4) AGREEMENTS WITH ELIGIBLE ENTITIES.—

13 “(A) IN GENERAL.—The Secretary shall
14 enter into agreements with eligible entities to
15 stipulate the terms and conditions under which
16 the eligible entity is permitted to use cost-share
17 assistance provided under this section.

18 “(B) LENGTH OF AGREEMENTS.—An
19 agreement shall be for a term that is—

20 “(i) in the case of an eligible entity
21 certified under the process described in
22 paragraph (5), a minimum of five years;
23 and

24 “(ii) for all other eligible entities, at
25 least three, but not more than five years.

1 “(C) MINIMUM TERMS AND CONDITIONS.—

2 An eligible entity shall be authorized to use its
3 own terms and conditions for agricultural land
4 easements so long as the Secretary determines
5 such terms and conditions—

6 “(i) are consistent with the purposes
7 of the program;

8 “(ii) permit effective enforcement of
9 the conservation purposes of such ease-
10 ments;

11 “(iii) include a right of enforcement
12 for the Secretary, that may be used only if
13 the terms of the easement are not enforced
14 by the holder of the easement;

15 “(iv) subject the land in which an in-
16 terest is purchased to an agricultural land
17 easement plan that—

18 “(I) describes the activities which
19 promote the long-term viability of the
20 land to meet the purposes for which
21 the easement was acquired;

22 “(II) requires the management of
23 grasslands according to a grasslands
24 management plan; and

1 “(III) includes a conservation
2 plan, where appropriate, and requires,
3 at the option of the Secretary, the
4 conversion of highly erodible cropland
5 to less intensive uses; and

6 “(v) include a limit on the impervious
7 surfaces to be allowed that is consistent
8 with the agricultural activities to be con-
9 ducted.

10 “(D) SUBSTITUTION OF QUALIFIED
11 PROJECTS.—An agreement shall allow, upon
12 mutual agreement of the parties, substitution of
13 qualified projects that are identified at the time
14 of the proposed substitution.

15 “(E) EFFECT OF VIOLATION.—If a viola-
16 tion occurs of a term or condition of an agree-
17 ment under this subsection—

18 “(i) the Secretary may terminate the
19 agreement; and

20 “(ii) the Secretary may require the el-
21 igible entity to refund all or part of any
22 payments received by the entity under the
23 program, with interest on the payments as
24 determined appropriate by the Secretary.

25 “(5) CERTIFICATION OF ELIGIBLE ENTITIES.—

1 “(A) CERTIFICATION PROCESS.—The Sec-
2 retary shall establish a process under which the
3 Secretary may—

4 “(i) directly certify eligible entities
5 that meet established criteria;

6 “(ii) enter into long-term agreements
7 with certified eligible entities; and

8 “(iii) accept proposals for cost-share
9 assistance for the purchase of agricultural
10 land easements throughout the duration of
11 such agreements.

12 “(B) CERTIFICATION CRITERIA.—In order
13 to be certified, an eligible entity shall dem-
14 onstrate to the Secretary that the entity will
15 maintain, at a minimum, for the duration of the
16 agreement—

17 “(i) a plan for administering ease-
18 ments that is consistent with the purpose
19 of this subtitle;

20 “(ii) the capacity and resources to
21 monitor and enforce agricultural land ease-
22 ments; and

23 “(iii) policies and procedures to en-
24 sure—

1 “(I) the long-term integrity of
2 agricultural land easements on eligible
3 land;

4 “(II) timely completion of acqui-
5 sitions of such easements; and

6 “(III) timely and complete eval-
7 uation and reporting to the Secretary
8 on the use of funds provided under
9 the program.

10 “(C) REVIEW AND REVISION.—

11 “(i) REVIEW.—The Secretary shall
12 conduct a review of eligible entities cer-
13 tified under subparagraph (A) every three
14 years to ensure that such entities are
15 meeting the criteria established under sub-
16 paragraph (B).

17 “(ii) REVOCATION.—If the Secretary
18 finds that the certified eligible entity no
19 longer meets the criteria established under
20 subparagraph (B), the Secretary may—

21 “(I) allow the certified eligible
22 entity a specified period of time, at a
23 minimum 180 days, in which to take
24 such actions as may be necessary to
25 meet the criteria; and

1 “(II) revoke the certification of
2 the eligible entity, if after the speci-
3 fied period of time, the certified eligi-
4 ble entity does not meet such criteria.

5 “(c) METHOD OF ENROLLMENT.—The Secretary
6 shall enroll eligible land under this section through the use
7 of—

8 “(1) permanent easements; or

9 “(2) easements for the maximum duration al-
10 lowed under applicable State laws.

11 “(d) TECHNICAL ASSISTANCE.—The Secretary may
12 provide technical assistance, if requested, to assist in—

13 “(1) compliance with the terms and conditions
14 of easements; and

15 “(2) implementation of an agricultural land
16 easement plan.

17 **“SEC. 1265C. WETLAND EASEMENTS.**

18 “(a) AVAILABILITY OF ASSISTANCE.—The Secretary
19 shall provide assistance to owners of eligible land to re-
20 store, protect, and enhance wetlands through—

21 “(1) wetland easements and related wetland
22 easement plans; and

23 “(2) technical assistance.

24 “(b) EASEMENTS.—

1 “(1) METHOD OF ENROLLMENT.—The Sec-
2 retary shall enroll eligible land under this section
3 through the use of—

4 “(A) 30-year easements;

5 “(B) permanent easements;

6 “(C) easements for the maximum duration
7 allowed under applicable State laws; or

8 “(D) as an option for Indian tribes only,
9 30-year contracts (which shall be considered to
10 be 30-year easements for the purposes of this
11 subtitle).

12 “(2) LIMITATIONS.—

13 “(A) INELIGIBLE LAND.—The Secretary
14 may not acquire easements on—

15 “(i) land established to trees under
16 the conservation reserve program, except in
17 cases where the Secretary determines it
18 would further the purposes of the program;
19 and

20 “(ii) farmed wetlands or converted
21 wetlands where the conversion was not
22 commenced prior to December 23, 1985.

23 “(B) CHANGES IN OWNERSHIP.—No wet-
24 land easement shall be created on land that has

1 changed ownership during the preceding 24-
2 month period unless—

3 “(i) the new ownership was acquired
4 by will or succession as a result of the
5 death of the previous owner;

6 “(ii)(I) the ownership change occurred
7 because of foreclosure on the land; and

8 “(II) immediately before the fore-
9 closure, the owner of the land exercises a
10 right of redemption from the mortgage
11 holder in accordance with State law; or

12 “(iii) the Secretary determines that
13 the land was acquired under circumstances
14 that give adequate assurances that such
15 land was not acquired for the purposes of
16 placing it in the program.

17 “(3) EVALUATION AND RANKING OF OFFERS.—

18 “(A) CRITERIA.—The Secretary shall es-
19 tablish evaluation and ranking criteria to maxi-
20 mize the benefit of Federal investment under
21 the program.

22 “(B) CONSIDERATIONS.—When evaluating
23 offers from landowners, the Secretary may con-
24 sider—

1 “(i) the conservation benefits of ob-
2 taining a wetland easement, including the
3 potential environmental benefits if the land
4 was removed from agricultural production;

5 “(ii) the cost-effectiveness of each
6 wetland easement, so as to maximize the
7 environmental benefits per dollar expended;

8 “(iii) whether the landowner or an-
9 other person is offering to contribute fi-
10 nancially to the cost of the wetland ease-
11 ment to leverage Federal funds; and

12 “(iv) such other factors as the Sec-
13 retary determines are necessary to carry
14 out the purposes of the program.

15 “(C) PRIORITY.—The Secretary shall place
16 priority on acquiring wetland easements based
17 on the value of the wetland easement for pro-
18 tecting and enhancing habitat for migratory
19 birds and other wildlife.

20 “(4) AGREEMENT.—To be eligible to place eligi-
21 ble land into the program through a wetland ease-
22 ment, the owner of such land shall enter into an
23 agreement with the Secretary to—

24 “(A) grant an easement on such land to
25 the Secretary;

1 “(B) authorize the implementation of a
2 wetland easement plan developed for the eligible
3 land under subsection (f);

4 “(C) create and record an appropriate
5 deed restriction in accordance with applicable
6 State law to reflect the easement agreed to;

7 “(D) provide a written statement of con-
8 sent to such easement signed by those holding
9 a security interest in the land;

10 “(E) comply with the terms and conditions
11 of the easement and any related agreements;
12 and

13 “(F) permanently retire any existing base
14 history for the land on which the easement has
15 been obtained.

16 “(5) TERMS AND CONDITIONS OF EASEMENT.—

17 “(A) IN GENERAL.—A wetland easement
18 shall include terms and conditions that—

19 “(i) permit—

20 “(I) repairs, improvements, and
21 inspections on the land that are nec-
22 essary to maintain existing public
23 drainage systems; and

24 “(II) owners to control public ac-
25 cess on the easement areas while iden-

1 tifying access routes to be used for
2 restoration activities and management
3 and easement monitoring;

4 “(ii) prohibit—

5 “(I) the alteration of wildlife
6 habitat and other natural features of
7 such land, unless specifically author-
8 ized by the Secretary;

9 “(II) the spraying of such land
10 with chemicals or the mowing of such
11 land, except where such spraying or
12 mowing is authorized by the Secretary
13 or is necessary—

14 “(aa) to comply with Fed-
15 eral or State noxious weed con-
16 trol laws;

17 “(bb) to comply with a Fed-
18 eral or State emergency pest
19 treatment program; or

20 “(cc) to meet habitat needs
21 of specific wildlife species;

22 “(III) any activities to be carried
23 out on the owner’s or successor’s land
24 that is immediately adjacent to, and
25 functionally related to, the land that

1 is subject to the easement if such ac-
2 tivities will alter, degrade, or other-
3 wise diminish the functional value of
4 the eligible land; and

5 “(IV) the adoption of any other
6 practice that would tend to defeat the
7 purposes of the program, as deter-
8 mined by the Secretary;

9 “(iii) provide for the efficient and ef-
10 fective establishment of wildlife functions
11 and values; and

12 “(iv) include such additional provi-
13 sions as the Secretary determines are de-
14 sirable to carry out the program or facili-
15 tate the practical administration thereof.

16 “(B) VIOLATION.—On the violation of the
17 terms or conditions of a wetland easement, the
18 wetland easement shall remain in force and the
19 Secretary may require the owner to refund all
20 or part of any payments received by the owner
21 under the program, together with interest
22 thereon as determined appropriate by the Sec-
23 retary.

24 “(C) COMPATIBLE USES.—Land subject to
25 a wetland easement may be used for compatible

1 economic uses, including such activities as
2 hunting and fishing, managed timber harvest,
3 or periodic haying or grazing, if such use is spe-
4 cifically permitted by the wetland easement plan
5 developed for the land under subsection (f) and
6 is consistent with the long-term protection and
7 enhancement of the wetland resources for which
8 the easement was established.

9 “(D) RESERVATION OF GRAZING
10 RIGHTS.—The Secretary may include in the
11 terms and conditions of a wetland easement a
12 provision under which the owner reserves graz-
13 ing rights if—

14 “(i) the Secretary determines that the
15 reservation and use of the grazing rights—

16 “(I) is compatible with the land
17 subject to the easement;

18 “(II) is consistent with the his-
19 torical natural uses of the land and
20 the long-term protection and enhance-
21 ment goals for which the easement
22 was established; and

23 “(III) complies with the wetland
24 easement plan developed for the land
25 under subsection (f); and

1 “(ii) the agreement provides for a
2 commensurate reduction in the easement
3 payment to account for the grazing value,
4 as determined by the Secretary.

5 “(6) COMPENSATION.—

6 “(A) DETERMINATION.—

7 “(i) PERMANENT EASEMENTS.—The
8 Secretary shall pay as compensation for a
9 permanent wetland easement acquired
10 under the program an amount necessary to
11 encourage enrollment in the program,
12 based on the lowest of—

13 “(I) the fair market value of the
14 land, as determined by the Secretary,
15 using the Uniform Standards of Pro-
16 fessional Appraisal Practice or an
17 area-wide market analysis or survey;

18 “(II) the amount corresponding
19 to a geographical cap, as determined
20 by the Secretary in regulations; or

21 “(III) the offer made by the
22 landowner.

23 “(ii) 30-YEAR EASEMENTS.—Com-
24 pensation for a 30-year wetland easement
25 shall be not less than 50 percent, but not

1 more than 75 percent, of the compensation
2 that would be paid for a permanent wet-
3 land easement.

4 “(B) FORM OF PAYMENT.—Compensation
5 for a wetland easement shall be provided by the
6 Secretary in the form of a cash payment, in an
7 amount determined under subparagraph (A).

8 “(C) PAYMENT SCHEDULE.—

9 “(i) EASEMENTS VALUED AT \$500,000
10 OR LESS.—For wetland easements valued
11 at \$500,000 or less, the Secretary may
12 provide easement payments in not more
13 than 10 annual payments.

14 “(ii) EASEMENTS VALUED AT MORE
15 THAN \$500,000.—For wetland easements
16 valued at more than \$500,000, the Sec-
17 retary may provide easement payments in
18 at least 5, but not more than 10 annual
19 payments, except that, if the Secretary de-
20 termines it would further the purposes of
21 the program, the Secretary may make a
22 lump sum payment for such an easement.

23 “(c) EASEMENT RESTORATION.—

24 “(1) IN GENERAL.—The Secretary shall provide
25 financial assistance to owners of eligible land to

1 carry out the establishment of conservation meas-
2 ures and practices and protect wetland functions
3 and values, including necessary maintenance activi-
4 ties, as set forth in a wetland easement plan devel-
5 oped for the eligible land under subsection (f).

6 “(2) PAYMENTS.—The Secretary shall—

7 “(A) in the case of a permanent wetland
8 easement, pay an amount that is not less than
9 75 percent, but not more than 100 percent, of
10 the eligible costs, as determined by the Sec-
11 retary; and

12 “(B) in the case of a 30-year wetland ease-
13 ment, pay an amount that is not less than 50
14 percent, but not more than 75 percent, of the
15 eligible costs, as determined by the Secretary.

16 “(d) TECHNICAL ASSISTANCE.—

17 “(1) IN GENERAL.—The Secretary shall assist
18 owners in complying with the terms and conditions
19 of wetland easements.

20 “(2) CONTRACTS OR AGREEMENTS.—The Sec-
21 retary may enter into 1 or more contracts with pri-
22 vate entities or agreements with a State, non-govern-
23 mental organization, or Indian tribe to carry out
24 necessary restoration, enhancement, or maintenance
25 of a wetland easement if the Secretary determines

1 that the contract or agreement will advance the pur-
2 poses of the program.

3 “(e) WETLAND ENHANCEMENT OPTION.—The Sec-
4 retary may enter into 1 or more agreements with a State
5 (including a political subdivision or agency of a State),
6 nongovernmental organization, or Indian tribe to carry out
7 a special wetland enhancement option that the Secretary
8 determines would advance the purposes of program.

9 “(f) ADMINISTRATION.—

10 “(1) WETLAND EASEMENT PLAN.—The Sec-
11 retary shall develop a wetland easement plan for eli-
12 gible lands subject to a wetland easement, which
13 shall include practices and activities necessary to re-
14 store, protect, enhance, and maintain the enrolled
15 lands.

16 “(2) DELEGATION OF EASEMENT ADMINISTRA-
17 TION.—The Secretary may delegate—

18 “(A) any of the easement management,
19 monitoring, and enforcement responsibilities of
20 the Secretary to other Federal or State agencies
21 that have the appropriate authority, expertise,
22 and resources necessary to carry out such dele-
23 gated responsibilities; and

24 “(B) any of the easement management re-
25 sponsibilities of the Secretary to other conserva-

tion organizations if the Secretary determines the organization has the appropriate expertise and resources.

“(3) PAYMENTS.—

“(A) TIMING OF PAYMENTS.—The Secretary shall provide payment for obligations incurred by the Secretary under this section—

“(i) with respect to any easement restoration obligation under subsection (c), as soon as possible after the obligation is incurred; and

“(ii) with respect to any annual easement payment obligation incurred by the Secretary, as soon as possible after October 1 of each calendar year.

“(B) PAYMENTS TO OTHERS.—If an owner who is entitled to a payment under this section dies, becomes incompetent, is otherwise unable to receive such payment, or is succeeded by another person or entity who renders or completes the required performance, the Secretary shall make such payment, in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such

1 manner as the Secretary determines is fair and
2 reasonable in light of all of the circumstances.

3 **“SEC. 1265D. ADMINISTRATION.**

4 “(a) INELIGIBLE LAND.—The Secretary may not use
5 program funds for the purposes of acquiring an easement
6 on—

7 “(1) lands owned by an agency of the United
8 States, other than land held in trust for Indian
9 tribes;

10 “(2) lands owned in fee title by a State, includ-
11 ing an agency or a subdivision of a State, or a unit
12 of local government;

13 “(3) land subject to an easement or deed re-
14 striction which, as determined by the Secretary, pro-
15 vides similar protection as would be provided by en-
16 rollment in the program; or

17 “(4) lands where the purposes of the program
18 would be undermined due to on-site or off-site condi-
19 tions, such as risk of hazardous substances, pro-
20 posed or existing rights of way, infrastructure devel-
21 opment, or adjacent land uses.

22 “(b) PRIORITY.—In evaluating applications under the
23 program, the Secretary may give priority to land that is
24 currently enrolled in the conservation reserve program in
25 a contract that is set to expire within 1 year and—

1 “(1) in the case of an agricultural land ease-
2 ment, is grassland that would benefit from protec-
3 tion under a long-term easement; and

4 “(2) in the case of a wetland easement, is a
5 wetland or related area with the highest functions
6 and value and is likely to return to production after
7 the land leaves the conservation reserve program.

8 “(c) SUBORDINATION, EXCHANGE, MODIFICATION,
9 AND TERMINATION.—

10 “(1) IN GENERAL.—The Secretary may subor-
11 dinate, exchange, modify, or terminate any interest
12 in land, or portion of such interest, administered by
13 the Secretary, either directly or on behalf of the
14 Commodity Credit Corporation under the program if
15 the Secretary determines that—

16 “(A) it is in the Federal Government’s in-
17 terest to subordinate, exchange, modify, or ter-
18 minate the interest in land;

19 “(B) the subordination, exchange, modi-
20 fication, or termination action—

21 “(i) will address a compelling public
22 need for which there is no practicable al-
23 ternative; or

24 “(ii) such action will further the prac-
25 tical administration of the program; and

1 “(C) the subordination, exchange, modi-
2 fication, or termination action will result in
3 comparable conservation value and equivalent
4 or greater economic value to the United States.

5 “(2) CONSULTATION.—The Secretary shall
6 work with the owner, and eligible entity if applicable,
7 to address any subordination, exchange, modifica-
8 tion, or termination of the interest, or portion of
9 such interest, in land.

10 “(3) NOTICE.—At least 90 days before taking
11 any termination action described in paragraph (1),
12 the Secretary shall provide written notice of such ac-
13 tion to the Committee on Agriculture of the House
14 of Representatives and the Committee on Agri-
15 culture, Nutrition, and Forestry of the Senate.

16 “(d) LAND ENROLLED IN CONSERVATION RESERVE
17 PROGRAM.—The Secretary may terminate or modify a
18 contract entered into under section 1231(a) if eligible land
19 that is subject to such contract is transferred into the pro-
20 gram.

21 “(e) ALLOCATION OF FUNDS FOR AGRICULTURAL
22 LAND EASEMENTS.—Of the funds made available under
23 section 1241 to carry out the program for a fiscal year,
24 the Secretary shall, to the extent practicable, use for agri-
25 cultural land easements—

1 “(1) no less than 40 percent in each of fiscal
2 years 2013 through 2016; and

3 “(2) no less than 50 percent in fiscal year
4 2017.”.

5 (b) CROSS REFERENCE; CALCULATION.—Section
6 1244 of the Food Security Act of 1985 (16 U.S.C. 3844)
7 is amended—

8 (1) in subsection (c)—

9 (A) in paragraph (1)—

10 (i) by inserting “and” at the end of
11 subparagraph (A);

12 (ii) by striking “and” at the end of
13 subparagraph (B); and

14 (iii) by striking subparagraph (C);

15 (B) by redesignating paragraph (2) as
16 paragraph (3); and

17 (C) by inserting after paragraph (1) the
18 following new subparagraph:

19 “(2) the agricultural conservation easement
20 program established under subtitle H; and”; and

21 (2) in subsection (f)—

22 (A) in paragraph (1)—

23 (i) in subparagraph (A), by striking

24 “programs administered under subchapters

25 B and C of chapter 1 of subtitle D” and

1 inserting “conservation reserve program
2 established under subchapter B of chapter
3 1 of subtitle D and wetland easements
4 under section 1265C”; and

5 (ii) in subparagraph (B), by striking
6 “an easement acquired under subchapter C
7 of chapter 1 of subtitle D” and inserting
8 “a wetland easement under section
9 1265C”; and

10 (B) by adding at the end the following new
11 paragraph:

12 “(5) CALCULATION.—In calculating the per-
13 centages described in paragraph (1), the Secretary
14 shall include any acreage that was included in cal-
15 culations of percentages made under such para-
16 graph, as in effect on September 30, 2012, and that
17 remains enrolled when the calculation is made after
18 that date under paragraph (1).”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall take effect on October 1, 2012.

1 **Subtitle E—Regional Conservation**
2 **Partnership Program**

3 **SEC. 2401. REGIONAL CONSERVATION PARTNERSHIP PRO-**
4 **GRAM.**

5 (a) IN GENERAL.—Title XII of the Food Security
6 Act of 1985 is amended by inserting after subtitle H, as
7 added by section 2301, the following new subtitle:

8 **“Subtitle I—Regional Conservation**
9 **Partnership Program**

10 **“SEC. 1271. ESTABLISHMENT AND PURPOSES.**

11 “(a) ESTABLISHMENT.—The Secretary shall estab-
12 lish a regional conservation partnership program to imple-
13 ment eligible activities on eligible land through—

14 “(1) partnership agreements with eligible part-
15 ners; and

16 “(2) contracts with producers.

17 “(b) PURPOSES.—The purposes of the program are
18 as follows:

19 “(1) To use covered programs to accomplish
20 purposes and functions similar to those of the fol-
21 lowing programs, as in effect on September 30,
22 2012:

23 “(A) The agricultural water enhancement
24 program established under section 1240I.

1 “(B) The Chesapeake Bay watershed pro-
2 gram established under section 1240Q.

3 “(C) The cooperative conservation partner-
4 ship initiative established under section 1243.

5 “(D) The Great Lakes basin program for
6 soil erosion and sediment control established
7 under section 1240P.

8 “(2) To further the conservation, restoration,
9 and sustainable use of soil, water, wildlife, and re-
10 lated natural resources on eligible land on a regional
11 or watershed scale.

12 “(3) To encourage eligible partners to cooperate
13 with producers in—

14 “(A) meeting or avoiding the need for na-
15 tional, State, and local natural resource regu-
16 latory requirements related to production on eli-
17 gible land; and

18 “(B) implementing projects that will result
19 in the carrying out of eligible activities that af-
20 fect multiple agricultural or nonindustrial pri-
21 vate forest operations on a local, regional,
22 State, or multi-State basis.

23 **“SEC. 1271A. DEFINITIONS.**

24 “In this subtitle:

1 “(1) COVERED PROGRAM.—The term ‘covered
2 program’ means the following:

3 “(A) The agricultural conservation ease-
4 ment program.

5 “(B) The environmental quality incentives
6 program.

7 “(C) The conservation stewardship pro-
8 gram.

9 “(2) ELIGIBLE ACTIVITY.—The term ‘eligible
10 activity’ means any of the following conservation ac-
11 tivities:

12 “(A) Water quality or quantity conserva-
13 tion, restoration, or enhancement projects relat-
14 ing to surface water and groundwater re-
15 sources, including—

16 “(i) the conversion of irrigated crop-
17 land to the production of less water-inten-
18 sive agricultural commodities or dryland
19 farming; or

20 “(ii) irrigation system improvement
21 and irrigation efficiency enhancement.

22 “(B) Drought mitigation.

23 “(C) Flood prevention.

24 “(D) Water retention.

25 “(E) Air quality improvement.

1 “(F) Habitat conservation, restoration,
2 and enhancement.

3 “(G) Erosion control and sediment reduc-
4 tion.

5 “(H) Other related activities that the Sec-
6 retary determines will help achieve conservation
7 benefits.

8 “(3) ELIGIBLE LAND.—The term ‘eligible land’
9 means land on which agricultural commodities, live-
10 stock, or forest-related products are produced, in-
11 cluding—

12 “(A) cropland;

13 “(B) grassland;

14 “(C) rangeland;

15 “(D) pastureland;

16 “(E) nonindustrial private forest land; and

17 “(F) other land incidental to agricultural
18 production (including wetlands and riparian
19 buffers) on which significant natural resource
20 issues could be addressed under the program.

21 “(4) ELIGIBLE PARTNER.—The term ‘eligible
22 partner’ means any of the following:

23 “(A) An agricultural or silvicultural pro-
24 ducer association or other group of producers.

25 “(B) A State or unit of local government.

1 “(C) An Indian tribe.

2 “(D) A farmer cooperative.

3 “(E) A water district, irrigation district,
4 rural water district or association, or other or-
5 ganization with specific water delivery authority
6 to producers on agricultural land.

7 “(F) An institution of higher education.

8 “(G) An organization with an established
9 history of working cooperatively with producers
10 on agricultural land, as determined by the Sec-
11 retary, to address—

12 “(i) local conservation priorities re-
13 lated to agricultural production, wildlife
14 habitat development, or nonindustrial pri-
15 vate forest land management; or

16 “(ii) critical watershed-scale soil ero-
17 sion, water quality, sediment reduction, or
18 other natural resource issues.

19 “(5) PARTNERSHIP AGREEMENT.—The term
20 ‘partnership agreement’ means an agreement en-
21 tered into under section 1271B between the Sec-
22 retary and an eligible partner.

23 “(6) PROGRAM.—The term ‘program’ means
24 the regional conservation partnership program estab-
25 lished by this subtitle.

1 **“SEC. 1271B. REGIONAL CONSERVATION PARTNERSHIPS.**

2 “(a) PARTNERSHIP AGREEMENTS AUTHORIZED.—

3 The Secretary may enter into a partnership agreement
4 with an eligible partner to implement a project that will
5 assist producers with installing and maintaining an eligi-
6 ble activity on eligible land.

7 “(b) LENGTH.—A partnership agreement shall be for
8 a period not to exceed 5 years, except that the Secretary
9 may extend the agreement one time for up to 12 months
10 when an extension is necessary to meet the objectives of
11 the program.

12 “(c) DUTIES OF PARTNERS.—

13 “(1) IN GENERAL.—Under a partnership agree-
14 ment, the eligible partner shall—

15 “(A) define the scope of a project, includ-
16 ing—

17 “(i) the eligible activities to be imple-
18 mented;

19 “(ii) the potential agricultural or non-
20 industrial private forest land operations af-
21 fected;

22 “(iii) the local, State, multi-State, or
23 other geographic area covered; and

24 “(iv) the planning, outreach, imple-
25 mentation, and assessment to be con-
26 ducted;

1 “(B) conduct outreach to producers for po-
2 tential participation in the project;

3 “(C) at the request of a producer, act on
4 behalf of a producer participating in the project
5 in applying for assistance under section 1271C;

6 “(D) leverage financial or technical assist-
7 ance provided by the Secretary with additional
8 funds to help achieve the project objectives;

9 “(E) conduct an assessment of the
10 project’s effects; and

11 “(F) at the conclusion of the project, re-
12 port to the Secretary on its results and funds
13 leveraged.

14 “(2) CONTRIBUTION.—An eligible partner shall
15 provide a significant portion of the overall costs of
16 the scope of the project that is the subject of the
17 agreement entered into under subsection (a), as de-
18 termined by the Secretary.

19 “(d) APPLICATIONS.—

20 “(1) COMPETITIVE PROCESS.—The Secretary
21 shall conduct a competitive process to select applica-
22 tions for partnership agreements and may assess
23 and rank applications with similar conservation pur-
24 poses as a group.

1 “(2) CRITERIA USED.—In carrying out the
2 process described in paragraph (1), the Secretary
3 shall make public the criteria used in evaluating ap-
4 plications.

5 “(3) CONTENT.—An application to the Sec-
6 retary shall include a description of—

7 “(A) the scope of the project, as described
8 in subsection (c)(1)(A);

9 “(B) the plan for monitoring, evaluating,
10 and reporting on progress made towards achiev-
11 ing the project’s objectives;

12 “(C) the program resources requested for
13 the project, including the covered programs to
14 be used and estimated funding needed from the
15 Secretary;

16 “(D) eligible partners collaborating to
17 achieve project objectives, including their roles,
18 responsibilities, capabilities, and financial con-
19 tribution; and

20 “(E) any other elements the Secretary con-
21 siders necessary to adequately evaluate and
22 competitively select applications for funding
23 under the program.

1 “(4) PRIORITY TO CERTAIN APPLICATIONS.—

2 The Secretary may give a higher priority to applica-
3 tions that—

4 “(A) assist producers in meeting or avoid-
5 ing the need for a natural resource regulatory
6 requirement;

7 “(B) have a high percentage of eligible
8 producers in the area to be covered by the
9 agreement;

10 “(C) significantly leverage non-Federal fi-
11 nancial and technical resources and coordinate
12 with other local, State, or national efforts;

13 “(D) deliver high percentages of applied
14 conservation to address conservation priorities
15 or regional, State, or national conservation ini-
16 tiatives;

17 “(E) provide innovation in conservation
18 methods and delivery, including outcome-based
19 performance measures and methods; or

20 “(F) meet other factors that are important
21 for achieving the purposes of the program, as
22 determined by the Secretary.

1 **“SEC. 1271C. ASSISTANCE TO PRODUCERS.**

2 “(a) IN GENERAL.—The Secretary shall enter into
3 contracts with producers to provide financial and technical
4 assistance to—

5 “(1) producers participating in a project with
6 an eligible partner, as described in section 1271B; or

7 “(2) producers that fit within the scope of a
8 project described in section 1271B or a critical con-
9 servation area designated under section 1271F, but
10 who are seeking to implement an eligible activity on
11 eligible land independent of a partner.

12 “(b) TERMS AND CONDITIONS.—

13 “(1) CONSISTENCY WITH PROGRAM RULES.—
14 Except as provided in paragraph (2), the Secretary
15 shall ensure that the terms and conditions of a con-
16 tract under this section are consistent with the ap-
17 plicable rules of the covered programs to be used as
18 part of the project, as described in the application
19 under section 1271B(d)(3)(C).

20 “(2) ADJUSTMENTS.—Except with respect to
21 statutory program requirements governing appeals,
22 payment limitations, and conservation compliance,
23 the Secretary may adjust the discretionary program
24 rules of a covered program—

25 “(A) to provide a simplified application
26 and evaluation process; and

1 “(B) to better reflect unique local cir-
2 cumstances and purposes if the Secretary deter-
3 mines such adjustments are necessary to
4 achieve the purposes of the program.

5 “(c) PAYMENTS.—

6 “(1) IN GENERAL.—In accordance with statu-
7 tory requirements of the covered programs involved,
8 the Secretary may make payments to a producer in
9 an amount determined by the Secretary to be nec-
10 essary to achieve the purposes of the program.

11 “(2) PAYMENTS TO PRODUCERS IN STATES
12 WITH WATER QUANTITY CONCERNS.—The Secretary
13 may provide payments to producers participating in
14 a project that addresses water quantity concerns for
15 a period of five years in an amount sufficient to en-
16 courage conversion from irrigated farming to
17 dryland farming.

18 “(3) WAIVER AUTHORITY.—To assist in the im-
19 plementation of the program, the Secretary may
20 waive the applicability of the limitation in section
21 1001D(b)(2) of this Act for participating producers
22 if the Secretary determines that the waiver is nec-
23 essary to fulfill the objectives of the program.

1 **“SEC. 1271D. FUNDING.**

2 “(a) AVAILABILITY OF FUNDS.—The Secretary shall
3 use \$100,000,000 of the funds of the Commodity Credit
4 Corporation for each of fiscal years 2013 through 2017
5 to carry out the program.

6 “(b) DURATION OF AVAILABILITY.—Funds made
7 available under subsection (a) shall remain available until
8 expended.

9 “(c) ADDITIONAL FUNDING AND ACRES.—

10 “(1) IN GENERAL.—In addition to the funds
11 made available under subsection (a), the Secretary
12 shall reserve 6 percent of the funds and acres made
13 available for a covered program for each of fiscal
14 years 2013 through 2017 in order to ensure addi-
15 tional resources are available to carry out this pro-
16 gram.

17 “(2) UNUSED FUNDS AND ACRES.—Any funds
18 or acres reserved under paragraph (1) for a fiscal
19 year from a covered program that are not obligated
20 under this program by April 1 of that fiscal year
21 shall be returned for use under the covered program.

22 “(d) ALLOCATION OF FUNDING.—Of the funds and
23 acres made available for the program under subsections
24 (a) and (c), the Secretary shall allocate—

25 “(1) 25 percent of the funds and acres to
26 projects based on a State competitive process admin-

1 istered by the State Conservationist, with the advice
2 of the State technical committee established under
3 subtitle G;

4 “(2) 50 percent of the funds and acres to
5 projects based on a national competitive process to
6 be established by the Secretary; and

7 “(3) 25 percent of the funds and acres to
8 projects for the critical conservation areas des-
9 ignated under section 1271F.

10 “(e) LIMITATION ON ADMINISTRATIVE EXPENSES.—
11 None of the funds made available under the program may
12 be used to pay for the administrative expenses of eligible
13 partners.

14 **“SEC. 1271E. ADMINISTRATION.**

15 “(a) DISCLOSURE.—In addition to the criteria used
16 in evaluating applications as described in section
17 1271B(d)(2), the Secretary shall make publicly available
18 information on projects selected through the competitive
19 process described in section 1271B(d)(1).

20 “(b) REPORTING.—Not later than December 31,
21 2013, and every two years thereafter, the Secretary shall
22 submit to the Committee on Agriculture of the House of
23 Representatives and the Committee on Agriculture, Nutri-
24 tion, and Forestry of the Senate a report on the status
25 of projects funded under the program, including—

1 “(1) the number and types of eligible partners
2 and producers participating in the partnership
3 agreements selected;

4 “(2) the number of producers receiving assist-
5 ance; and

6 “(3) total funding committed to projects, in-
7 cluding from Federal and non-Federal resources.

8 **“SEC. 1271F. CRITICAL CONSERVATION AREAS.**

9 “(a) IN GENERAL.—In administering funds under
10 section 1271D(d)(3), the Secretary shall select applica-
11 tions for partnership agreements and producer contracts
12 within critical conservation areas designated under this
13 section.

14 “(b) CRITICAL CONSERVATION AREA DESIGNA-
15 TIONS.—

16 “(1) PRIORITY.—In designating critical con-
17 servation areas under this section, the Secretary
18 shall give priority to geographical areas based on the
19 degree to which the geographical area—

20 “(A) includes multiple States with signifi-
21 cant agricultural production;

22 “(B) is covered by an existing regional,
23 State, binational, or multistate agreement or
24 plan that has established objectives, goals, and

1 work plans and is adopted by a Federal, State,
2 or regional authority;

3 “(C) would benefit from water quality im-
4 provement, including through reducing erosion,
5 promoting sediment control, and addressing nu-
6 trient management activities affecting large
7 bodies of water of regional, national, or inter-
8 national significance;

9 “(D) would benefit from water quantity
10 improvement, including improvement relating
11 to—

12 “(i) groundwater, surface water, aqwi-
13 fer, or other water sources; or

14 “(ii) a need to promote water reten-
15 tion and flood prevention; or

16 “(E) contains producers that need assist-
17 ance in meeting or avoiding the need for a nat-
18 ural resource regulatory requirement that could
19 have a negative economic impact on agricultural
20 operations within the area.

21 “(2) LIMITATION.—The Secretary may not des-
22 ignate more than 8 geographical areas as critical
23 conservation areas under this section.

24 “(c) ADMINISTRATION.—

1 “(1) IN GENERAL.—Except as provided in para-
2 graph (2), the Secretary shall administer any part-
3 nership agreement or producer contract under this
4 section in a manner that is consistent with the terms
5 of the program.

6 “(2) RELATIONSHIP TO EXISTING ACTIVITY.—
7 The Secretary shall, to the maximum extent prac-
8 ticable, ensure that eligible activities carried out in
9 critical conservation areas designated under this sec-
10 tion complement and are consistent with other Fed-
11 eral and State programs and water quality and
12 quantity strategies.

13 “(3) ADDITIONAL AUTHORITY.—For a critical
14 conservation area described in subsection (b)(1)(D),
15 the Secretary may use authorities under the Water-
16 shed Protection and Flood Prevention Act (16
17 U.S.C. 1001 et seq.), other than section 14 of such
18 Act (16 U.S.C. 1012), to carry out projects for the
19 purposes of this section.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall take effect on October 1, 2012.

1 **Subtitle F—Other Conservation**
2 **Programs**

3 **SEC. 2501. CONSERVATION OF PRIVATE GRAZING LAND.**

4 Section 1240M(e) of the Food Security Act of 1985
5 (16 U.S.C. 3839bb(e)) is amended by striking “2012” and
6 inserting “2017”.

7 **SEC. 2502. GRASSROOTS SOURCE WATER PROTECTION**
8 **PROGRAM.**

9 Section 1240O(b) of the Food Security Act of 1985
10 (16 U.S.C. 3839bb–2) is amended to read as follows:

11 “(b) FUNDING.—

12 “(1) AUTHORIZATION OF APPROPRIATIONS.—

13 There is authorized to be appropriated to carry out
14 this section \$20,000,000 for each of fiscal years
15 2008 through 2017.

16 “(2) AVAILABILITY OF FUNDS.—In addition to
17 funds made available under paragraph (1), of the
18 funds of the Commodity Credit Corporation, the
19 Secretary shall use \$5,000,000, to remain available
20 until expended.”.

21 **SEC. 2503. VOLUNTARY PUBLIC ACCESS AND HABITAT IN-**
22 **CENTIVE PROGRAM.**

23 (a) FUNDING.—Section 1240R(f) of the Food Secu-
24 rity Act of 1985 (16 U.S.C. 3839bb–5(f)) is amended by
25 inserting before the period at the end the following: “and

1 \$30,000,000 for the period of fiscal years 2013 through
2 2017”.

3 (b) REPORT ON PROGRAM EFFECTIVENESS.—Not
4 later than two years after the date of the enactment of
5 this Act, the Secretary of Agriculture shall submit to the
6 Committee on Agriculture of the House of Representatives
7 and the Committee on Agriculture, Nutrition, and For-
8 estry of the Senate a report evaluating the effectiveness
9 of the voluntary public access program established by sec-
10 tion 1240R of the Food Security Act of 1985 (16 U.S.C.
11 3839bb–5), including—

12 (1) identifying cooperating agencies;

13 (2) identifying the number of land holdings and
14 total acres enrolled by each State and tribal govern-
15 ment;

16 (3) evaluating the extent of improved access on
17 eligible lands, improved wildlife habitat, and related
18 economic benefits; and

19 (4) any other relevant information and data re-
20 lating to the program that would be helpful to such
21 Committees.

1 **SEC. 2504. AGRICULTURE CONSERVATION EXPERIENCED**
2 **SERVICES PROGRAM.**

3 (a) FUNDING.—Subsection (c) of section 1252 of the
4 Food Security Act of 1985 (16 U.S.C. 3851) is amended
5 to read as follows:

6 “(c) FUNDING.—

7 “(1) IN GENERAL.—The Secretary may carry
8 out the ACES program using funds made available
9 to carry out each program under this title.

10 “(2) EXCLUSION.—Funds made available to
11 carry out the conservation reserve program may not
12 be used to carry out the ACES program.”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall take effect on October 1, 2012.

15 **SEC. 2505. SMALL WATERSHED REHABILITATION PRO-**
16 **GRAM.**

17 (a) AVAILABILITY OF FUNDS.—Section 14(h)(1) of
18 the Watershed Protection and Flood Prevention Act (16
19 U.S.C. 1012(h)(1)) is amended—

20 (1) in subparagraph (E), by striking “; and”
21 and inserting a semicolon;

22 (2) in subparagraph (F), by striking the period
23 and inserting a semicolon;

24 (3) in subparagraph (G), by striking the period
25 and inserting “; and”; and

1 (4) by adding at the end the following new sub-
2 paragraph:

3 “(H) \$250,000,000 for fiscal year 2013, to
4 remain available until expended.”.

5 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
6 14(h)(2)(E) of the Watershed Protection and Flood Pre-
7 vention Act (16 U.S.C. 1012(h)(2)(E)) is amended by
8 striking “2012” and inserting “2017”.

9 **SEC. 2506. AGRICULTURAL MANAGEMENT ASSISTANCE**
10 **PROGRAM.**

11 (a) USES.—Section 524(b)(2) of the Federal Crop
12 Insurance Act (7 U.S.C. 1524(b)(2)) is amended—

13 (1) by striking subparagraph (B) and redesign-
14 ating subparagraphs (C) through (F) as subpara-
15 graphs (B) through (E), respectively; and

16 (2) in subparagraph (B) (as so redesignated)—

17 (A) in the matter preceding clause (i), by
18 striking “or resource conservation practices”;

19 and

20 (B) by striking clause (i) and redesign-
21 ating clauses (ii) through (iv) as clauses (i)
22 through (iii), respectively.

23 (b) COMMODITY CREDIT CORPORATION.—

1 (1) FUNDING.—Section 524(b)(4)(B) of the
 2 Federal Crop Insurance Act (7 U.S.C.
 3 1524(b)(4)(B)) is amended to read as follows:

4 “(B) FUNDING.—The Commodity Credit
 5 Corporation shall make available to carry out
 6 this subsection not less than \$10,000,000 for
 7 each fiscal year.”.

8 (2) CERTAIN USES.—Section 524(b)(4)(C) of
 9 the Federal Crop Insurance Act (7 U.S.C.
 10 1524(b)(4)(C)) is amended—

11 (A) in clause (i)—

12 (i) by striking “50” and inserting
 13 “30”; and

14 (ii) by striking “(A), (B), and (C)”
 15 and inserting “(A) and (B)”; and

16 (B) in clause (iii), by striking “40” and in-
 17 serting “60.”

18 **Subtitle G—Funding and** 19 **Administration**

20 **SEC. 2601. FUNDING.**

21 (a) IN GENERAL.—Subsection (a) of section 1241 of
 22 the Food Security Act of 1985 (16 U.S.C. 3841) is
 23 amended to read as follows:

24 “(a) ANNUAL FUNDING.—For each of fiscal years
 25 2013 through 2017, the Secretary shall use the funds, fa-

1 cilities, and authorities of the Commodity Credit Corpora-
2 tion to carry out the following programs under this title
3 (including the provision of technical assistance):

4 “(1) The conservation reserve program under
5 subchapter B of chapter 1 of subtitle D, including,
6 to the maximum extent practicable, \$25,000,000 for
7 the period of fiscal years 2013 through 2017 to
8 carry out section 1235(f) to facilitate the transfer of
9 land subject to contracts from retired or retiring
10 owners and operators to beginning farmers or ranch-
11 ers and socially disadvantaged farmers or ranchers.

12 “(2) The agriculture conservation easement
13 program under subtitle H, using, to the maximum
14 extent practicable—

15 “(A) \$450,000,000 in fiscal year 2013;

16 “(B) \$475,000,000 in fiscal year 2014;

17 “(C) \$500,000,000 in fiscal year 2015;

18 “(D) \$525,000,000 in fiscal year 2016;

19 and

20 “(E) \$266,000,000 in fiscal year 2017.

21 “(3) The conservation security program under
22 subchapter A of chapter 2 of subtitle D, using such
23 sums as are necessary to administer contracts en-
24 tered into before September 30, 2008.

1 “(4) The conservation stewardship program
2 under subchapter B of chapter 2 of subtitle D.

3 “(5) The environmental quality incentives pro-
4 gram under chapter 4 of subtitle D, using, to the
5 maximum extent practicable, \$1,750,000,000 for
6 each of fiscal years 2013 through 2017.”.

7 (b) GUARANTEED AVAILABILITY OF FUNDS.—Sec-
8 tion 1241 of the Food Security Act of 1985 (16 U.S.C.
9 3841) is amended—

10 (1) by redesignating subsections (b) through (h)
11 as subsections (c) through (i); respectively; and

12 (2) by inserting after subsection (a) the fol-
13 lowing new subsection:

14 “(b) AVAILABILITY OF FUNDS.—Amounts made
15 available by subsection (a) shall be used by the Secretary
16 to carry out the programs specified in such subsection for
17 fiscal years 2013 through 2017 and shall remain available
18 until expended. Amounts made available for the programs
19 specified in such subsection during a fiscal year through
20 modifications, cancellations, terminations, and other re-
21 lated administrative actions and not obligated in that fis-
22 cal year shall remain available for obligation during subse-
23 quent fiscal years, but shall reduce the amount of addi-
24 tional funds made available in the subsequent fiscal year

1 by an amount equal to the amount remaining unobli-
2 gated.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall take effect on October 1, 2012.

5 **SEC. 2602. TECHNICAL ASSISTANCE.**

6 (a) IN GENERAL.—Subsection (c) of section 1241 of
7 the Food Security Act of 1985 (16 U.S.C. 3841), as redes-
8 igned by section 2601(b)(1) of this Act, is amended to
9 read as follows:

10 “(c) TECHNICAL ASSISTANCE.—

11 “(1) AVAILABILITY OF FUNDS.—Commodity
12 Credit Corporation funds made available for a fiscal
13 year for each of the programs specified in subsection
14 (a)—

15 “(A) shall be available for the provision of
16 technical assistance for the programs for which
17 funds are made available as necessary to imple-
18 ment the programs effectively; and

19 “(B) shall not be available for the provi-
20 sion of technical assistance for conservation
21 programs specified in subsection (a) other than
22 the program for which the funds were made
23 available.

24 “(2) REPORT.—Not later than December 31,
25 2012, the Secretary shall submit (and update as

1 necessary in subsequent years) to the Committee on
2 Agriculture of the House of Representatives and the
3 Committee on Agriculture, Nutrition, and Forestry
4 of the Senate a report—

5 “(A) detailing the amount of technical as-
6 sistance funds requested and apportioned in
7 each program specified in subsection (a) during
8 the preceding fiscal year; and

9 “(B) any other data relating to this sub-
10 section that would be helpful to such Commit-
11 tees.”.

12 (b) **EFFECTIVE DATE.**—The amendment made by
13 this section shall take effect on October 1, 2012.

14 **SEC. 2603. REGIONAL EQUITY.**

15 (a) **IN GENERAL.**—Section 1241 of the Food Security
16 Act of 1985 (16 U.S.C. 3841) is amended by striking sub-
17 section (e) (as redesignated by section 2601(b)(1) of this
18 Act) and inserting the following:

19 “(e) **REGIONAL EQUITY.**—

20 “(1) **EQUITABLE DISTRIBUTION.**—In deter-
21 mining funding allocations each fiscal year, the Sec-
22 retary shall, after considering available funding and
23 program demand in each State, provide a distribu-
24 tion of funds for conservation programs under sub-
25 title D (excluding the conservation reserve program

1 under subchapter B of chapter 1), subtitle H (ex-
2 cluding wetland easements under section 1265C),
3 and subtitle I to ensure equitable program participa-
4 tion proportional to historical funding allocations
5 and usage by all States.

6 “(2) MINIMUM PERCENTAGE.—In determining
7 the specific funding allocations under paragraph (1),
8 the Secretary shall—

9 “(A) ensure that during the first quarter
10 of each fiscal year each State has the oppor-
11 tunity to establish that the State can use an ag-
12 gregate allocation amount of at least 0.6 per-
13 cent of the funds made available for those con-
14 servation programs; and

15 “(B) for each State that can so establish,
16 provide an aggregate amount of at least 0.6
17 percent of the funds made available for those
18 conservation programs.”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 this section shall take effect on October 1, 2012.

1 **SEC. 2604. RESERVATION OF FUNDS TO PROVIDE ASSIST-**
2 **ANCE TO CERTAIN FARMERS OR RANCHERS**
3 **FOR CONSERVATION ACCESS.**

4 (a) IN GENERAL.—Subsection (h) of section 1241 of
5 the Food Security Act of 1985 (16 U.S.C. 3841) (as re-
6 designated by section 2601(b)(1)) is amended—

7 (1) in paragraph (1) by striking “2012” and in-
8 serting “2017”; and

9 (2) by adding at the end the following new
10 paragraph:

11 “(4) PREFERENCE.—In providing assistance
12 under paragraph (1), the Secretary shall give pref-
13 erence to a veteran farmer or rancher (as defined in
14 section 2501(e) of the Food, Agriculture, Conserva-
15 tion, and Trade Act of 1990 (7 U.S.C. 2279(e)))
16 that qualifies under subparagraph (A) or (B) of
17 paragraph (1).”.

18 (b) EFFECTIVE DATE.—The amendments made by
19 this section shall take effect on October 1, 2012.

20 **SEC. 2605. ANNUAL REPORT ON PROGRAM ENROLLMENTS**
21 **AND ASSISTANCE.**

22 (a) IN GENERAL.—Subsection (i) (as redesignated by
23 section 2601(b)(1)) of section 1241 of the Food Security
24 Act of 1985 (16 U.S.C. 3841) is amended—

1 (1) in paragraph (1), by striking “wetlands re-
2 serve program” and inserting “agricultural conserva-
3 tion easement program”;

4 (2) by striking paragraphs (2) and (3) and re-
5 designating paragraphs (4), (5), and (6) as para-
6 graphs (2), (3), and (4), respectively; and

7 (3) in paragraph (3) (as so redesignated)—

8 (A) by striking “agricultural water en-
9 hancement program” and inserting “regional
10 conservation partnership program”; and

11 (B) by striking “1240I(g)” and inserting
12 “1271C(c)(3)”.

13 (b) EFFECTIVE DATE.—The amendments made by
14 this section shall take effect on October 1, 2012.

15 **SEC. 2606. REVIEW OF CONSERVATION PRACTICE STAND-**
16 **ARDS.**

17 Section 1242(h)(1)(A) of the Food Security Act of
18 1985 (16 U.S.C. 3842(h)(1)(A)) is amended by striking
19 “the Food, Conservation, and Energy Act of 2008” and
20 inserting “the Federal Agriculture Reform and Risk Man-
21 agement Act of 2012”.

22 **SEC. 2607. ADMINISTRATIVE REQUIREMENTS APPLICABLE**
23 **TO ALL CONSERVATION PROGRAMS.**

24 (a) IN GENERAL.—Section 1244 of the Food Security
25 Act of 1985 (16 U.S.C. 3844) is amended—

1 (1) in subsection (a)(2), by adding at the end
2 the following new subparagraph:

3 “(E) Veteran farmers or ranchers (as de-
4 fined in section 2501(e) of the Food, Agri-
5 culture, Conservation, and Trade Act of 1990
6 (7 U.S.C. 2279(e))).”;

7 (2) in subsection (d), by inserting “, H, and I”
8 before the period at the end;

9 (3) in subsection (f)—

10 (A) in paragraph (1)(B), by striking
11 “country” and inserting “county”; and

12 (B) in paragraph (3), by striking “sub-
13 section (c)(2)(B) or (f)(4)” and inserting “sub-
14 section (c)(2)(A)(ii) or (f)(2)”; and

15 (4) by adding at the end the following new sub-
16 sections:

17 “(j) IMPROVED ADMINISTRATIVE EFFICIENCY AND
18 EFFECTIVENESS.—In administering a conservation pro-
19 gram under this title, the Secretary shall, to the maximum
20 extent practicable—

21 “(1) seek to reduce administrative burdens and
22 costs to producers by streamlining conservation
23 planning and program resources; and

24 “(2) take advantage of new technologies to en-
25 hance efficiency and effectiveness.

1 “(k) RELATION TO OTHER PAYMENTS.—Any pay-
2 ment received by an owner or operator under this title,
3 including an easement payment or rental payment, shall
4 be in addition to, and not affect, the total amount of pay-
5 ments that the owner or operator is otherwise eligible to
6 receive under any of the following:

7 “(1) This Act.

8 “(2) The Agricultural Act of 1949 (7 U.S.C.
9 1421 et seq.).

10 “(3) The Federal Agriculture Reform and Risk
11 Management Act of 2012.

12 “(4) Any law that succeeds a law specified in
13 paragraph (1), (2), or (3).”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall take effect on October 1, 2012.

16 **SEC. 2608. STANDARDS FOR STATE TECHNICAL COMMIT-**
17 **TEES.**

18 Section 1261(b) of the Food Security Act of 1985
19 (16 U.S.C. 3861(b)) is amended by striking “Not later
20 than 180 days after the date of enactment of the Food,
21 Conservation, and Energy Act of 2008, the Secretary shall
22 develop” and inserting “The Secretary shall review and
23 update as necessary”.

1 **SEC. 2609. RULEMAKING AUTHORITY.**

2 Subtitle E of title XII of the Food Security Act of
3 1985 (16 U.S.C. 3841 et seq.) is amended by adding at
4 the end the following new section:

5 **“SEC. 1246. REGULATIONS.**

6 “(a) IN GENERAL.—The Secretary shall promulgate
7 such regulations as are necessary to implement programs
8 under this title, including such regulations as the Sec-
9 retary determines to be necessary to ensure a fair and rea-
10 sonable application of the limitations established under
11 section 1244(f).

12 “(b) RULEMAKING PROCEDURE.—The promulgation
13 of regulations and administration of programs under this
14 title—

15 “(1) shall be carried out without regard to—

16 “(A) the Statement of Policy of the Sec-
17 retary effective July 24, 1971 (36 Fed. Reg.
18 13804), relating to notices of proposed rule-
19 making and public participation in rulemaking;
20 and

21 “(B) chapter 35 of title 44, United States
22 Code (commonly known as the Paperwork Re-
23 duction Act); and

24 “(2) shall be made as an interim rule effective
25 on publication with an opportunity for notice and
26 comment.

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

5 **Subtitle H—Repeal of Superseded**
6 **Program Authorities and Tran-**
7 **sitional Provisions; Technical**
8 **Amendments**

9 **SEC. 2701. COMPREHENSIVE CONSERVATION ENHANCE-**
10 **MENT PROGRAM.**

11 (a) REPEAL.—Section 1230 of the Food Security Act
12 of 1985 (16 U.S.C. 3830) is repealed.

13 (b) CONFORMING AMENDMENT.—The heading of
14 chapter 1 of subtitle D of title XII of the Food Security
15 Act of 1985 (16 U.S.C. 3830 et seq.) is amended to read
16 as follows: “**CONSERVATION RESERVE**”.

17 **SEC. 2702. EMERGENCY FORESTRY CONSERVATION RE-**
18 **SERVE PROGRAM.**

19 (a) REPEAL.—Section 1231A of the Food Security
20 Act of 1985 (16 U.S.C. 3831a) is repealed.

21 (b) TRANSITIONAL PROVISIONS.—

22 (1) EFFECT ON EXISTING CONTRACTS.—The
23 amendment made by this section shall not affect the
24 validity or terms of any contract entered into by the
25 Secretary of Agriculture under section 1231A of the

1 Food Security Act of 1985 (16 U.S.C. 3831a) before
2 October 1, 2012, or any payments required to be
3 made in connection with the contract.

4 (2) FUNDING.—The Secretary may use funds
5 made available to carry out the conservation reserve
6 program under subchapter B of chapter 1 of subtitle
7 D of title XII of the Food Security Act of 1985 (16
8 U.S.C. 3831 et seq.) to continue to carry out con-
9 tracts referred to in paragraph (1) using the provi-
10 sions of law and regulation applicable to such con-
11 tracts as they existed on September 30, 2012.

12 (c) EFFECTIVE DATE.—The amendment made by
13 this section shall take effect on October 1, 2012.

14 **SEC. 2703. WETLANDS RESERVE PROGRAM.**

15 (a) REPEAL.—Subchapter C of chapter 1 of subtitle
16 D of title XII of the Food Security Act of 1985 (16 U.S.C.
17 3837 et seq.) is repealed.

18 (b) TRANSITIONAL PROVISIONS.—

19 (1) EFFECT ON EXISTING CONTRACTS.—The
20 amendment made by this section shall not affect the
21 validity or terms of any contract entered into by the
22 Secretary of Agriculture under subchapter C of
23 chapter 1 of subtitle D of title XII of the Food Se-
24 curity Act of 1985 (16 U.S.C. 3837 et seq.) before

(2) FUNDING.—The Secretary may use funds made available to carry out the agricultural conservation easement program under subtitle H of title XII of the Food Security Act of 1985, as added by section 2301 of this Act, to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as they existed on September 30, 2012.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

13 SEC. 2704. FARMLAND PROTECTION PROGRAM AND FARM
14 VIABILITY PROGRAM.

(a) REPEAL.—Subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.) is repealed.

(b) CONFORMING AMENDMENT.—The heading of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is amended by striking “**AND FARMLAND PROTECTION**”.

22 (c) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS.—The amendments made by this section shall not affect the validity or terms of any contract entered into by

1 the Secretary of Agriculture under subchapter C of
2 chapter 2 of subtitle D of title XII of the Food Se-
3 curity Act of 1985 (16 U.S.C. 3838h et seq.) before
4 October 1, 2012, or any payments required to be
5 made in connection with the contract.

6 (2) FUNDING.—The Secretary may use funds
7 made available to carry out the agricultural con-
8 servation easement program under subtitle H of title
9 XII of the Food Security Act of 1985, as added by
10 section 2301 of this Act, to continue to carry out
11 contracts referred to in paragraph (1) using the pro-
12 visions of law and regulation applicable to such con-
13 tracts as they existed on September 30, 2012.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall take effect on October 1, 2012.

16 **SEC. 2705. GRASSLAND RESERVE PROGRAM.**

17 (a) REPEAL.—Subchapter D of chapter 2 of subtitle
18 D of title XII of the Food Security Act of 1985 (16 U.S.C.
19 3838n et seq.) is repealed.

20 (b) TRANSITIONAL PROVISIONS.—

21 (1) EFFECT ON EXISTING CONTRACTS.—The
22 amendment made by this section shall not affect the
23 validity or terms of any contract entered into by the
24 Secretary of Agriculture under subchapter D of
25 chapter 2 of subtitle D of title XII of the Food Se-

1 security Act of 1985 (16 U.S.C. 3838n et seq.) before
2 October 1, 2012, or any payments required to be
3 made in connection with the contract.

4 (2) FUNDING.—The Secretary may use funds
5 made available to carry out the agricultural con-
6 servation easement program under subtitle H of title
7 XII of the Food Security Act of 1985, as added by
8 section 2301 of this Act, to continue to carry out
9 contracts referred to in paragraph (1) using the pro-
10 visions of law and regulation applicable to such con-
11 tracts as they existed on September 30, 2012.

12 (c) EFFECTIVE DATE.—The amendment made by
13 this section shall take effect on October 1, 2012.

14 **SEC. 2706. AGRICULTURAL WATER ENHANCEMENT PRO-**
15 **GRAM.**

16 (a) REPEAL.—Section 1240I of the Food Security
17 Act of 1985 (16 U.S.C. 3839aa–9) is repealed.

18 (b) TRANSITIONAL PROVISIONS.—

19 (1) EFFECT ON EXISTING CONTRACTS.—The
20 amendment made by this section shall not affect the
21 validity or terms of any contract entered into by the
22 Secretary of Agriculture under section 1240I of the
23 Food Security Act of 1985 (16 U.S.C. 3839aa–9)
24 before October 1, 2012, or any payments required to
25 be made in connection with the contract.

1 (2) FUNDING.—The Secretary may use funds
2 made available to carry out the regional conservation
3 partnership program under subtitle I of title XII of
4 the Food Security Act of 1985, as added by section
5 2401 of this Act, to continue to carry out contracts
6 referred to in paragraph (1) using the provisions of
7 law and regulation applicable to such contracts as
8 they existed on September 30, 2012.

9 (c) EFFECTIVE DATE.—The amendment made by
10 this section shall take effect on October 1, 2012.

11 **SEC. 2707. WILDLIFE HABITAT INCENTIVE PROGRAM.**

12 (a) REPEAL.—Section 1240N of the Food Security
13 Act of 1985 (16 U.S.C. 3839bb–1) is repealed.

14 (b) TRANSITIONAL PROVISIONS.—

15 (1) EFFECT ON EXISTING CONTRACTS.—The
16 amendment made by this section shall not affect the
17 validity or terms of any contract entered into by the
18 Secretary of Agriculture under section 1240N of the
19 Food Security Act of 1985 (16 U.S.C. 3839bb–1)
20 before October 1, 2012, or any payments required to
21 be made in connection with the contract.

22 (2) FUNDING.—The Secretary may use funds
23 made available to carry out the environmental qual-
24 ity incentives program under chapter 4 of subtitle D
25 of title XII of the Food Security Act of 1985 (16

1 U.S.C. 3839aa et seq.) to continue to carry out con-
2 tracts referred to in paragraph (1) using the provi-
3 sions of law and regulation applicable to such con-
4 tracts as they existed on September 30, 2012.

5 (c) EFFECTIVE DATE.—The amendment made by
6 this section shall take effect on October 1, 2012.

7 **SEC. 2708. GREAT LAKES BASIN PROGRAM.**

8 (a) REPEAL.—Section 1240P of the Food Security
9 Act of 1985 (16 U.S.C. 3839bb–3) is repealed.

10 (b) EFFECTIVE DATE.—The amendment made by
11 this section shall take effect on October 1, 2012.

12 **SEC. 2709. CHESAPEAKE BAY WATERSHED PROGRAM.**

13 (a) REPEAL.—Section 1240Q of the Food Security
14 Act of 1985 (16 U.S.C. 3839bb–4) is repealed.

15 (b) TRANSITIONAL PROVISIONS.—

16 (1) EFFECT ON EXISTING CONTRACTS.—The
17 amendment made by this section shall not affect the
18 validity or terms of any contract entered into by the
19 Secretary of Agriculture under section 1240Q of the
20 Food Security Act of 1985 (16 U.S.C. 3839bb–4)
21 before October 1, 2012, or any payments required to
22 be made in connection with the contract.

23 (2) FUNDING.—The Secretary may use funds
24 made available to carry out the regional conservation
25 partnership program under subtitle I of title XII of

1 the Food Security Act of 1985, as added by section
2 2401 of this Act, to continue to carry out contracts
3 referred to in paragraph (1) using the provisions of
4 law and regulation applicable to such contracts as
5 they existed on September 30, 2012.

6 (c) EFFECTIVE DATE.—The amendment made by
7 this section shall take effect on October 1, 2012.

8 **SEC. 2710. COOPERATIVE CONSERVATION PARTNERSHIP**
9 **INITIATIVE.**

10 (a) REPEAL.—Section 1243 of the Food Security Act
11 of 1985 (16 U.S.C. 3843) is repealed.

12 (b) TRANSITIONAL PROVISIONS.—

13 (1) EFFECT ON EXISTING CONTRACTS.—The
14 amendment made by this section shall not affect the
15 validity or terms of any contract entered into by the
16 Secretary of Agriculture under section 1243 of the
17 Food Security Act of 1985 (16 U.S.C. 3843) before
18 October 1, 2012, or any payments required to be
19 made in connection with the contract.

20 (2) FUNDING.—The Secretary may use funds
21 made available to carry out the regional conservation
22 partnership program under subtitle I of title XII of
23 the Food Security Act of 1985, as added by section
24 2401 of this Act, to continue to carry out contracts
25 referred to in paragraph (1) using the provisions of

1 law and regulation applicable to such contracts as
2 they existed on September 30, 2012.

3 (c) EFFECTIVE DATE.—The amendment made by
4 this section shall take effect on October 1, 2012.

5 **SEC. 2711. ENVIRONMENTAL EASEMENT PROGRAM.**

6 Chapter 3 of subtitle D of title XII of the Food Secu-
7 rity Act of 1985 (16 U.S.C. 3839 et seq.) is repealed.

8 **SEC. 2712. TECHNICAL AMENDMENTS.**

9 (a) DEFINITIONS.—Section 1201(a) of the Food Se-
10 curity Act of 1985 (16 U.S.C. 3801(a)) is amended in the
11 matter preceding paragraph (1) by striking “E” and in-
12 serting “I”.

13 (b) PROGRAM INELIGIBILITY.—Section 1211(a) of
14 the Food Security Act of 1985 (16 U.S.C. 3811(a)) is
15 amended by striking “predominate” each place it appears
16 and inserting “predominant”.

17 (c) SPECIALTY CROP PRODUCERS.—Section 1242(i)
18 of the Food Security Act of 1985 (16 U.S.C. 3842(i)) is
19 amended in the header by striking “SPECIALITY” and in-
20 serting “SPECIALTY”.

1 **TITLE III—TRADE**
2 **Subtitle A—Food for Peace Act**
3 **SEC. 3001. GENERAL AUTHORITY REGARDING EMERGENCY**
4 **AND PRIVATE ASSISTANCE PROGRAMS.**

5 Section 201 of the Food for Peace Act (7 U.S.C.
6 1721) is amended—

7 (1) in the matter preceding paragraph (1), by
8 inserting “(to be implemented by the Adminis-
9 trator)” after “under this title”; and

10 (2) by striking paragraph (7) and the second
11 sentence and inserting the following new paragraph:

12 “(7) build resilience to mitigate and prevent
13 food crises and reduce the future need for emer-
14 gency aid.”.

15 **SEC. 3002. SET-ASIDE FOR SUPPORT FOR ORGANIZATIONS**
16 **THROUGH WHICH NONEMERGENCY ASSIST-**
17 **ANCE IS PROVIDED.**

18 Section 202(e)(1) of the Food for Peace Act (7
19 U.S.C. 1722(e)(1)) is amended by striking “13 percent”
20 and inserting “11 percent”.

21 **SEC. 3003. FOOD AID QUALITY.**

22 Section 202(h) of the Food for Peace Act (7 U.S.C.
23 1722(h)) is amended—

24 (1) in paragraph (1)—

1 (A) in the matter preceding subparagraph

2 (A)—

3 (i) by striking “The Administrator”

4 and inserting “In consultation with the

5 Secretary, the Administrator”; and

6 (ii) by inserting “to establish a mech-

7 anism” after “this title”;

8 (B) by striking “and” at the end of sub-

9 paragraph (B); and

10 (C) by striking subparagraph (C) and in-

11 serting the following new paragraphs:

12 “(C) to evaluate, as necessary, the use of cur-

13 rent and new agricultural commodities and products

14 thereof in different program settings and for par-

15 ticular recipient groups, including the testing of pro-

16 totypes;

17 “(D) to establish and implement appropriate

18 protocols for quality assurance of food products pro-

19 cured by the Secretary for food aid programs; and

20 “(E) to periodically update program guidelines

21 on the recommended use of agricultural commodities

22 and food products in food aid programs to reflect

23 findings from the implementation of this subsection

24 and other relevant information.”;

1 (2) in paragraph (2), by striking “The Adminis-
2 trator” and inserting “In consultation with the Sec-
3 retary, the Administrator”; and

4 (3) in paragraph (3), by striking “fiscal years
5 2009 through 2011, not more than \$4,500,000” and
6 inserting “fiscal years 2013 through 2017, not more
7 than \$1,000,000”.

8 **SEC. 3004. MINIMUM LEVELS OF ASSISTANCE.**

9 Section 204(a) of the Food for Peace Act (7 U.S.C.
10 1724(a)) is amended—

11 (1) in paragraph (1), by striking “2012” and
12 inserting “2017”; and

13 (2) in paragraph (2), by striking “2012” and
14 inserting “2017”.

15 **SEC. 3005. FOOD AID CONSULTATIVE GROUP.**

16 (a) MEMBERSHIP.—Section 205(b) of the Food for
17 Peace Act (7 U.S.C. 1725(b)) is amended—

18 (1) by striking “and” at the end of paragraph
19 (6);

20 (2) by redesignating paragraph (7) as para-
21 graph (8); and

22 (3) by inserting after paragraph (6) the fol-
23 lowing new paragraph:

24 “(7) representatives from the United States ag-
25 ricultural processing sector involved in providing ag-

1 ricultural commodities for programs under this Act;
2 and”.

3 (b) CONSULTATION.—Section 205(d) of the Food for
4 Peace Act (7 U.S.C. 1725(d)) is amended—

5 (1) by striking the first sentence and inserting
6 the following:

7 “(1) CONSULTATION IN ADVANCE OF ISSUANCE
8 OF IMPLEMENTATION REGULATIONS, HANDBOOKS,
9 AND GUIDELINES.—Not later than 45 days before a
10 proposed regulation, handbook, or guideline imple-
11 menting this title, or a proposed significant revision
12 to a regulation, handbook, or guideline implementing
13 this title, becomes final, the Administrator shall pro-
14 vide the proposal to the Group for review and com-
15 ment.”; and

16 (2) by adding at the end the following new
17 paragraph:

18 “(2) CONSULTATION REGARDING FOOD AID
19 QUALITY EFFORTS.—The Administrator shall seek
20 input from and consult with the Group on the imple-
21 mentation of section 202(h).”.

22 (c) REAUTHORIZATION.—Section 205(f) of the Food
23 for Peace Act (7 U.S.C. 1725(f)) is amended by striking
24 “2012” and inserting “2017”.

1 **SEC. 3006. OVERSIGHT, MONITORING, AND EVALUATION OF**
2 **FOOD FOR PEACE ACT PROGRAMS.**

3 (a) REGULATIONS AND GUIDANCE.—Section 207(c)
4 of the Food for Peace Act (7 U.S.C. 1726a(c)) is amend-
5 ed—

6 (1) in the subsection heading, by inserting
7 “AND GUIDANCE” after “REGULATIONS”;

8 (2) in paragraph (1), by adding at the end the
9 following new sentence: “Not later than 270 days
10 after the date of the enactment of the Federal Agri-
11 culture Reform and Risk Management Act of 2012,
12 the Administrator shall issue all regulations and re-
13 visions to agency guidance necessary to implement
14 the amendments made to this title by such Act.”;
15 and

16 (3) in paragraph (2), by inserting “and guid-
17 ance” after “develop regulations”.

18 (b) FUNDING.—Section 207(f) of the Food for Peace
19 Act (7 U.S.C. 1726a(f)) is amended—

20 (1) in paragraph (2)—

21 (A) by inserting “and” at the end of sub-
22 paragraph (D);

23 (B) by striking “; and” at the end of sub-
24 paragraph (E) and inserting the period; and

25 (C) by striking subparagraph (F);

26 (2) by striking paragraphs (3) and (4); and

1 (3) by redesignating paragraphs (5) and (6) as
2 paragraphs (3) and (4), respectively; and

3 (4) in paragraph (4) (as so redesignated)—

4 (A) in subparagraph (A), by striking “, ex-
5 cept for paragraph (2)(F), for which only
6 \$2,500,000 shall be made available during fiscal
7 year 2009” and inserting “and up to
8 \$10,000,000 of such funds for each of fiscal
9 years 2013 through 2017”; and

10 (B) in subparagraph (B)(i), by striking
11 “2012” and inserting “2017”.

12 (c) IMPLEMENTATION REPORTS.—Not later than 270
13 days after the date of the enactment of this Act, the Ad-
14 ministrators of the Agency for International Development
15 shall submit to the Committee on Agriculture, Nutrition,
16 and Forestry of the Senate and the Committees on Agri-
17 culture and Foreign Affairs of the House of Representa-
18 tives a report describing—

19 (1) the implementation of section 207(c) of the
20 Food for Peace Act (7 U.S.C. 1726a(c));

21 (2) the surveys, studies, monitoring, reporting,
22 and audit requirements for programs conducted
23 under title II of such Act (7 U.S.C. 1721 et seq.)
24 by an eligible organization that is a nongovern-

1 mental organization (as such term is defined in sec-
2 tion 402 of such Act (7 U.S.C. 1732)); and

3 (3) the surveys, studies, monitoring, reporting,
4 and audit requirements for such programs by an eli-
5 gible organization that is an intergovernmental orga-
6 nization, such as the World Food Program or other
7 multilateral organization.

8 **SEC. 3007. ASSISTANCE FOR STOCKPILING AND RAPID**
9 **TRANSPORTATION, DELIVERY, AND DIS-**
10 **TRIBUTION OF SHELF-STABLE PRE-**
11 **PACKAGED FOODS.**

12 Section 208(f) of the Food for Peace Act (7 U.S.C.
13 1726b(f)) is amended by striking “2012” and inserting
14 “2017”.

15 **SEC. 3008. GENERAL PROVISIONS.**

16 (a) IMPACT ON LOCAL FARMERS AND ECONOMY.—
17 Section 403(b) of the Food for Peace Act (7 U.S.C.
18 1733(b)) is amended by adding at the end the following
19 new sentence: “The Secretary or the Administrator, as ap-
20 propriate, shall seek information, as part of the regular
21 proposal and submission process, from implementing
22 agencies on the potential benefits to the local economy of
23 sales of agricultural commodities within the recipient
24 country.”.

1 (b) PREVENTION OF PRICE DISRUPTIONS.—Section
2 403(e) of the Food for Peace Act (7 U.S.C. 1733(e)) is
3 amended—

4 (1) in paragraph (2), by striking “reasonable
5 market price” and inserting “fair market value”;
6 and

7 (2) by adding at the end the following new
8 paragraph:

9 “(3) COORDINATION ON ASSESSMENTS.—The
10 Secretary and the Administrator shall coordinate in
11 assessments to carry out paragraph (1) and in the
12 development of approaches to be used by imple-
13 menting agencies for determining the fair market
14 value described in paragraph (2).”.

15 (c) REPORT ON USE OF FUNDS.—Section 403 of the
16 Food for Peace Act (7 U.S.C. 1733) is amended by adding
17 at the end the following new subsection:

18 “(m) REPORT ON USE OF FUNDS.—Not later than
19 180 days after the date of the enactment of the Federal
20 Agriculture Reform and Risk Management Act of 2012,
21 and annually thereafter, the Administrator shall submit
22 to Congress a report—

23 “(1) specifying the amount of funds (including
24 funds for administrative costs, indirect cost recovery,
25 and internal transportation, storage and handling,

1 and associated distribution costs) provided to each
 2 eligible organization that received assistance under
 3 this Act in the previous fiscal year; and

4 “(2) describing how those funds were used by
 5 the eligible organization.”.

6 **SEC. 3009. PROCUREMENT, TRANSPORTATION, AND STOR-**
 7 **AGE OF AGRICULTURAL COMMODITIES FOR**
 8 **PREPOSITIONING IN THE UNITED STATES**
 9 **AND FOREIGN COUNTRIES.**

10 Section 407(c)(4) of the Food for Peace Act (7
 11 U.S.C. 1736a(c)(4)) is amended—

12 (1) in subparagraph (A)—

13 (A) by striking “2012” and inserting
 14 “2017”; and

15 (B) by striking “for each such fiscal year
 16 not more than \$10,000,000 of such funds” and
 17 inserting “for each of fiscal years 2001 through
 18 2012 not more than \$10,000,000 of such funds
 19 and for each of fiscal years 2013 through 2017
 20 not more than \$15,000,000 of such funds”; and

21 (2) by striking subparagraph (B) and inserting
 22 the following new subparagraph:

23 “(B) ADDITIONAL PREPOSITIONING
 24 SITES.—The Administrator may establish addi-
 25 tional sites for prepositioning in foreign coun-

1 tries or change the location of current sites for
 2 prepositioning in foreign countries after con-
 3 ducting, and based on the results of, assess-
 4 ments of need, feasibility, and cost.”.

5 **SEC. 3010. ANNUAL REPORT REGARDING FOOD AID PRO-**
 6 **GRAMS AND ACTIVITIES.**

7 Section 407(f)(1) of the Food for Peace Act (7
 8 U.S.C. 1736a(f)(1)) is amended—

9 (1) in the paragraph heading, by striking “AG-
 10 RICULTURAL TRADE” and inserting “FOOD AID”;

11 (2) in subparagraph (B)(ii), by inserting before
 12 the semicolon at the end the following: “and the in-
 13 tended beneficiaries of the project or activity”; and

14 (3) in subparagraph (B)(iii)—

15 (A) by striking “and” at the end of sub-
 16 clause (I);

17 (B) by inserting “and” at the end of sub-
 18 clause (II); and

19 (C) by inserting after subclause (II) the
 20 following new subclause:

21 “(III) the McGovern-Dole Inter-
 22 national Food for Education and
 23 Child Nutrition Program established
 24 by section 3107 of the Farm Security

1 and Rural Investment Act of 2002 (7
2 U.S.C. 1736o-1);”.

3 **SEC. 3011. DEADLINE FOR AGREEMENTS TO FINANCE**
4 **SALES OR TO PROVIDE OTHER ASSISTANCE.**

5 Section 408 of the Food for Peace Act (7 U.S.C.
6 1736b) is amended by striking “2012” and inserting
7 “2017”.

8 **SEC. 3012. AUTHORIZATION OF APPROPRIATIONS; MIN-**
9 **IMUM LEVEL OF NONEMERGENCY FOOD AS-**
10 **SISTANCE.**

11 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
12 412(a)(1) of the Food for Peace Act (7 U.S.C.
13 1736f(a)(1)) is amended by striking “for fiscal year 2008
14 and each fiscal year thereafter, \$2,500,000,000” and in-
15 serting “\$2,500,000,000 for each of fiscal years 2008
16 through 2012 and \$2,000,000,000 for each of fiscal years
17 2013 through 2017”.

18 (b) MINIMUM LEVEL OF NONEMERGENCY FOOD AS-
19 SISTANCE.—Paragraph (1) of section 412(e) of the Food
20 for Peace Act (7 U.S.C. 1736f(e)) is amended to read as
21 follows:

22 “(1) FUNDS AND COMMODITIES.—For each of
23 fiscal years 2013 through 2017, of the amounts
24 made available to carry out emergency and non-
25 emergency food assistance programs under title II,

1 not less than \$400,000,000 shall be expended for
2 nonemergency food assistance programs under such
3 title.”.

4 **SEC. 3013. MICRONUTRIENT FORTIFICATION PROGRAMS.**

5 (a) ELIMINATION OF OBSOLETE REFERENCE TO
6 STUDY.—Section 415(a)(2)(B) of the Food for Peace Act
7 (7 U.S.C. 1736g–2(a)(2)(B)) is amended by striking “,
8 using recommendations” and all that follows through
9 “quality enhancements”.

10 (b) EXTENSION.—Section 415(c) of the Food for
11 Peace Act (7 U.S.C. 1736g–2(c)) is amended by striking
12 “2012” and inserting “2017”.

13 **SEC. 3014. JOHN OGWOSKI AND DOUG BEREUTER FARM-**
14 **ER-TO-FARMER PROGRAM.**

15 Section 501 of the Food for Peace Act (7 U.S.C.
16 1737) is amended—

17 (1) in subsection (d), in the matter preceding
18 paragraph (1), by inserting “, and not less than the
19 greater of \$15,000,000 or 0.5 percent of the
20 amounts made available for each of fiscal years 2013
21 through 2017,” after “2012”; and

22 (2) in subsection (e)(1), by striking “2012” and
23 inserting “2017”.

1 **Subtitle B—Agricultural Trade Act**
2 **of 1978**

3 **SEC. 3101. FUNDING FOR EXPORT CREDIT GUARANTEE**
4 **PROGRAM.**

5 Section 211(b) of the Agricultural Trade Act of 1978
6 (7 U.S.C. 5641(b)) is amended by striking “2012” and
7 inserting “2017”.

8 **SEC. 3102. FUNDING FOR MARKET ACCESS PROGRAM.**

9 Section 211(c)(1)(A) of the Agricultural Trade Act
10 of 1978 (7 U.S.C. 5641(c)(1)(A)) is amended by striking
11 “2012” and inserting “2017”.

12 **SEC. 3103. FOREIGN MARKET DEVELOPMENT COOPERATOR**
13 **PROGRAM.**

14 Section 703(a) of the Agricultural Trade Act of 1978
15 (7 U.S.C. 5723(a)) is amended by striking “2012” and
16 inserting “2017”.

17 **Subtitle C—Other Agricultural**
18 **Trade Laws**

19 **SEC. 3201. FOOD FOR PROGRESS ACT OF 1985.**

20 (a) EXTENSION.—The Food for Progress Act of 1985
21 (7 U.S.C. 1736o) is amended—

22 (1) in subsection (f)(3), by striking “2012” and
23 inserting “2017”;

24 (2) in subsection (g), by striking “2012” and
25 inserting “2017”;

1 (3) in subsection (k), by striking “2012” and
2 inserting “2017”; and

3 (4) in subsection (l)(1), by striking “2012” and
4 inserting “2017”.

5 (b) REPEAL OF COMPLETED PROJECT.—Subsection
6 (f) of the Food for Progress Act of 1985 (7 U.S.C. 1736o)
7 is amended by striking paragraph (6).

8 **SEC. 3202. BILL EMERSON HUMANITARIAN TRUST.**

9 Section 302 of the Bill Emerson Humanitarian Trust
10 Act (7 U.S.C. 1736f–1) is amended—

11 (1) in subsection (b)(2)(B)(i), by striking
12 “2012” both places it appears and inserting “2017”;
13 and

14 (2) in subsection (h), by striking “2012” both
15 places it appears and inserting “2017”.

16 **SEC. 3203. PROMOTION OF AGRICULTURAL EXPORTS TO**
17 **EMERGING MARKETS.**

18 (a) DIRECT CREDITS OR EXPORT CREDIT GUARAN-
19 TEES.—Section 1542(a) of the Food, Agriculture, Con-
20 servation, and Trade Act of 1990 (Public Law 101–624;
21 7 U.S.C. 5622 note) is amended by striking “2012” and
22 inserting “2017”.

23 (b) DEVELOPMENT OF AGRICULTURAL SYSTEMS.—
24 Section 1542(d)(1)(A)(i) of the Food, Agriculture, Con-
25 servation, and Trade Act of 1990 (Public Law 101–624;

1 7 U.S.C. 5622 note) is amended by striking “2012” and
2 inserting “2017”.

3 **SEC. 3204. MCGOVERN-DOLE INTERNATIONAL FOOD FOR**
4 **EDUCATION AND CHILD NUTRITION PRO-**
5 **GRAM.**

6 (a) REAUTHORIZATION.—Section 3107(l)(2) of the
7 Farm Security and Rural Investment Act of 2002 (7
8 U.S.C. 1736o–1(l)(2)) is amended by striking “2012” and
9 inserting “2017”.

10 (b) TECHNICAL CORRECTION.—Section 3107(d) of
11 the Farm Security and Rural Investment Act of 2002 (7
12 U.S.C. 1736o–1(d)) is amended by striking “to” in the
13 matter preceding paragraph (1).

14 **SEC. 3205. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

15 (a) PURPOSE.—Section 3205(b) of the Farm Secu-
16 rity and Rural Investment Act of 2002 (7 U.S.C. 5680(b))
17 is amended by striking “related barriers to trade” and in-
18 serting “technical barriers to trade”.

19 (b) FUNDING.—Section 3205(e)(2) of the Farm Se-
20 curity and Rural Investment Act of 2002 (7 U.S.C.
21 5680(e)(2)) is amended—

22 (1) by inserting “and” at the end of subpara-
23 graph (C); and

24 (2) by striking subparagraphs (D) and (E) and
25 inserting the following new subparagraph:

1 “(D) \$9,000,000 for each of fiscal years
2 2011 through 2017.”.

3 **SEC. 3206. GLOBAL CROP DIVERSITY TRUST.**

4 Section 3202(c) of the Food, Conservation, and En-
5 ergy Act of 2008 (Public Law 110–246; 22 U.S.C. 2220a
6 note) is amended by striking “section” and all that follows
7 through the period and inserting the following: “section—
8 “(1) \$60,000,000 for the period of fiscal years
9 2008 through 2012; and
10 “(2) \$50,000,000 for the period of fiscal years
11 2013 through 2017.”.

12 **TITLE IV—NUTRITION**
13 **Subtitle A—Supplemental**
14 **Nutrition Assistance Program**

15 **SEC. 4001. RETAILERS.**

16 (a) DEFINITION OF RETAIL FOOD STORE.—Section
17 3(p)(1)(A) of the Food and Nutrition Act of 2008 (7
18 U.S.C. 2012(p)(1)(A)) is amended by striking “at least
19 2” and inserting “at least 3”.

20 (b) ALTERNATIVE BENEFIT DELIVERY.—Section
21 7(f) of the Food and Nutrition Act of 2008 (7 U.S.C.
22 2016(f)) is amended—

23 (1) by striking paragraph (2) and inserting the
24 following:

25 “(2) IMPOSITION OF COSTS.—

1 “(A) IN GENERAL.—Except as provided in
2 subparagraph (B), the Secretary shall require
3 participating retailers (including restaurants
4 participating in a State option restaurant pro-
5 gram intended to serve the elderly, disabled,
6 and homeless) to pay 100 percent of the costs
7 of acquiring, and arrange for the implementa-
8 tion of, electronic benefit transfer point-of-sale
9 equipment and supplies.

10 “(B) EXEMPTIONS.—The Secretary may
11 exempt from subparagraph (A)—

12 “(i) farmers’ markets, military com-
13 missaries, nonprofit food buying coopera-
14 tives, and establishments, organizations,
15 programs, or group living arrangements
16 described in paragraphs (5), (7), and (8)
17 of section 3(k); and

18 “(ii) establishments described in para-
19 graphs (3), (4), and (9) of section 3(k),
20 other than restaurants participating in a
21 State option restaurant program.”; and

22 (2) by adding at the end the following:

23 “(4) TERMINATION OF MANUAL VOUCHERS.—

24 “(A) IN GENERAL.—Effective beginning on
25 the effective date of this paragraph, except as

1 provided in subparagraph (B), no State shall
2 issue manual vouchers to a household that re-
3 ceives supplemental nutrition assistance under
4 this Act or allow retailers to accept manual
5 vouchers as payment, unless the Secretary de-
6 termines that the manual vouchers are nec-
7 essary, such as in the event of an electronic
8 benefit transfer system failure or a disaster sit-
9 uation.

10 “(B) EXEMPTIONS.—The Secretary may
11 exempt categories of retailers or individual re-
12 tailers from subparagraph (A) based on criteria
13 established by the Secretary.

14 “(5) UNIQUE IDENTIFICATION NUMBER RE-
15 QUIRED.—In an effort to enhance the antifraud pro-
16 tections of the program, the Secretary shall require
17 all parties providing electronic benefit transfer serv-
18 ices to provide for and maintain a unique terminal
19 identification number information through the sup-
20 plemental nutrition assistance program electronic
21 benefit transfer transaction routing system. In devel-
22 oping the regulations implementing this paragraph,
23 the Secretary shall consider existing commercial
24 practices for other point-of-sale debit transactions.
25 The Secretary shall issue proposed regulations im-

1 plementing this paragraph not earlier than 2 years
2 after the date of enactment of this paragraph.”.

3 (c) ELECTRONIC BENEFIT TRANSFERS.—Section
4 7(h)(3)(B) of the Food and Nutrition Act of 2008 (7
5 U.S.C. 2016(h)(3)(B)) is amended by striking “is oper-
6 ational—” and all that follows through “(ii) in the case
7 of other participating stores,” and inserting “is oper-
8 ational”.

9 (d) APPROVAL OF RETAIL FOOD STORES AND
10 WHOLESALE FOOD CONCERNS.—Section 9 of the Food
11 and Nutrition Act of 2008 (7 U.S.C. 2018) is amended—

12 (1) in the 2d sentence of subsection (a)(1) by
13 striking “; and (C)” and inserting “; (C) whether
14 the applicant is located in an area with significantly
15 limited access to food; and (D)”;

16 (2) in subsection (b) by adding at the end the
17 following:

18 “(3) RETAIL FOOD STORES WITH SIGNIFICANT
19 SALES OF EXCLUDED ITEMS.—

20 “(A) IN GENERAL.—No retail food store
21 for which at least 45 percent of the total sales
22 of the retail food store is from the sale of ex-
23 cluded items described in section 3(k)(1) may
24 be authorized to accept and redeem benefits un-
25 less the Secretary determines that the partici-

1 pation of the retail food store is required for
 2 the effective and efficient operation of the sup-
 3 plemental nutrition assistance program.

4 “(B) APPLICATION.—Subparagraph (A)
 5 shall be effective—

6 “(i) in the case of retail food stores
 7 applying to be authorized for the 1st time,
 8 beginning on the date that is 1 year after
 9 the effective date of this paragraph; and

10 “(ii) in the case of retail food stores
 11 participating in the program on the effec-
 12 tive date of this paragraph, during periodic
 13 reauthorization in accordance with sub-
 14 section (a)(2)(A).”; and

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

16 “(g) EBT SERVICE REQUIREMENT.—An approved
 17 retail food store shall provide adequate EBT service as
 18 described in section 7(h)(3)(B).”.

19 **SEC. 4002. ENHANCING SERVICES TO ELDERLY AND DIS-**
 20 **ABLED SUPPLEMENTAL NUTRITION ASSIST-**
 21 **ANCE PROGRAM RECIPIENTS.**

22 (a) ENHANCING SERVICES TO ELDERLY AND DIS-
 23 ABLED PROGRAM RECIPIENTS.—Section 3(p) of the Food
 24 and Nutrition Act of 2008 (7 U.S.C. 2012(p)) is amend-
 25 ed—

1 (1) in paragraph (3) by striking “and” at the
2 end,

3 (2) in paragraph (4) by striking the period at
4 the end and inserting “; and”, and

5 (3) by inserting after paragraph (4) the fol-
6 lowing:

7 “(5) a governmental or private nonprofit food
8 purchasing and delivery service that—

9 “(A) purchases food for, and delivers such
10 food to, individuals who are—

11 “(i) unable to shop for food; and

12 “(ii)(I) not less than 60 years of age;

13 or

14 “(II) physically or mentally handi-
15 capped or otherwise disabled;

16 “(B) clearly notifies the participating
17 household at the time such household places a
18 food order—

19 “(i) of any delivery fee associated with
20 the food purchase and delivery provided to
21 such household by such service; and

22 “(ii) that a delivery fee cannot be paid
23 with benefits provided under supplemental
24 nutrition assistance program; and

1 “(C) sells food purchased for such house-
2 hold at the price paid by such service for such
3 food and without any additional cost markup.”.

4 (b) IMPLEMENTATION.—

5 (1) ISSUANCE OF RULES.—The Secretary of
6 Agriculture shall issue regulations that—

7 (A) establish criteria to identify a food
8 purchasing and delivery service referred to in
9 section 3(p)(5) of the Food and Nutrition Act
10 of 2008 as amended by this Act, and

11 (B) establish procedures to ensure that
12 such service—

13 (i) does not charge more for a food
14 item than the price paid by the such serv-
15 ice for such food item,

16 (ii) offers food delivery service at no
17 or low cost to households under such Act,

18 (iii) ensures that benefits provided
19 under the supplemental nutrition assist-
20 ance program are used only to purchase
21 food, as defined in section 3 of such Act,

22 (iv) limits the purchase of food, and
23 the delivery of such food, to households eli-
24 gible to receive services described in section
25 3(p)(5) of such Act as so amended,

(v) has established adequate safeguards against fraudulent activities, including unauthorized use of electronic benefit cards issued under such Act, and

(vi) such other requirements as the Secretary deems to be appropriate.

(2) LIMITATION.—Before the issuance of rules under paragraph (1) , the Secretary of Agriculture may not approve more than 20 food purchasing and delivery services referred to in section 3(p)(5) of the Food and Nutrition Act of 2008 as amended by this Act, to participate as retail food stores under the supplemental nutrition assistance program.

SEC. 4003. FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS.

Section 4(b)(6)(F) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b)(6)(F)) is amended by striking “2012” and inserting “2017”.

SEC. 4004. UPDATING PROGRAM ELIGIBILITY.

Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in the 2d sentence of subsection (a) by striking “households in which each member receives benefits” and inserting “households in which each member receives cash assistance”, and

1 (2) in subsection (j) by striking “or who re-
 2 ceives benefits under a State program” and inserting
 3 “or who receives cash assistance under a State pro-
 4 gram”.

5 **SEC. 4005. STANDARD UTILITY ALLOWANCES BASED ON**
 6 **THE RECEIPT OF ENERGY ASSISTANCE PAY-**
 7 **MENTS.**

8 (a) STANDARD UTILITY ALLOWANCES IN THE SUP-
 9 PLEMENTAL NUTRITION ASSISTANCE PROGRAM.—Section
 10 5(e)(6)(C) of the Food and Nutrition Act of 2008 (7
 11 U.S.C. 2014(e)(6)(C)) is amended—

12 (1) in clause (i) by inserting “, subject to clause
 13 (iv)” after “Secretary”; and

14 (2) in clause (iv)(I) by striking “the household
 15 still incurs” and all that follows through the end of
 16 the subclause and inserting “the payment received
 17 by, or made on behalf of, the household exceeds \$10
 18 or a higher amount annually, as determined by the
 19 Secretary.”.

20 (b) CONFORMING AMENDMENT.—Section
 21 2605(f)(2)(A) of the Low-Income Home Energy Assist-
 22 ance Act of 1981 (42 U.S.C. 8624(f)(2)(A)) is amended
 23 by inserting before the semicolon at the end “, except that,
 24 for purposes of the supplemental nutrition assistance pro-
 25 gram established under the Food and Nutrition Act of

1 2008 (7 U.S.C. 2011 et seq.), such payments or allow-
2 ances exceed \$10 or a higher amount annually, as deter-
3 mined by the Secretary of Agriculture in accordance with
4 section 5(e)(6)(C)(iv)(I) of that Act (7 U.S.C.
5 2014(e)(6)(C)(iv)(I))”.

6 (c) EFFECTIVE AND IMPLEMENTATION DATE.—

7 (1) IN GENERAL.—Except as provided in para-
8 graph (2), this section and the amendments made by
9 this section shall take effect beginning on October 1,
10 2013, for all certification periods beginning after
11 that date.

12 (2) STATE OPTION TO DELAY IMPLEMENTATION
13 FOR CURRENT RECIPIENTS.—A State may, at the
14 option of the State, implement a policy that elimi-
15 nates or minimizes the effect of the amendments
16 made by this section for households that receive a
17 standard utility allowance as of the date of enact-
18 ment of this Act for not more than a 180-day period
19 beginning on the date on which the amendments
20 made by this section would otherwise affect the ben-
21 efits received by a household.

22 **SEC. 4006. ELIGIBILITY DISQUALIFICATIONS.**

23 Section 6(e)(3)(B) of Food and Nutrition Act of
24 2008 (7 U.S.C. 2015(e)(3)(B)) is amended by striking
25 “section” and inserting the following:

1 “section, subject to the condition that the
2 course or program of study—

3 “(i) is part of a program of career
4 and technical education (as defined in sec-
5 tion 3 of the Carl D. Perkins Career and
6 Technical Education Act of 2006 (20
7 U.S.C. 2302)) that may be completed in
8 not more than 4 years at an institution of
9 higher education (as defined in section 102
10 of the Higher Education Act of 1965 (20
11 U.S.C. 1002)); or

12 “(ii) is limited to remedial courses,
13 basic adult education, literacy, or English
14 as a second language;”.

15 **SEC. 4007. ENDING SUPPLEMENTAL NUTRITION ASSIST-**
16 **ANCE PROGRAM BENEFITS FOR LOTTERY OR**
17 **GAMBLING WINNERS.**

18 (a) IN GENERAL.—Section 6 of the Food and Nutri-
19 tion Act of 2008 (7 U.S.C. 2015) is amended by adding
20 at the end the following:

21 “(r) INELIGIBILITY FOR BENEFITS DUE TO RECEIPT
22 OF SUBSTANTIAL LOTTERY OR GAMBLING WINNINGS.—

23 “(1) IN GENERAL.—Any household in which a
24 member receives substantial lottery or gambling
25 winnings, as determined by the Secretary, shall lose

1 eligibility for benefits immediately upon receipt of
2 the winnings.

3 “(2) DURATION OF INELIGIBILITY.—A house-
4 hold described in paragraph (1) shall remain ineli-
5 gible for participation until the household meets the
6 allowable financial resources and income eligibility
7 requirements under subsections (c), (d), (e), (f), (g),
8 (i), (k), (l), (m), and (n) of section 5.

9 “(3) AGREEMENTS.—As determined by the Sec-
10 retary, each State agency, to the maximum extent
11 practicable, shall establish agreements with entities
12 responsible for the regulation or sponsorship of gam-
13 ing in the State to determine whether individuals
14 participating in the supplemental nutrition assist-
15 ance program have received substantial lottery or
16 gambling winnings.”.

17 (b) CONFORMING AMENDMENTS.—Section 5(a) of
18 the Food and Nutrition Act of 2008 (7 U.S.C. 2014(a))
19 is amended in the 2d sentence by striking “sections 6(b),
20 6(d)(2), and 6(g)” and inserting “subsections (b), (d)(2),
21 (g), and (r) of section 6”.

22 **SEC. 4008. IMPROVING SECURITY OF FOOD ASSISTANCE.**

23 Section 7(h)(8) of the Food and Nutrition Act of
24 2008 (7 U.S.C. 2016(h)(8)) is amended—

1 (1) in the heading by striking “CARD FEE” in-
2 serting “OF CARDS”;

3 (2) by striking “A State” and inserting the fol-
4 lowing:

5 “(A) FEES.—A State”; and

6 (3) by adding after subparagraph (A) (as so
7 designated by paragraph (2)) the following:

8 “(B) PURPOSEFUL LOSS OF CARDS.—

9 “(i) IN GENERAL.—Subject to terms
10 and conditions established by the Secretary
11 in accordance with clause (ii), if a house-
12 hold makes excessive requests for replace-
13 ment of the electronic benefit transfer card
14 of the household, the Secretary may re-
15 quire a State agency to decline to issue a
16 replacement card to the household unless
17 the household, upon request of the State
18 agency, provides an explanation for the
19 loss of the card.

20 “(ii) REQUIREMENTS.—The terms
21 and conditions established by the Secretary
22 shall provide that—

23 “(I) the household be given the
24 opportunity to provide the requested

1 explanation and meet the require-
2 ments under this paragraph promptly;

3 “(II) after an excessive number
4 of lost cards, the head of the house-
5 hold shall be required to review pro-
6 gram rights and responsibilities with
7 State agency personnel authorized to
8 make determinations under section
9 5(a); and

10 “(III) any action taken, including
11 actions required under section
12 6(b)(2), other than the withholding of
13 the electronic benefit transfer card
14 until an explanation described in sub-
15 clause (I) is provided, shall be con-
16 sistent with the due process protec-
17 tions under section 6(b) or 11(e)(10),
18 as appropriate.

19 “(C) PROTECTING VULNERABLE PER-
20 SONS.—In implementing this paragraph, a
21 State agency shall act to protect homeless per-
22 sons, persons with disabilities, victims of
23 crimes, and other vulnerable persons who lose
24 electronic benefit transfer cards but are not in-
25 tentiously committing fraud.

1 “(D) EFFECT ON ELIGIBILITY.—While a
 2 State may decline to issue an electronic benefits
 3 transfer card until a household satisfies the re-
 4 quirements under this paragraph, nothing in
 5 this paragraph shall be considered a denial of,
 6 or limitation on, the eligibility for benefits
 7 under section 5.”.

8 **SEC. 4009. DEMONSTRATION PROJECTS ON ACCEPTANCE**
 9 **OF BENEFITS OF MOBILE TRANSACTIONS.**

10 Section 7(h) of the Food and Nutrition Act of 2008
 11 (7 U.S.C. 2016(h)) is amended by adding at the end the
 12 following:

13 “(14) DEMONSTRATION PROJECTS ON ACCEPT-
 14 ANCE OF BENEFITS OF MOBILE TRANSACTIONS.—

15 “(A) IN GENERAL.—The Secretary shall
 16 pilot the use of mobile technologies determined
 17 by the Secretary to be appropriate to test the
 18 feasibility and implications for program integ-
 19 rity, by allowing retail food stores, farmers
 20 markets, and other direct producer-to-consumer
 21 marketing outlets to accept benefits from recipi-
 22 ents of supplemental nutrition assistance
 23 through mobile transactions.

24 “(B) DEMONSTRATION PROJECTS.—To be
 25 eligible to participate in a demonstration project

1 under subsection (a), a retail food store, farm-
2 ers market, or other direct producer-to-con-
3 sumer marketing outlet shall submit to the Sec-
4 retary for approval a plan that includes—

5 “(i) a description of the technology;

6 “(ii) the manner by which the retail
7 food store, farmers market or other direct
8 producer-to-consumer marketing outlet will
9 provide proof of the transaction to house-
10 holds;

11 “(iii) the provision of data to the Sec-
12 retary, consistent with requirements estab-
13 lished by the Secretary, in a manner that
14 allows the Secretary to evaluate the impact
15 of the demonstration on participant access,
16 ease of use, and program integrity; and

17 “(iv) such other criteria as the Sec-
18 retary may require.

19 “(C) DATE OF COMPLETION.—The dem-
20 onstration projects under this paragraph shall
21 be completed and final reports submitted to the
22 Secretary by not later than July 1, 2015.

23 “(D) REPORT TO CONGRESS.—The Sec-
24 retary shall submit a report to the Committee
25 on Agriculture of the House of Representatives

1 and the Committee on Agriculture, Nutrition,
2 and Forestry of the Senate that includes a find-
3 ing, based on the data provided under subpara-
4 graph (C) whether or not implementation in all
5 States is in the best interest of the supple-
6 mental nutrition assistance program.”.

7 **SEC. 4010. RESTAURANT MEALS PROGRAM.**

8 (a) IN GENERAL.—Section 11(e) of the Food and
9 Nutrition Act of 2008 (7 U.S.C. 2020(e)) is amended—

10 (1) in paragraph (22) by striking “and” at the
11 end;

12 (2) in paragraph (23)(C) by striking the period
13 at the end and inserting “; and”; and

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

15 “(24) if the State elects to carry out a program
16 to contract with private establishments to offer
17 meals at concessional prices, as described in para-
18 graphs (3), (4), and (9) of section 3(k)—

19 “(A) the plans of the State agency for op-
20 erating the program, including—

21 “(i) documentation of a need that eli-
22 gible homeless, elderly, and disabled clients
23 are underserved in a particular geographic
24 area;

1 “(ii) the manner by which the State
2 agency will limit participation to only those
3 private establishments that the State de-
4 termines necessary to meet the need identi-
5 fied in clause (i); and

6 “(iii) any other conditions the Sec-
7 retary may prescribe, such as the level of
8 security necessary to ensure that only eligi-
9 ble recipients participate in the program;
10 and

11 “(B) a report by the State agency to the
12 Secretary annually, the schedule of which shall
13 be established by the Secretary, that includes—

14 “(i) the number of households and in-
15 dividual recipients authorized to partici-
16 pate in the program, including any infor-
17 mation on whether the individual recipient
18 is elderly, disabled, or homeless; and

19 “(ii) an assessment of whether the
20 program is meeting an established need, as
21 documented under subparagraph (A)(i).”.

22 (b) APPROVAL OF RETAIL FOOD STORES AND
23 WHOLESALE FOOD CONCERNS.—Section 9 of the Food
24 and Nutrition Act of 2008 (7 U.S.C. 2018) is amended
25 by adding at the end the following:

1 “(h) PRIVATE ESTABLISHMENTS.—

2 “(1) IN GENERAL.—Subject to paragraph (2),
3 no private establishment that contracts with a State
4 agency to offer meals at concessional prices as de-
5 scribed in paragraphs (3), (4), and (9) of section
6 3(k) may be authorized to accept and redeem bene-
7 fits unless the Secretary determines that the partici-
8 pation of the private establishment is required to
9 meet a documented need in accordance with section
10 11(e)(24).

11 “(2) EXISTING CONTRACTS.—

12 “(A) IN GENERAL.—If, on the day before
13 the effective date of this subsection, a State has
14 entered into a contract with a private establish-
15 ment described in paragraph (1) and the Sec-
16 retary has not determined that the participation
17 of the private establishment is necessary to
18 meet a documented need in accordance with
19 section 11(e)(24), the Secretary shall allow the
20 operation of the private establishment to con-
21 tinue without that determination of need for a
22 period not to exceed 180 days from the date on
23 which the Secretary establishes determination
24 criteria, by regulation, under section 11(e)(24).

1 “(B) JUSTIFICATION.—If the Secretary de-
2 termines to terminate a contract with a private
3 establishment that is in effect on the effective
4 date of this subsection, the Secretary shall pro-
5 vide justification to the State in which the pri-
6 vate establishment is located for that termi-
7 nation.

8 “(3) REPORT TO CONGRESS.—Not later than
9 90 days after September 30, 2013, and 90 days
10 after the last day of each fiscal year thereafter, the
11 Secretary shall report to the Committee on Agri-
12 culture of the House of Representatives and the
13 Committee on Agriculture, Nutrition, and Forestry
14 of the Senate on the effectiveness of a program
15 under this subsection using any information received
16 from States under section 11(e)(24) as well as any
17 other information the Secretary may have relating to
18 the manner in which benefits are used.”.

19 (c) CONFORMING AMENDMENTS.—Section 3(k) of
20 the Food and Nutrition Act of 2008 (7 U.S.C. 2012(k))
21 is amended by inserting “subject to section 9(h)” after
22 “concessional prices” each place it appears.

23 **SEC. 4011. REPEAL OF BONUS PROGRAM.**

24 Section 16(d) of the Food and Nutrition Act of 2008
25 (7 U.S.C. 2025(d)(2)(B)(ii)) is repealed.

1 **SEC. 4012. FUNDING OF EMPLOYMENT AND TRAINING PRO-**
2 **GRAMS.**

3 Section 16(h)(1)(A) of the Food and Nutrition Act
4 of 2008 (7 U.S.C. 2025(h)(1)(A)) is amended by striking
5 “\$90,000,000” and inserting “\$79,000,000”.

6 **SEC. 4013. MONITORING EMPLOYMENT AND TRAINING PRO-**
7 **GRAM.**

8 (a) REPORTING MEASURES.—Section 16(h)(5) of the
9 Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)(5))
10 is amended to read:

11 “(5)(A) IN GENERAL.—The Secretary shall
12 monitor the employment and training programs car-
13 ried out by State agencies under section 6(d)(4) and
14 assess their effectiveness in:

15 “(i) preparing members of households par-
16 ticipating in the supplemental nutrition assist-
17 ance program for employment, including the ac-
18 quisition of basic skills necessary for employ-
19 ment, and

20 “(ii) increasing the numbers of household
21 members who obtain and retain employment
22 subsequent to their participation in such em-
23 ployment and training programs.

24 “(B) REPORTING MEASURES.—The Secretary,
25 in consultation with the Secretary of Labor, shall de-
26 velop reporting measures that identify improvements

1 in the skills, training education or work experience
2 of members of households participating in the sup-
3 plemental nutrition assistance program. Measures
4 shall be based on common measures of performance
5 for federal workforce training programs, so long as
6 they reflect the challenges facing the types of mem-
7 bers of households participating in the supplemental
8 nutrition assistance program who participate in a
9 specific employment and training component. The
10 Secretary shall require that each State employment
11 and training plan submitted under section 11(3)(19)
12 identify appropriate reporting measures for each of
13 their proposed components that serve at least 100
14 people. Such measures may include:

15 “(i) the percentage and number of pro-
16 gram participants who received employment and
17 training services and are in unsubsidized em-
18 ployment subsequent to the receipt of those
19 services;

20 “(ii) the percentage and number of pro-
21 gram participants who obtain a recognized post-
22 secondary credential, including a registered ap-
23 prenticeship, or a regular secondary school di-
24 ploma or its recognized equivalent, while par-

1 ticipating in or within 1 year after receiving
2 employment and training services;

3 “(iii) the percentage and number of pro-
4 gram participants who are in an education or
5 training program that is intended to lead to a
6 recognized postsecondary credential, including a
7 registered apprenticeship or on-the-job training
8 program, a regular secondary school diploma or
9 its recognized equivalent, or unsubsidized em-
10 ployment;

11 “(iv) subject to the terms and conditions
12 set by the Secretary, measures developed by
13 each State agency to assess the skills acquisi-
14 tion of employment and training program par-
15 ticipants that reflect the goals of their specific
16 employment and training program components,
17 which may include, but are not limited to:

18 “(I) the percentage and number of
19 program participants who are meeting pro-
20 gram requirements in each component of
21 the State’s education and training pro-
22 gram;

23 “(II) the percentage and number of
24 program participants who are gaining
25 skills likely to lead to employment as meas-

1 ured through testing, quantitative or quali-
2 tative assessment or other method; and

3 “(v) other indicators as approved by the
4 Secretary.

5 “(C) STATE REPORT.—Each State agency shall
6 annually prepare and submit to the Secretary a re-
7 port on the State’s employment and training pro-
8 gram that includes the numbers of supplemental nu-
9 trition assistance program participants who have
10 gained skills, training, work or experience that will
11 increase their ability to obtain regular employment
12 using measures identified in subparagraph (B).

13 “(D) MODIFICATIONS TO THE STATE EMPLOY-
14 MENT AND TRAINING PLAN.—Subject to the terms
15 and conditions established by the Secretary, if the
16 Secretary determines that the state agency’s per-
17 formance with respect to employment and training
18 outcomes is inadequate, the Secretary may require
19 the State agency to make modifications to their em-
20 ployment and training plan to improve such out-
21 comes.

22 “(E) PERIODIC EVALUATION.—

23 “(i) IN GENERAL.—Subject to terms and
24 conditions established by the Secretary, not
25 later than October 1, 2015, and not less fre-

1 quently than once every 5 years thereafter, the
2 Secretary shall conduct a study to review exist-
3 ing practice and research to identify employ-
4 ment and training program components and
5 practices that—

6 “(I) effectively assist members of
7 households participating in the supple-
8 mental nutrition assistance program in
9 gaining skills, training, work, or experience
10 that will increase their ability to obtain
11 regular employment, and

12 “(II) are best integrated with state-
13 wide workforce development systems.

14 “(ii) REPORT TO CONGRESS.—The Sec-
15 retary shall submit a report that describes the
16 results of the study under clause (i) to the
17 Committee on Agriculture in the House of Rep-
18 resentatives, and the Committee on Agriculture,
19 Nutrition and Forestry in the Senate.”.

20 (b) EFFECTIVE DATE.—Notwithstanding section 4(c)
21 of the Food and Nutrition Act of 2008 (7 U.S.C.
22 2013(a)), the Secretary shall issue interim final regula-
23 tions implementing the amendment made by subsection
24 (a) no later than 18 months after the date of enactment
25 of this Act. States shall include such reporting measures

1 in their employment and training plans for the 1st fiscal
2 year thereafter that begins no sooner than 6 months after
3 the date that such regulations are published.

4 **SEC. 4014. COOPERATION WITH PROGRAM RESEARCH AND**
5 **EVALUATION.**

6 Section 17 of the Food and Nutrition Act of 2008
7 (7 U.S.C. 2026) is amended by adding at the end the fol-
8 lowing:

9 “(l) COOPERATION WITH PROGRAM RESEARCH AND
10 EVALUATION.—States, State agencies, local agencies, in-
11 stitutions, facilities such as data consortiums, and con-
12 tractors participating in programs authorized under this
13 Act shall cooperate with officials and contractors acting
14 on behalf of the Secretary in the conduct of evaluations
15 and studies under this Act and shall submit information
16 at such time and in such manner as the Secretary may
17 require.”.

18 **SEC. 4015. AUTHORIZATION OF APPROPRIATIONS.**

19 Section 18(a)(1) of the Food and Nutrition Act of
20 2008 (7 U.S.C. 2027(a)(1)) is amended in the 1st sen-
21 tence by striking “2012” and inserting “2017”.

22 **SEC. 4016. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.**

23 Section 25(b) of the Food and Nutrition Act of 2008
24 (7 U.S.C. 2034) is amended by adding at the end the fol-
25 lowing:

1 “(3) FUNDING.—

2 “(A) IN GENERAL.—Out of any funds in
3 the Treasury not otherwise appropriated, the
4 Secretary of the Treasury shall transfer to the
5 Secretary to carry out this section not less than
6 \$10,000,000 for fiscal year 2013 and each fis-
7 cal year thereafter.

8 “(B) RECEIPT AND ACCEPTANCE.—The
9 Secretary shall be entitled to receive, shall ac-
10 cept, and shall use to carry out this section, the
11 funds transferred under subparagraph (A) with-
12 out further appropriation.

13 “(C) MAINTENANCE OF FUNDING.—The
14 funding provided under subparagraph (A) shall
15 supplement (and not supplant) other Federal
16 funding made available to the Secretary to
17 carry out this section.”.

18 **SEC. 4017. EMERGENCY FOOD ASSISTANCE.**

19 (a) PURCHASE OF COMMODITIES.—Section 27(a) of
20 the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a))
21 is amended—

22 (1) in paragraph (1) by striking “2008 through
23 2012” and inserting “2012 through 2017”; and

24 (2) in paragraph (2)—

1 (A) by striking subparagraphs (A) and (B)
2 and inserting the following:

3 “(A) for fiscal year 2012, \$260,250,000;
4 and

5 “(B) for fiscal year 2013 the dollar
6 amount of commodities specified in subpara-
7 graph (A) adjusted by the percentage by which
8 the thrifty food plan has been adjusted under
9 section 3(u)(4) between June 30, 2011 and
10 June 30, 2012, and subsequently increased by
11 \$20,000,000”; and

12 (B) in subparagraph (C)—

13 (i) by striking “2010 through 2012,
14 the dollar amount of commodities specified
15 in” and inserting “2014 through 2017, the
16 total amount of commodities under”; and

17 (ii) by striking “2008” and inserting
18 “2012”.

19 (b) EMERGENCY FOOD PROGRAM INFRASTRUCTURE
20 GRANTS.—Section 209(d) of the Emergency Food Assist-
21 ance Act of 1983 (7 U.S.C. 7511a(d)) is amended by
22 striking “2012” and inserting “2017”.

1 **SEC. 4018. NUTRITION EDUCATION.**

2 Section 28(b) of the Food and Nutrition Act of 2008
3 (7 U.S.C. 2036a(b)) is amended by inserting “and phys-
4 ical activity” after “healthy food choices”.

5 **SEC. 4019. RETAILER TRAFFICKING.**

6 The Food and Nutrition Act of 2008 (7 U.S.C. 2011
7 et seq.) is amended by adding at the end the following:

8 **“SEC. 29. RETAILER TRAFFICKING.**

9 “(a) PURPOSE.—The purpose of this section is to
10 provide the Department of Agriculture with additional re-
11 sources to prevent trafficking in violation of this Act by
12 strengthening recipient and retailer program integrity.
13 Additional funds are provided to supplement the Depart-
14 ment’s payment accuracy, and retailer and recipient integ-
15 rity activities.

16 “(b) FUNDING.—

17 “(1) IN GENERAL.—Out of any funds in the
18 Treasury not otherwise appropriated, the Secretary
19 of the Treasury shall transfer to the Secretary to
20 carry out this section not less than \$5,000,000 for
21 fiscal year 2013 and each fiscal year thereafter.

22 “(2) RECEIPT AND ACCEPTANCE.—The Sec-
23 retary shall be entitled to receive, shall accept, and
24 shall use to carry out this section the funds trans-
25 ferred under paragraph (1) without further appro-
26 priation.

1 “(3) MAINTENANCE OF FUNDING.—The fund-
2 ing provided under paragraph (1) shall supplement
3 (and not supplant) other Federal funding for pro-
4 grams carried out under this Act.”.

5 **SEC. 4020. TECHNICAL AND CONFORMING AMENDMENTS.**

6 (a) Section 3 of the Food and Nutrition Act of 2008
7 (7 U.S.C. 2012) is amended—

8 (1) in subsection (g) by striking “coupon,” the
9 last place it appears and inserting “coupon”;

10 (2) in subsection (k)(7) by striking “or are”
11 and inserting “and”;

12 (3) by striking subsection (l);

13 (4) by redesignating subsections (m) through
14 (t) as subsections (l) through (s), respectively; and

15 (5) by inserting after subsection (s) (as so re-
16 designated) the following:

17 “(t) ‘Supplemental nutritional assistance program’
18 means the program operated pursuant to this Act.”.

19 (b) Section 4(a) of the Food and Nutrition Act of
20 2008 (7 U.S.C. 2013(a)) is amended in the last sentence
21 by striking “The benefits” and inserting “Benefits”.

22 (c) Section 5 of the Food and Nutrition Act of 2008
23 (7 U.S.C. 2014) is amended—

1 (1) in the last sentence of subsection (i)(2)(D)
2 by striking “section 13(b)(2)” and inserting “section
3 13(b)”;

4 (2) in subsection (k)(4)(A) by striking “para-
5 graph (2)(H)” and inserting “paragraph (2)(G)”.

6 (d) Section 6(d)(4) of the Food and Nutrition Act
7 of 2008 (7 U.S.C. 2015(d)(4)) is amended—

8 (1) in subparagraph (B)(vii) by moving the left
9 margin 2 ems to the left, and

10 (2) in subparagraph (F)(iii) by moving the left
11 margin 4 ems to the left.

12 (e) Section 7(h) of the Food and Nutrition Act of
13 2008 (7 U.S.C. 2016(h)) is amended by redesignating the
14 2d paragraph (12) as paragraph (13).

15 (f) Section 9(a)(3) of the Food and Nutrition Act of
16 2008 (7 U.S.C. 2018(a)) is amended by moving the left
17 margin 2 ems to the left.

18 (g) Section 12 of the Food and Nutrition Act of 2008
19 (7 U.S.C. 2021) is amended—

20 (1) in subsection (b)(3)(C) by striking “civil
21 money penalties” and inserting “civil penalties”; and

22 (2) in subsection (g)(1) by striking “(7 U.S.C.
23 1786)” and inserting “(42 U.S.C. 1786)”.

1 (h) Section 15(b)(1) of the Food and Nutrition Act
2 of 2008 (7 U.S.C. 2024(b)(1)) is amended in the 1st sen-
3 tence by striking “an benefit” and inserting “a benefit”.

4 (i) Section 16(a) of the Food and Nutrition Act of
5 2008 (7 U.S.C. 2025(a)) is amended in the proviso fol-
6 lowing paragraph (8) by striking “, as amended.”.

7 (j) Section 18(e) of the Food and Nutrition Act of
8 2008 (7 U.S.C. 2027(e)) is amended in the 1st sentence
9 by striking “sections 7(f)” and inserting “section 7(f)”.

10 (k) Section 22(b)(10)(B)(i) of the Food and Nutri-
11 tion Act of 2008 (7 U.S.C. 2031(b)(10)(B)(i)) is amended
12 in the last sentence by striking “Food benefits” and in-
13 serting “Benefits”.

14 (l) Section 26(f)(3)(C) of the Food and Nutrition Act
15 of 2008 (7 U.S.C. 2035(f)(3)(C)) is amended by striking
16 “subsection” and inserting “subsections”.

17 (m) Section 27(a)(1) of the Food and Nutrition Act
18 of 2008 (7 U.S.C. 2036(a)(1)) is amended by striking
19 “(Public Law 98–8; 7 U.S.C. 612c note)” and inserting
20 “(7 U.S.C. 7515)”.

21 (n) Section 509 of the Older Americans Act of 1965
22 (42 U.S.C. 3056g) is amended in the section heading by
23 striking “**FOOD STAMP PROGRAMS**” and inserting
24 “**SUPPLEMENTAL NUTRITION ASSISTANCE PRO-**
25 **GRAM**”.

1 (o) Section 4115(c)(2)(H) of the Food, Conservation,
2 and Energy Act of 2008 (Public Law 110–246; 122 Stat.
3 1871) is amended by striking “531” and inserting “454”.

4 **SEC. 4021. TOLERANCE LEVEL FOR EXCLUDING SMALL ER-**
5 **RORS.**

6 The Secretary shall set the tolerance level for exclud-
7 ing small errors for the purposes of section 16(c) of the
8 Food and Nutrition Act of 2008 (7 U.S.C. 2025(c))—

9 (1) for fiscal year 2013 at an amount no great-
10 er than \$25; and

11 (2) for each fiscal year thereafter, the amount
12 specified in paragraph (1) adjusted by the percent-
13 age by which the thrifty food plan is adjusted under
14 section 3(u)(4) of such Act between June 30, 2011,
15 and June 30 of the immediately preceding fiscal
16 year.

17 **SEC. 4022. COMMONWEALTH OF THE NORTHERN MARIANA**
18 **ISLANDS PILOT PROGRAM.**

19 (a) STUDY.—

20 (1) IN GENERAL.—Prior to establishing the
21 pilot program under subsection (b), the Secretary
22 shall conduct a study to be completed not later than
23 2 years after the effective date of this section to as-
24 sess—

1 (A) the capabilities of the Commonwealth
2 of the Northern Mariana Islands to operate the
3 supplemental nutrition assistance program in
4 the same manner in which the program is oper-
5 ated in the States (as defined in section 3 of
6 the Food and Nutrition Act (7 U.S.C. 2011 et
7 seq)); and

8 (B) alternative models of the supplemental
9 nutrition assistance program operation and ben-
10 efit delivery that best meet the nutrition assist-
11 ance needs of the Commonwealth of the North-
12 ern Mariana Islands.

13 (2) SCOPE.—The study conducted under para-
14 graph (1)(A) will assess the capability of the Com-
15 monwealth to fulfill the responsibilities of a State
16 agency, including—

17 (A) extending and limiting participation to
18 eligible households, as prescribed by sections 5
19 and 6 of the Act;

20 (B) issuing benefits through EBT cards,
21 as prescribed by section 7 of the Act;

22 (C) maintaining the integrity of the pro-
23 gram, including operation of a quality control
24 system, as prescribed by section 16(c) of the
25 Act;

1 (D) implementing work requirements, in-
2 cluding operating an employment and training
3 program, as prescribed by section 6(d) of the
4 Act; and

5 (E) paying a share of administrative costs
6 with non-Federal funds, as prescribed by sec-
7 tion 16(a) of the Act.

8 (b) ESTABLISHMENT.—If the Secretary determines
9 that a pilot program is feasible, the Secretary shall estab-
10 lish a pilot program for the Commonwealth of the North-
11 ern Mariana Islands to operate the supplemental nutrition
12 assistance program in the same manner in which the pro-
13 gram is operated in the States.

14 (c) SCOPE.—The Secretary shall utilize the informa-
15 tion obtained from the study conducted under subsection
16 (a) to establish the scope of the pilot program established
17 under subsection (b).

18 (d) REPORT.—Not later than June 30, 2018, the
19 Secretary shall submit to the Committee on Agriculture
20 of the House of Representatives and the Committee on
21 Agriculture, Nutrition, and Forestry of the Senate a re-
22 port on the pilot program carried out under this section,
23 including an analysis of the feasibility of operating in the
24 Commonwealth of the Northern Mariana Islands the sup-

1 plemental nutrition assistance program as it is operated
2 in the States.

3 (e) FUNDING.—

4 (1) STUDY.—Of the funds made available under
5 section 18(a)(1) of the Food and Nutrition Act of
6 2008, the Secretary may use not more than
7 \$1,000,000 in each of fiscal years 2013 and 2014 to
8 conduct the study described in subsection (a).

9 (2) PILOT PROGRAM.—Of the funds made avail-
10 able under section 18(a)(1) of the Food and Nutri-
11 tion Act of 2008, for the purposes of establishing
12 and carrying out the pilot program established under
13 subsection (b) of this section, including the Federal
14 costs for providing technical assistance to the Com-
15 monwealth, authorizing and monitoring retail food
16 stores, and assessing pilot operations, the Secretary
17 may use not more than—

18 (A) \$13,500,000 in fiscal year 2015; and

19 (B) \$8,500,000 in each of fiscal years
20 2016 and 2017.

21 **Subtitle B—Commodity** 22 **Distribution Programs**

23 **SEC. 4101. COMMODITY DISTRIBUTION PROGRAM.**

24 Section 4(a) of the Agriculture and Consumer Protec-
25 tion Act of 1973 (7 U.S.C. 612c note; Public Law 93–

1 86) is amended in the 1st sentence by striking “2012”
2 and inserting “2017”.

3 **SEC. 4102. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

4 Section 5 of the Agriculture and Consumer Protec-
5 tion Act of 1973 (7 U.S.C. 612c note; Public Law 93–
6 86) is amended—

7 (1) in paragraphs (1) and (2)(B) of subsection
8 (a) by striking “2012” each place it appears and in-
9 serting “2017”;

10 (2) in the 1st sentence of subsection (d)(2) by
11 striking “2012” and inserting “2017”;

12 (3) by striking subsection (g) and inserting the
13 following:

14 “(g) ELIGIBILITY.—Except as provided in subsection
15 (m), the States shall only provide assistance under the
16 commodity supplemental food program to low-income indi-
17 viduals aged 60 and older.”; and

18 (4) by adding at the end the following:

19 “(m) PHASE-OUT.—Notwithstanding any other provi-
20 sion of law, an individual who receives assistance under
21 the commodity supplemental food program on the day be-
22 fore the effective date of this subsection shall continue to
23 receive that assistance until the date on which the indi-
24 vidual no longer qualifies for assistance under the eligi-

1 bility criteria for the program in effect on the day before
 2 the effective date of this subsection.”.

3 **SEC. 4103. DISTRIBUTION OF SURPLUS COMMODITIES TO**
 4 **SPECIAL NUTRITION PROJECTS.**

5 Section 1114(a)(2)(A) of the Agriculture and Food
 6 Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the
 7 1st sentence by striking “2012” and inserting “2017”.

8 **SEC. 4104. PROCESSING OF COMMODITIES.**

9 (a) Section 17 of the Commodity Distribution Reform
 10 Act and WIC Amendments of 1987 (7 U.S.C. 612c note)
 11 is amended by—

12 (1) striking the heading and inserting “**COM-**
 13 **MODITY DONATIONS AND PROCESSING**”; and

14 (2) adding at the end the following:

15 “(c) **PROCESSING.**—For any program included in
 16 subsection (b), the Secretary may, notwithstanding any
 17 other provision of State or Federal law relating to the pro-
 18 curement of goods and services—

19 “(1) retain title to commodities delivered to a
 20 processor, on behalf of a State (including a State
 21 distributing agency and a recipient agency), until
 22 such time as end products containing such commod-
 23 ities, or similar commodities as approved by the Sec-
 24 retary, are delivered to a State distributing agency
 25 or to a recipient agency; and

1 “(2) promulgate regulations to ensure account-
2 ability for commodities provided to a processor for
3 processing into end products, and to facilitate proc-
4 essing of commodities into end products for use by
5 recipient agencies. Such regulations may provide
6 that—

7 “(A) a processor that receives commodities
8 for processing into end products, or provides a
9 service with respect to such commodities or end
10 products, in accordance with its agreement with
11 a State distributing agency or a recipient agen-
12 cy, provide to the Secretary a bond or other
13 means of financial assurance to protect the
14 value of such commodities; and

15 “(B) in the event a processor fails to de-
16 liver to a State distributing agency or a recipi-
17 ent agency an end product in conformance with
18 the processing agreement entered into under
19 this Act, the Secretary take action with respect
20 to the bond or other means of financial assur-
21 ance pursuant to regulations promulgated
22 under this paragraph and distribute any pro-
23 ceeds obtained by the Secretary to one or more
24 State distributing agencies and recipient agen-

1 cies as determined appropriate by the Sec-
2 retary.”.

3 (b) DEFINITIONS.—Section 18 of the Commodity
4 Distribution Reform Act and WIC Amendments of 1987
5 (7 U.S.C. 612c note) is amended by striking out para-
6 graphs (1) and (2) and inserting the following in their
7 place:

8 “(1) The term ‘commodities’ means agricultural
9 commodities and their products that are donated by
10 the Secretary for use by recipient agencies.

11 “(2) The term ‘end product’ means a food
12 product that contains processed commodities.”.

13 (c) TECHNICAL AND CONFORMING AMENDMENTS.—
14 Section 3 of the Commodity Distribution Reform Act and
15 WIC Amendments of 1987 (7 U.S.C. 612c note; Public
16 Law 100-237) is amended—

17 (1) in subsection (a)—

18 (A) in paragraph (2) by striking subpara-
19 graph (B) and inserting the following:

20 “(B) the program established under sec-
21 tion 4(b) of the Food and Nutrition Act of
22 2008 (7 U.S.C. 2013(b));”; and

23 (B) in paragraph (3)(D) by striking “the
24 Committee on Education and Labor” and in-

1 serting “the Committee on Education and the
2 Workforce”;

3 (2) in subsection (b)(1)(A)(ii) by striking “sec-
4 tion 32 of the Agricultural Adjustment Act (7
5 U.S.C. 601 et seq.)” and inserting “section 32 of
6 the Act of August 24, 1935 (7 U.S.C. 612c)”;

7 (3) in subsection (e)(1)(D)(iii) by striking sub-
8 clause (II) and inserting the following:

9 “(II) the program established
10 under section 4(b) of the Food and
11 Nutrition Act of 2008 (7 U.S.C.
12 2013(b));”; and

13 (4) in subsection (k) by striking “the Com-
14 mittee on Education and Labor” and inserting “the
15 Committee on Education and the Workforce”.

16 **Subtitle C—Miscellaneous**

17 **SEC. 4201. FARMERS’ MARKET NUTRITION PROGRAM.**

18 Section 4402 of the Farm Security and Rural Invest-
19 ment Act of 2002 (7 U.S.C. 3007) is amended—

20 (1) in the section heading by striking “**SEN-**
21 **IORES**”;

22 (2) by amending subsection (a) to read as fol-
23 lows:

24 “(a) FUNDING.—

1 “(1) IN GENERAL.—Of the funds of the Com-
 2 modity Credit Corporation, the Secretary of Agri-
 3 culture shall use to carry out and expand the farm-
 4 ers market nutrition program \$20,600,000 for each
 5 of fiscal years 2013 through 2017.

6 “(2) ADDITIONAL FUNDING.—There is author-
 7 ized to be appropriated such sums as are necessary
 8 to carry out this subsection for each of fiscal years
 9 2013 through 2017.”;

10 (3) in subsection (b)—

11 (A) in the matter preceding paragraph (1),
 12 by striking “seniors”; and

13 (B) in paragraph (1) by inserting “, and
 14 low-income families who are determined to be at
 15 nutritional risk” after “low-income seniors”;

16 (4) in subsection (c) by striking “seniors”;

17 (5) in subsection (d) by striking “seniors”.

18 (6) by redesignating subsections (c), (d), (e),
 19 and (f) as subsections (d), (e), (f), and (g), respec-
 20 tively; and

21 (7) by inserting after subsection (b) the fol-
 22 lowing:

23 “(c) STATE GRANTS AND OTHER ASSISTANCE.—The
 24 Secretary shall carry out the Program through grants and
 25 other assistance provided in accordance with agreements

1 made with States, for implementation through State agen-
 2 cies and local agencies, that include provisions—

3 “(1) for the issuance of coupons or vouchers to
 4 participating individuals;

5 “(2) establishing an appropriate annual per-
 6 centage limitation on the use of funds for adminis-
 7 trative costs; and

8 “(3) specifying other terms and conditions as
 9 the Secretary deems appropriate to encourage ex-
 10 panding the participation of small scale farmers in
 11 Federal nutrition programs.”.

12 **SEC. 4202. NUTRITION INFORMATION AND AWARENESS**
 13 **PILOT PROGRAM.**

14 Section 4403 of the Farm Security and Rural Invest-
 15 ment Act of 2002 (7 U.S.C. 3171 note; Public Law 107–
 16 171) is repealed.

17 **SEC. 4203. FRESH FRUIT AND VEGETABLE PROGRAM.**

18 Section 19 of the Richard B. Russell National School
 19 Lunch Act (42 U.S.C. 1769a) is amended—

20 (1) in the section heading, by striking
 21 “**FRESH**”;

22 (2) in subsection (a), by striking “fresh”;

23 (3) in subsection (b), by striking “fresh”; and

24 (4) in subsection (e), by striking “fresh”.

1 **SEC. 4204. ADDITIONAL AUTHORITY FOR PURCHASE OF**
2 **FRESH FRUITS, VEGETABLES, AND OTHER**
3 **SPECIALTY FOOD CROPS.**

4 Section 10603 of the Farm Security and Rural In-
5 vestment Act of 2002 (7 U.S.C. 612c–4) is amended—

6 (1) in subsection (b), by striking “2012” and
7 inserting “2017”;

8 (2) by redesignating subsection (c) as sub-
9 section (d); and

10 (3) by inserting after subsection (b) the fol-
11 lowing new subsection:

12 “(c) PILOT GRANT PROGRAM FOR PURCHASE OF
13 FRESH FRUITS AND VEGETABLES.—

14 “(1) IN GENERAL.—Using amounts made avail-
15 able to carry out subsection (b), the Secretary of Ag-
16 riculture shall conduct a pilot program under which
17 the Secretary will give not more than five partici-
18 pating States the option of receiving a grant in an
19 amount equal to the value of the commodities that
20 the participating State would otherwise receive
21 under this section for each of fiscal years 2013
22 through 2017.

23 “(2) USE OF GRANT FUNDS.—A participating
24 State receiving a grant under this subsection may
25 use the grant funds solely to purchase fresh fruits
26 and vegetables for distribution to schools and service

1 institutions in the State that participate in the food
2 service programs under the Richard B. Russell Na-
3 tional School Lunch Act (42 U.S.C. 1751 et seq.)
4 and the Child Nutrition Act of 1966 (42 U.S.C.
5 1771 et seq.).

6 “(3) SELECTION OF PARTICIPATING STATES.—
7 The Secretary shall select participating States from
8 applications submitted by the States.

9 “(4) REPORTING REQUIREMENTS.—

10 “(A) SCHOOL AND SERVICE INSTITUTION
11 REQUIREMENT.—Schools and service institu-
12 tions in a participating State shall keep records
13 of purchases of fresh fruits and vegetables
14 made using the grant funds and report such
15 records to the State.

16 “(B) STATE REQUIREMENT.—Each par-
17 ticipating State shall submit to the Secretary a
18 report on the success of the pilot program in
19 the State, including information on—

20 “(i) the amount and value of each
21 type of fresh fruit and vegetable purchased
22 by the State; and

23 “(ii) the benefit provided by such pur-
24 chases in conducting the school food serv-

1 ice in the State, including meeting school
 2 meal requirements.”.

3 **TITLE V—CREDIT**

4 **Subtitle A—Farm Ownership Loans**

5 **SEC. 5001. ELIGIBILITY FOR FARM OWNERSHIP LOANS.**

6 (a) IN GENERAL.—Section 302(a) of the Consoli-
 7 dated Farm and Rural Development Act (7 U.S.C.
 8 1922(a)) is amended—

9 (1) by striking “(a) IN GENERAL.—The” and
 10 inserting the following:

11 “(a) IN GENERAL.—

12 “(1) ELIGIBILITY REQUIREMENTS.—The”;

13 (2) in the 1st sentence, by inserting after “lim-
 14 ited liability companies” the following: “, and such
 15 other legal entities as the Secretary deems appro-
 16 priate,”;

17 (3) in the 2nd sentence, by redesignating
 18 clauses (1) through (4) as clauses (A) through (D),
 19 respectively;

20 (4) in each of the 2nd and 3rd sentences, by
 21 striking “and limited liability companies” each place
 22 it appears and inserting “limited liability companies,
 23 and such other legal entities”;

1 (5) in the 3rd sentence, by striking “(3)” and
2 “(4)” and inserting “(C)” and “(D)”, respectively;
3 and

4 (6) by adding at the end the following:

5 “(2) SPECIAL DEEMING RULES.—

6 “(A) ELIGIBILITY OF CERTAIN OPER-
7 ATING-ONLY ENTITIES.—An entity that is or
8 will become only the operator of a family farm
9 is deemed to meet the owner-operator require-
10 ments of paragraph (1) if the individuals that
11 are the owners of the family farm own more
12 than 50 percent (or such other percentage as
13 the Secretary determines is appropriate) of the
14 entity.

15 “(B) ELIGIBILITY OF CERTAIN EMBEDDED
16 ENTITIES.—An entity that is an owner-operator
17 described in paragraph (1), or an operator de-
18 scribed in subparagraph (A) of this paragraph
19 that is owned, in whole or in part, by other en-
20 tities, is deemed to meet the direct ownership
21 requirement imposed under paragraph (1) if at
22 least 75 percent of the ownership interests of
23 each embedded entity of such entity is owned
24 directly or indirectly by the individuals that own
25 the family farm.”.

1 (b) DIRECT FARM OWNERSHIP EXPERIENCE RE-
 2 QUIREMENT.—Section 302(b)(1) of such Act (7 U.S.C.
 3 1922(b)(1)) is amended by inserting “or has other accept-
 4 able experience for a period of time, as determined by the
 5 Secretary,” after “3 years”.

6 (c) CONFORMING AMENDMENTS.—

7 (1) Section 304(c)(2) of such Act (7 U.S.C.
 8 1924(c)(2)) by striking “paragraphs (1) and (2) of
 9 section 302(a)” and inserting “clauses (A) and (B)
 10 of section 302(a)(1)”.

11 (2) Section 310D of such Act (7 U.S.C. 1934)
 12 is amended—

13 (A) by inserting after “partnership” the
 14 following: “, or such other legal entities as the
 15 Secretary deems appropriate,”; and

16 (B) by striking “or partners” each place it
 17 appears and inserting “partners, or owners”.

18 **SEC. 5002. CONSERVATION LOAN AND LOAN GUARANTEE**
 19 **PROGRAM.**

20 (a) ELIGIBILITY.—Section 304(c) of the Consolidated
 21 Farm and Rural Development Act (7 U.S.C. 1924(c)) is
 22 amended by inserting after “limited liability companies”
 23 the following: “, or such other legal entities as the Sec-
 24 retary deems appropriate,”.

1 (b) LIMITATION ON LOAN GUARANTEE AMOUNT.—
 2 Section 304(e) of such Act (7 U.S.C. 1924(e)) is amended
 3 by striking “75 percent” and inserting “90 percent”.

4 (c) EXTENSION OF PROGRAM.—Section 304(h) of
 5 such Act (7 U.S.C. 1924(h)) is amended by striking
 6 “2012” and inserting “2017”.

7 **SEC. 5003. DOWN PAYMENT LOAN PROGRAM.**

8 (a) IN GENERAL.—Section 310E(b)(1)(C)) of the
 9 Consolidated Farm and Rural Development Act (7 U.S.C.
 10 1935(b)(1)(C)) is amended by striking “\$500,000” and
 11 inserting “\$667,000”.

12 (b) TECHNICAL CORRECTION.—Section 310E(b) of
 13 such Act (7 U.S.C. 1935(b)) is amended by striking the
 14 2nd paragraph (2).

15 **SEC. 5004. ELIMINATION OF MINERAL RIGHTS APPRAISAL**
 16 **REQUIREMENT.**

17 Section 307 of the Consolidated Farm and Rural De-
 18 velopment Act (7 U.S.C. 1927) is amended by striking
 19 subsection (d) and redesignating subsection (e) as sub-
 20 section (d).

21 **Subtitle B—Operating Loans**

22 **SEC. 5101. ELIGIBILITY FOR FARM OPERATING LOANS.**

23 Section 311(a) of the Consolidated Farm and Rural
 24 Development Act (7 U.S.C. 1941(a)) is amended—

1 (1) by striking “(a) IN GENERAL.—The” and
2 inserting the following:

3 “(a) IN GENERAL.—

4 “(1) ELIGIBILITY REQUIREMENTS.—The”;

5 (2) in the 1st sentence, by inserting after “limited liability companies” the following: “, and such
6 other legal entities as the Secretary deems appropriate,”;

9 (3) in the 2nd sentence, by redesignating
10 clauses (1) through (4) as clauses (A) through (D),
11 respectively;

12 (4) in each of the 2nd and 3rd sentences, by
13 striking “and limited liability companies” each place
14 it appears and inserting “limited liability companies,
15 and such other legal entities”;

16 (5) in the 3rd sentence, by striking “(3)” and
17 “(4)” and inserting “(C)” and “(D)”, respectively;
18 and

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

20 “(2) SPECIAL DEEMING RULE.—An entity that
21 is an operator described in paragraph (1) that is
22 owned, in whole or in part, by other entities, is
23 deemed to meet the direct ownership requirement
24 imposed under paragraph (1) if at least 75 percent
25 of the ownership interests of each embedded entity

1 of such entity is owned directly or indirectly by the
 2 individuals that own the family farm.”.

3 **SEC. 5102. AUTHORITY TO WAIVE PERSONAL LIABILITY**
 4 **FOR YOUTH LOANS DUE TO CIRCUMSTANCES**
 5 **BEYOND BORROWER CONTROL.**

6 Section 311(b) of the Consolidated Farm and Rural
 7 Development Act (7 U.S.C. 1941(b)) is amended by add-
 8 ing at the end the following:

9 “(5) The Secretary may, on a case by case basis,
 10 waive the personal liability of a borrower for a loan made
 11 under this subsection if any default on the loan was due
 12 to circumstances beyond the control of the borrower.”.

13 **Subtitle C—Emergency Loans**

14 **SEC. 5201. ELIGIBILITY FOR EMERGENCY LOANS.**

15 Section 321(a) of the Consolidated Farm and Rural
 16 Development Act (7 U.S.C. 1961(a)) is amended—

17 (1) by striking “owner-operators (in the case of
 18 loans for a purpose under subtitle A) or operators
 19 (in the case of loans for a purpose under subtitle
 20 B)” each place it appears and inserting “(in the
 21 case of farm ownership loans in accordance with
 22 subtitle A) owner-operators or operators, or (in the
 23 case of loans for a purpose under subtitle B) opera-
 24 tors”;

1 (2) by inserting after “limited liability compa-
2 nies” the 1st place it appears the following: “, or
3 such other legal entities as the Secretary deems ap-
4 propriate”; and

5 (3) by inserting after “limited liability compa-
6 nies” the 2nd place it appears the following: “, or
7 other legal entities”;

8 (4) by striking “and limited liability compa-
9 nies,” and inserting “limited liability companies, and
10 such other legal entities”;

11 (5) by striking “ownership and operator” and
12 inserting “ownership or operator”; and

13 (6) by adding at the end the following: “An en-
14 tity that is an owner-operator or operator described
15 in this subsection is deemed to meet the direct own-
16 ership requirement imposed under this subsection if
17 at least 75 percent of the ownership interests of
18 each embedded entity of such entity is owned di-
19 rectly or indirectly by the individuals that own the
20 family farm.”.

Subtitle D—Administrative Provisions

SEC. 5301. BEGINNING FARMER AND RANCHER INDIVIDUAL DEVELOPMENT ACCOUNTS PILOT PROGRAM.

Section 333B(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983b(h)) is amended by striking “2012” and inserting “2017”.

SEC. 5302. ELIGIBLE BEGINNING FARMERS AND RANCHERS.

(a) CONFORMING AMENDMENTS RELATING TO CHANGES IN ELIGIBILITY RULES.—Section 343(a)(11) of such Act (7 U.S.C. 1991(a)(11)) is amended—

(1) by inserting after “joint operation,” the 1st place it appears the following: “or such other legal entity as the Secretary deems appropriate,”;

(2) by striking “or joint operators” each place it appears and inserting “joint operators, or owners”; and

(3) by inserting after “joint operation,” each other place it appears the following: “or such other legal entity,”.

(b) MODIFICATION OF ACREAGE OWNERSHIP LIMITATION.—Section 343(a)(11)(F) of such Act (7 U.S.C. 1991(a)(11)(F)) is amended by striking “median acreage” and inserting “average acreage”.

1 **SEC. 5303. LOAN AUTHORIZATION LEVELS.**

2 Section 346(b)(1) of the Consolidated Farm and
3 Rural Development Act (7 U.S.C. 1994(b)(1)) is amended
4 in the matter preceding subparagraph (A) by striking
5 “2012” and inserting “2017”.

6 **SEC. 5304. PRIORITY FOR PARTICIPATION LOANS.**

7 Section 346(b)(2)(A)(i) of the Consolidated Farm
8 and Rural Development Act (7 U.S.C. 1994(b)(2)(A)(i))
9 is amended by adding at the end the following:

10 “(III) PRIORITY.—In order to
11 maximize the number of borrowers
12 served under this clause, the Sec-
13 retary—

14 “(aa) shall give priority to
15 applicants who apply under the
16 down payment loan program
17 under section 310E or joint fi-
18 nancing arrangements under sec-
19 tion 307(a)(3)(D); and

20 “(bb) may offer other fi-
21 nancing options under this sub-
22 title to applicants only if the Sec-
23 retary determines that down pay-
24 ment or other participation loan
25 options are not a viable approach
26 for the applicants.”.

1 **SEC. 5305. LOAN FUND SET-ASIDES.**

2 Section 346(b)(2)(A)(ii)(III) of the Consolidated
3 Farm and Rural Development Act (7 U.S.C.
4 1994(b)(2)(A)(ii)(III)) is amended—

5 (1) by striking “2012” and inserting “2017”;

6 and

7 (2) by striking “of the total amount”.

8 **SEC. 5306. CONFORMING AMENDMENT TO BORROWER**
9 **TRAINING PROVISION, RELATING TO ELIGI-**
10 **BILITY CHANGES.**

11 Section 359(c)(2) of the Consolidated Farm and
12 Rural Development Act (7 U.S.C. 2006a(c)(2)) is amend-
13 ed by striking “section 302(a)(2) or 311(a)(2)” and in-
14 serting “section 302(a)(1)(B) or 311(a)(1)(B)”.

15 **Subtitle E—State Agricultural**
16 **Mediation Programs**

17 **SEC. 5401. STATE AGRICULTURAL MEDIATION PROGRAMS.**

18 Section 506 of the Agricultural Credit Act of 1987
19 (7 U.S.C. 5106) is amended by striking “2015” and in-
20 serting “2017”.

21 **Subtitle F—Loans to Purchasers of**
22 **Highly Fractionated Land**

23 **SEC. 5501. LOANS TO PURCHASERS OF HIGHLY**
24 **FRACTIONATED LAND.**

25 The first section of Public Law 91–229 (25 U.S.C.
26 488) is amended in subsection (b)(1) by striking “pursu-

1 ant to section 205(c) of the Indian Land Consolidation
 2 Act (25 U.S.C. 2204(c))” and inserting “or to inter-
 3 mediaries in order to establish revolving loan funds for the
 4 purchase of highly fractionated land”.

5 **TITLE VI—RURAL** 6 **DEVELOPMENT**

7 **Subtitle A—Consolidated Farm and** 8 **Rural Development Act**

9 **SEC. 6001. WATER, WASTE DISPOSAL, AND WASTEWATER** 10 **FACILITY GRANTS.**

11 Section 306(a)(2)(B)(vii) of the Consolidated Farm
 12 and Rural Development Act (7 U.S.C. 1926(a)(2)(B)(vii))
 13 by striking “\$30,000,000 for each of fiscal years 2008
 14 through 2012” and inserting “\$15,000,000 for each of fis-
 15 cal years 2013 through 2017”.

16 **SEC. 6002. RURAL BUSINESS OPPORTUNITY GRANTS.**

17 Section 306(a)(11)(D) of the Consolidated Farm and
 18 Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is
 19 amended by striking “\$15,000,000 for each of fiscal years
 20 2008 through 2012” and inserting “\$15,000,000 for each
 21 of fiscal years 2013 through 2017”.

1 **SEC. 6003. ELIMINATION OF RESERVATION OF COMMUNITY**
2 **FACILITIES GRANT PROGRAM FUNDS.**

3 Section 306(a)(19) of the Consolidated Farm and
4 Rural Development Act (7 U.S.C. 1926(a)(19)) is amend-
5 ed by striking subparagraph (C).

6 **SEC. 6004. RURAL WATER AND WASTEWATER CIRCUIT**
7 **RIDER PROGRAM.**

8 Section 306(a)(22) of the Consolidated Farm and
9 Rural Development Act (7 U.S.C. 1926(a)(22)) is amend-
10 ed to read as follows:

11 “(22) RURAL WATER AND WASTEWATER CIR-
12 CUIT RIDER PROGRAM.—

13 “(A) IN GENERAL.—The Secretary shall
14 continue a national rural water and wastewater
15 circuit rider program that—

16 “(i) is consistent with the activities
17 and results of the program conducted be-
18 fore the date of enactment of this para-
19 graph, as determined by the Secretary; and
20 “(ii) receives funding from the Sec-
21 retary, acting through the Rural Utilities
22 Service.

23 “(B) AUTHORIZATION OF APPROPRIA-
24 TIONS.—There is authorized to be appropriated
25 to carry out this paragraph \$20,000,000 for fis-
26 cal year 2013 and each fiscal year thereafter.”.

1 **SEC. 6005. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL**
2 **COMMUNITY FACILITIES.**

3 Section 306(a)(25)(C) of the Consolidated Farm and
4 Rural Development Act (7 U.S.C. 1926(a)(25)(C)) is
5 amended by striking “\$10,000,000 for each of fiscal years
6 2008 through 2012” and inserting “\$5,000,000 for each
7 of fiscal years 2013 through 2017”.

8 **SEC. 6006. EMERGENCY AND IMMINENT COMMUNITY**
9 **WATER ASSISTANCE GRANT PROGRAM.**

10 Section 306A(i)(2) of the Consolidated Farm and
11 Rural Development Act (7 U.S.C. 1926a(i)(2)) is amended
12 by striking “\$35,000,000 for each of fiscal years 2008
13 through 2012” and inserting “\$27,000,000 for each of fis-
14 cal years 2013 through 2017”.

15 **SEC. 6007. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**
16 **NANCE THE CONSTRUCTION, REFURBISHING,**
17 **AND SERVICING OF INDIVIDUALLY-OWNED**
18 **HOUSEHOLD WATER WELL SYSTEMS IN**
19 **RURAL AREAS FOR INDIVIDUALS WITH LOW**
20 **OR MODERATE INCOMES.**

21 Section 306E(d) of the Consolidated Farm and Rural
22 Development Act (7 U.S.C. 1926e(d)) is amended by
23 striking “\$10,000,000 for each of fiscal years 2008
24 through 2012” and inserting “\$5,000,000 for each of fis-
25 cal years 2013 through 2017”.

1 **SEC. 6008. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

2 Section 310B(e)(12) of the Consolidated Farm and
3 Rural Development Act (7 U.S.C. 1932(e)(12)) is amend-
4 ed by striking “\$50,000,000 for each of fiscal years 2008
5 through 2012” and inserting “\$40,000,000 for each of fis-
6 cal years 2013 through 2017”.

7 **SEC. 6009. LOCALLY OR REGIONALLY PRODUCED AGRICUL-**
8 **TURAL FOOD PRODUCTS.**

9 Section 310B(g)(9)(B)(v)(I) of the Consolidated
10 Farm and Rural Development Act (7 U.S.C.
11 1932(g)(9)(B)(v)(I)) is amended—

12 (1) by striking “2012” and inserting “2017”;

13 and

14 (2) by inserting “and not more than 7 percent”
15 after “5 percent”.

16 **SEC. 6010. INTERMEDIARY RELENDING PROGRAM.**

17 (a) IN GENERAL.—Subtitle A of the Consolidated
18 Farm and Rural Development Act (7 U.S.C. 1922–1936a)
19 is amended by adding at the end the following:

20 **“SEC. 310H. INTERMEDIARY RELENDING PROGRAM.**

21 “(a) IN GENERAL.—The Secretary shall make loans
22 to the entities, for the purposes, and subject to the terms
23 and conditions specified in the 1st, 2nd, and last sentences
24 of section 623(a) of the Community Economic Develop-
25 ment Act of 1981 (42 U.S.C. 9812(a)).

1 “(b) LIMITATIONS ON AUTHORIZATION OF APPRO-
 2 PRIATIONS.—For loans under subsection (a), there are au-
 3 thorized to be appropriated to the Secretary not more than
 4 \$10,000,000 for each of fiscal years 2013 through 2017.”.

5 (b) CONFORMING AMENDMENTS.—Section
 6 1323(b)(2) of the Food Security Act of 1985 (Public Law
 7 99-198; 7 U.S.C. 1932 note) is amended—

8 (1) in subparagraph (A), by adding “and” at
 9 the end;

10 (2) in subparagraph (B), by striking “; and”
 11 and inserting a period; and

12 (3) by striking subparagraph (C).

13 **SEC. 6011. SIMPLIFIED APPLICATIONS.**

14 (a) IN GENERAL.—Section 333A of the Consolidated
 15 Farm and Rural Development Act (7 U.S.C. 1983a) is
 16 amended by adding at the end the following:

17 “(h) SIMPLIFIED APPLICATION FORMS.—Except as
 18 provided in subsection (g)(2) of this section, the Secretary
 19 shall, to the maximum extent practicable, develop a sim-
 20 plified application process, including a single page applica-
 21 tion where possible, for grants and relending authorized
 22 under sections 306, 306C, 306D, 306E, 310B(b),
 23 310B(c), 310B(e), 310B(f), 310H, 379B, and 379E.”.

24 (b) REPORT TO THE CONGRESS.—Within 2 years
 25 after the date of the enactment of this Act, the Secretary

1 shall submit to the Committee on Agriculture of the House
2 of Representatives and the Committee on Agriculture, Nu-
3 trition, and Forestry of the Senate a written report that
4 contains an evaluation of the implementation of the
5 amendment made by subsection (a).

6 **SEC. 6012. GRANTS FOR NOAA WEATHER RADIO TRANSMIT-**
7 **TERS.**

8 Section 379B(d) of the Consolidated Farm and Rural
9 Development Act (7 U.S.C. 2008p(d)) is amended to read
10 as follows:

11 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
12 is authorized to be appropriated to carry out this section
13 \$1,000,000 for each of fiscal years 2013 through 2017.”.

14 **SEC. 6013. RURAL MICROENTREPRENEUR ASSISTANCE**
15 **PROGRAM.**

16 Section 379E(d)(2) of the Consolidated Farm and
17 Rural Development Act (7 U.S.C. 2008s(d)(2)) is amend-
18 ed by striking “\$40,000,000 for each of fiscal years 2009
19 through 2012” and inserting “\$20,000,000 for each of fis-
20 cal years 2013 through 2017”.

21 **SEC. 6014. DELTA REGIONAL AUTHORITY.**

22 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
23 382M(a) of the Consolidated Farm and Rural Develop-
24 ment Act (7 U.S.C. 2009aa–12(a)) is amended by striking
25 “\$30,000,000 for each of fiscal years 2008 through 2012”

1 and inserting “\$12,000,000 for each of fiscal years 2013
2 through 2017”.

3 (b) TERMINATION OF AUTHORITY.—Section 382N of
4 such Act (7 U.S.C. 2009aa–13) is amended by striking
5 “2012” and inserting “2017”.

6 **SEC. 6015. NORTHERN GREAT PLAINS REGIONAL AUTHOR-**
7 **ITY.**

8 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
9 383N(a) of the Consolidated Farm and Rural Develop-
10 ment Act (7 U.S.C. 2009bb–12(a)) is amended by striking
11 “\$30,000,000 for each of fiscal years 2008 through 2012”
12 and inserting “\$2,000,000 for each of fiscal years 2013
13 through 2017”.

14 (b) TERMINATION OF AUTHORITY.—Section 383O of
15 such Act (7 U.S.C. 2009bb–13) is amended by striking
16 “2012” and inserting “2017”.

17 **SEC. 6016. RURAL BUSINESS INVESTMENT PROGRAM.**

18 Section 384S of the Consolidated Farm and Rural
19 Development Act (7 U.S.C. 2009cc–18) is amended by
20 striking “\$50,000,000 for the period of fiscal years 2008
21 through 2012” and inserting “\$20,000,000 for each of fis-
22 cal years 2013 through 2017”.

1 **Subtitle B—Rural Electrification**
2 **Act of 1936**

3 **SEC. 6101. RELENDING FOR CERTAIN PURPOSES.**

4 (a) IN GENERAL.—The Rural Electrification Act of
5 1936 (7 U.S.C. 901 et seq.) is amended—

6 (1) in section 2(a), by inserting “(including re-
7 lending for this purpose as provided in section 4)”
8 after “efficiency”;

9 (2) in section 4(a), by inserting “(including re-
10 lending to ultimate consumers for this purpose by
11 borrowers enumerated in the proviso in this sec-
12 tion)” after “efficiency”; and

13 (3) in section 313(b)(2)(B)—

14 (A) by inserting “(acting through the
15 Rural Utilities Service)” after “Secretary”; and

16 (B) by inserting “energy efficiency (includ-
17 ing relending to ultimate consumers for this
18 purpose),” after “promoting”.

19 (b) CURRENT AUTHORITY.—The authority provided
20 in this section is in addition to any other relending author-
21 ity of the Secretary under the Rural Electrification Act
22 of 1936 (7 U.S.C. 901 et. seq.) or any other law.

23 (c) ADMINISTRATION.—The Secretary (acting
24 through the Rural Utilities Service) shall continue to carry
25 out section 313 of the Rural Electrification Act of 1936

1 (7 U.S.C. 940c) in the same manner as on the day before
2 enactment of this Act until such time as any regulations
3 necessary to carry out the amendments made by this sec-
4 tion are fully implemented.

5 **SEC. 6102. FEES FOR CERTAIN LOAN GUARANTEES.**

6 The Rural Electrification Act of 1936 (7 U.S.C. 901
7 et seq.) is amended by inserting after section 4 the fol-
8 lowing:

9 **“SEC. 5. FEES FOR CERTAIN LOAN GUARANTEES.**

10 “(a) IN GENERAL.—For electrification baseload gen-
11 eration loan guarantees, the Secretary shall, at the request
12 of the borrower, charge an upfront fee to cover the costs
13 of the loan guarantee.

14 “(b) FEE.—The fee described in subsection (a) for
15 a loan guarantee shall be equal to the costs of the loan
16 guarantee (within the meaning of section 502(5)(C) of the
17 Federal Credit Reform Act of 1990 (2 U.S.C.
18 661a(5)(C))).

19 “(c) LIMITATION.—Funds received from a borrower
20 to pay the fee described in this section shall not be derived
21 from a loan or other debt obligation that is made or guar-
22 anteed by the Federal Government.”.

1 **SEC. 6103. GUARANTEES FOR BONDS AND NOTES ISSUED**
2 **FOR ELECTRIFICATION OR TELEPHONE PUR-**
3 **POSES.**

4 Section 313A(f) of the Rural Electrification Act of
5 1936 (7 U.S.C. 940c–1(f)) is amended by striking “2012”
6 and inserting “2017”.

7 **SEC. 6104. EXPANSION OF 911 ACCESS.**

8 Section 315(d) of the Rural Electrification Act of
9 1936 (7 U.S.C. 940e(d)) is amended by striking “2012”
10 and inserting “2017”.

11 **SEC. 6105. ACCESS TO BROADBAND TELECOMMUNICATIONS**
12 **SERVICES IN RURAL AREAS.**

13 Section 601 of the Rural Electrification Act of 1936
14 (7 U.S.C. 950bb) is amended—

15 (1) in subsection (c), by striking paragraph (2)
16 and inserting the following:

17 “(2) PRIORITIES.—In making or guaranteeing
18 loans under paragraph (1), the Secretary shall
19 give—

20 “(A) the highest priority to applicants that
21 offer to provide broadband service to the great-
22 est proportion of households that, prior to the
23 provision of the broadband service, had no in-
24 cumbent service provider; or

25 “(B) priority to applicants that offer in
26 their applications to provide broadband service

1 if at least 25 percent of customers in the pro-
2 posed service territory are commercial inter-
3 ests.”;

4 (2) in subsection (d)—

5 (A) in paragraph (5)—

6 (i) by striking “and” at the end of
7 subparagraph (B);

8 (ii) by striking the period at the end
9 of subparagraph (C) and inserting a semi-
10 colon; and

11 (iii) by adding at the end the fol-
12 lowing:

13 “(D) the amount and type of support re-
14 quested; and

15 “(E) a list of the census block groups or
16 tracts proposed to be so served.”; and

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

18 “(8) ADDITIONAL PROCESS.—The Secretary
19 shall establish a process under which an incumbent
20 service provider which, as of the date of the publica-
21 tion of notice under paragraph (5) with respect to
22 an application submitted by the provider, is pro-
23 viding broadband service to a remote rural area,
24 may (but shall not be required to) submit to the
25 Secretary, not less than 15 and not more than 30

1 days after that date, information regarding the
2 broadband services that the provider offers in the
3 proposed service territory, so that the Secretary may
4 assess whether the application meets the require-
5 ments of this section with respect to eligible
6 projects.”;

7 (3) in subsection (e), by adding at the end the
8 following:

9 “(3) REQUIREMENT.—In considering the tech-
10 nology needs of customers in a proposed service ter-
11 ritory, the Secretary shall take into consideration the
12 upgrade or replacement cost for the construction or
13 acquisition of facilities and equipment in the terri-
14 tory.”; and

15 (4) in each of subsections (k)(1) and (l), by
16 striking “2012” and inserting “2017”.

17 **Subtitle C—Miscellaneous**

18 **SEC. 6201. DISTANCE LEARNING AND TELEMEDICINE.**

19 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
20 2335A of the Food, Agriculture, Conservation, and Trade
21 Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking
22 “\$100,000,000 for each of fiscal years 2008 through
23 2012” and inserting “\$65,000,000 for each of fiscal years
24 2013 through 2017”.

1 (b) CONFORMING AMENDMENT.—Section 1(b) of
2 Public Law 102–551 (7 U.S.C. 950aaa note; Public Law
3 102–551) is amended by striking “2012” and inserting
4 “2017”.

5 **SEC. 6202. VALUE-ADDED AGRICULTURAL MARKET DEVEL-**
6 **OPMENT PROGRAM GRANTS.**

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

9 (1) in subparagraph (A)—

10 (A) by striking “2008” and inserting
11 “2012”; and

12 (B) by striking “\$15,000,000” and insert-
13 ing “\$50,000,000”; and

14 (2) in subparagraph (B), by striking “2012”
15 and inserting “2017”.

16 **SEC. 6203. AGRICULTURE INNOVATION CENTER DEM-**
17 **ONSTRATION PROGRAM.**

18 Section 6402(i) of the Farm Security and Rural In-
19 vestment Act of 2002 (7 U.S.C. 1632b(i)) is amended by
20 striking “\$6,000,000 for each of fiscal years 2008 through
21 2012” and inserting “\$1,000,000 for each of fiscal years
22 2013 through 2017”.

23 **SEC. 6204. PROGRAM METRICS.**

24 (a) IN GENERAL.—The Secretary of Agriculture shall
25 collect data regarding economic activities created through

1 grants and loans, including any technical assistance pro-
2 vided as a component of the grant or loan program, and
3 measure the short and long term viability of award recipi-
4 ents and any entities to whom those recipients provide as-
5 sistance using award funds under section 231 of the Agri-
6 cultural Risk Protection Act of 2000 (7 U.S.C. 1621 note;
7 Public Law 106-224), section 9007 of the Food, Conserva-
8 tion, and Energy Act of 2008 (Public Law 110-246), sec-
9 tion 313(b)(2) of the Rural Electrification Act of 1936
10 (7 U.S.C. 940c(b)(2)), or section 306(a)(11), 310B(c),
11 310B(e), 310B(g), 310H, or 379E, or subtitle E, of the
12 Consolidated Farm and Rural Development Act (7 U.S.C.
13 1926(a)(11), 1932(c), 1932(e), 1932(g), 2008s, or 2009
14 through 2009m).

15 (b) DATA.—The data collected under subsection (a)
16 shall include information collected from recipients both
17 during the award period and after the period as deter-
18 mined by the Secretary, but not less than 2 years after
19 the award period ends.

20 (c) REPORT.—Not later than 4 years after the date
21 of enactment of this Act, and every 2 years thereafter,
22 the Secretary shall submit to the Committee on Agri-
23 culture of the House of Representatives and the Com-
24 mittee on Agriculture, Nutrition, and Forestry of the Sen-
25 ate a report that contains the data described in subsection

1 (a). The report shall include detailed information regard-
2 ing—

3 (1) actions taken by the Secretary to utilize the
4 data;

5 (2) the number of jobs, including self-employ-
6 ment and the value of salaries and wages;

7 (3) how the provision of funds from the grant
8 or loan involved affected the local economy;

9 (4) any benefit, such as an increase in revenue
10 or customer base; and

11 (5) such other information as the Secretary
12 deems appropriate.

13 **SEC. 6205. STUDY OF RURAL TRANSPORTATION ISSUES.**

14 (a) IN GENERAL.—The Secretary of Agriculture and
15 the Secretary of Transportation shall publish an updated
16 version of the study described in section 6206 of the Food,
17 Conservation, and Energy Act of 2008.

18 (b) REPORT TO CONGRESS.—Not later than 1 year
19 after the date of enactment of this Act, the Secretary of
20 Agriculture and the Secretary of Transportation shall sub-
21 mit to the Congress the updated version of the study re-
22 quired by subsection (a).

1 **TITLE VII—RESEARCH, EXTEN-**
2 **SION, AND RELATED MAT-**
3 **TERS**

4 **Subtitle A—National Agricultural**
5 **Research, Extension, and Teach-**
6 **ing Policy Act of 1977**

7 **SEC. 7101. OPTION TO NOT BE INCLUDED AS HISPANIC-**
8 **SERVING AGRICULTURAL COLLEGE OR UNI-**
9 **VERSITY.**

10 Section 1404(10)(A) of the National Agricultural Re-
11 search, Extension, and Teaching Policy Act of 1977 (7
12 U.S.C. 3103(10)(A)) is amended—

13 (1) in clause (i), by striking “and” at the end;

14 (2) in clause (ii), by striking the period at the
15 end and inserting “; and”; and

16 (3) by adding at the end the following new
17 clause:

18 “(iii) with respect to which the Sec-
19 retary has not received a statement of the
20 declaration of the intent of a college or
21 university to not be considered a Hispanic-
22 serving agricultural college or university.”.

1 **SEC. 7102. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
2 **SION, EDUCATION, AND ECONOMICS ADVI-**
3 **SORY BOARD.**

4 (a) EXTENSION OF TERMINATION DATE.—Section
5 1408(h) of the National Agricultural Research, Extension,
6 and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is
7 amended by striking “2012” and inserting “2017”.

8 (b) DUTIES OF NATIONAL AGRICULTURAL RE-
9 SEARCH, EXTENSION, EDUCATION, AND ECONOMICS AD-
10 VISORY BOARD.—Section 1408(c) of the National Agricul-
11 tural Research, Extension, and Teaching Policy Act of
12 1977 (7 U.S.C. 3123(c)) is amended—

13 (1) in paragraph (3), by striking “and” at the
14 end;

15 (2) in paragraph (4)(C), by striking the period
16 at the end and inserting “; and”; and

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

19 “(5) consult with industry groups on agricul-
20 tural research, extension, education, and economics,
21 and make recommendations to the Secretary based
22 on that consultation.”.

23 **SEC. 7103. SPECIALTY CROP COMMITTEE.**

24 Section 1408A(c) of the National Agricultural Re-
25 search, Extension, and Teaching Policy Act of 1977 (7
26 U.S.C. 3123a(c)) is amended—

1 (1) in paragraph (1), by striking “Measures”
2 and inserting “Programs”;

3 (2) by striking paragraph (2);

4 (3) by redesignating paragraphs (3), (4), and
5 (5) as paragraphs (2), (3), and (4), respectively; and

6 (4) in paragraph (2) (as so redesignated)—

7 (A) in the matter preceding subparagraph
8 (A), by striking “Programs that would” and in-
9 serting “Research, extension, and teaching pro-
10 grams designed to improve competitiveness in
11 the specialty crop industry, including programs
12 that would—”;

13 (B) in subparagraph (D), by inserting “in-
14 cluding improving the quality and taste of proc-
15 essed specialty crops” before the semicolon; and

16 (C) in subparagraph (G), by inserting “the
17 remote sensing and the” before “mechaniza-
18 tion”.

19 **SEC. 7104. VETERINARY SERVICES GRANT PROGRAM.**

20 The National Agricultural Research, Extension, and
21 Teaching Policy Act of 1977 is amended by inserting after
22 section 1415A (7 U.S.C. 3151a) the following new section:

23 **“SEC. 1415B. VETERINARY SERVICES GRANT PROGRAM.**

24 “(a) DEFINITIONS.—In this section:

1 “(1) QUALIFIED ENTITY.—The term ‘qualified
2 entity’ means—

3 “(A) a for-profit or nonprofit entity located
4 in the United States that, or an individual who,
5 operates a veterinary clinic providing veterinary
6 services—

7 “(i) in a rural area, as defined in sec-
8 tion 343(a) of the Consolidated Farm and
9 Rural Development Act (7 U.S.C.
10 1991(a)); and

11 “(ii) in a veterinarian shortage situa-
12 tion;

13 “(B) a State, national, allied, or regional
14 veterinary organization or specialty board rec-
15 ognized by the American Veterinary Medical
16 Association;

17 “(C) a college or school of veterinary medi-
18 cine accredited by the American Veterinary
19 Medical Association;

20 “(D) a university research foundation or
21 veterinary medical foundation;

22 “(E) a department of veterinary science or
23 department of comparative medicine accredited
24 by the Department of Education;

1 “(F) a State agricultural experiment sta-
2 tion; or

3 “(G) a State, local, or tribal government
4 agency.

5 “(2) VETERINARIAN SHORTAGE SITUATION.—

6 The term ‘veterinarian shortage situation’ means a
7 veterinarian shortage situation as determined by the
8 Secretary under section 1415A.

9 “(b) ESTABLISHMENT.—

10 “(1) COMPETITIVE GRANTS.—The Secretary
11 shall carry out a program to make competitive
12 grants to qualified entities that carry out programs
13 or activities described in paragraph (2) for the pur-
14 pose of developing, implementing, and sustaining
15 veterinary services.

16 “(2) ELIGIBILITY REQUIREMENTS.—A qualified
17 entity shall be eligible to receive a grant described
18 in paragraph (1), if the entity carries out programs
19 or activities that the Secretary determines will—

20 “(A) substantially relieve veterinarian
21 shortage situations;

22 “(B) support or facilitate private veteri-
23 nary practices engaged in public health activi-
24 ties; or

1 “(C) support or facilitate the practices of
2 veterinarians who are providing or have com-
3 pleted providing services under an agreement
4 entered into with the Secretary under section
5 1415A(a)(2).

6 “(c) AWARD PROCESSES AND PREFERENCES.—

7 “(1) APPLICATION, EVALUATION, AND INPUT
8 PROCESSES.—In administering the grant program
9 established under this section, the Secretary shall—

10 “(A) use an appropriate application and
11 evaluation process, as determined by the Sec-
12 retary; and

13 “(B) seek the input of interested persons.

14 “(2) COORDINATION PREFERENCE.—In select-
15 ing recipients of grants to be used for any of the
16 purposes described in paragraphs (2) through (6) of
17 subsection (d), the Secretary shall give preference to
18 qualified entities that provide documentation of co-
19 ordination with other qualified entities, with respect
20 to any such purpose.

21 “(3) CONSIDERATION OF AVAILABLE FUNDS.—

22 In selecting recipients of grants to be used for any
23 of the purposes described in subsection (d), the Sec-
24 retary shall take into consideration the amount of

1 funds available for grants and the purposes for
2 which the grant funds will be used.

3 “(4) NATURE OF GRANTS.—A grant awarded
4 under this section shall be considered to be a com-
5 petitive research, extension, or education grant.

6 “(d) USE OF GRANTS TO RELIEVE VETERINARIAN
7 SHORTAGE SITUATIONS AND SUPPORT VETERINARY
8 SERVICES.—

9 “(1) IN GENERAL.—Except as provided in para-
10 graph (2), a qualified entity may use funds provided
11 by a grant awarded under this section to relieve vet-
12 erinarian shortage situations and support veterinary
13 services for any of the following purposes:

14 “(A) To promote recruitment (including
15 for programs in secondary schools), placement,
16 and retention of veterinarians, veterinary tech-
17 nicians, students of veterinary medicine, and
18 students of veterinary technology.

19 “(B) To allow veterinary students, veteri-
20 nary interns, externs, fellows, and residents,
21 and veterinary technician students to cover ex-
22 penses (other than the types of expenses de-
23 scribed in section 1415A(c)(5)) to attend train-
24 ing programs in food safety or food animal
25 medicine.

1 “(C) To establish or expand accredited vet-
2 erinary education programs (including faculty
3 recruitment and retention), veterinary residency
4 and fellowship programs, or veterinary intern-
5 ship and externship programs carried out in co-
6 ordination with accredited colleges of veterinary
7 medicine.

8 “(D) To provide continuing education and
9 extension, including veterinary telemedicine and
10 other distance-based education, for veterinar-
11 ians, veterinary technicians, and other health
12 professionals needed to strengthen veterinary
13 programs and enhance food safety.

14 “(E) To provide technical assistance for
15 the preparation of applications submitted to the
16 Secretary for designation as a veterinarian
17 shortage situation under this section or section
18 1415A.

19 “(2) QUALIFIED ENTITIES OPERATING VETERI-
20 NARY CLINICS.—A qualified entity described in sub-
21 section (a)(1)(A) may only use funds provided by a
22 grant awarded under this section to establish or ex-
23 pand veterinary practices, including—

24 “(A) equipping veterinary offices;

1 “(B) sharing in the reasonable overhead
2 costs of such veterinary practices, as deter-
3 mined by the Secretary; or

4 “(C) establishing mobile veterinary facili-
5 ties in which a portion of the facilities will ad-
6 dress education or extension needs.

7 “(e) SPECIAL REQUIREMENTS FOR CERTAIN
8 GRANTS.—

9 “(1) TERMS OF SERVICE REQUIREMENTS.—

10 “(A) IN GENERAL.—Funds provided
11 through a grant made under this section to a
12 qualified entity described in subsection
13 (a)(1)(A) and used by such entity under sub-
14 section (d)(2) shall be subject to an agreement
15 between the Secretary and such entity that in-
16 cludes a required term of service for such entity
17 (including a qualified entity operating as an in-
18 dividual), as prospectively established by the
19 Secretary.

20 “(B) CONSIDERATIONS.—In establishing a
21 term of service under subparagraph (A), the
22 Secretary shall consider only—

23 “(i) the amount of the grant awarded;

24 and

25 “(ii) the specific purpose of the grant.

1 “(2) BREACH REMEDIES.—

2 “(A) IN GENERAL.—An agreement under
3 paragraph (1) shall provide remedies for any
4 breach of the agreement by the qualified entity
5 referred to in paragraph (1)(A), including re-
6 payment or partial repayment of the grant
7 funds, with interest.

8 “(B) WAIVER.—The Secretary may grant
9 a waiver of the repayment obligation for breach
10 of contract if the Secretary determines that
11 such qualified entity demonstrates extreme
12 hardship or extreme need.

13 “(C) TREATMENT OF AMOUNTS RECOV-
14 ERED.—Funds recovered under this paragraph
15 shall—

16 “(i) be credited to the account avail-
17 able to carry out this section; and

18 “(ii) remain available until expended
19 without further appropriation.

20 “(f) PROHIBITION ON USE OF GRANT FUNDS FOR
21 CONSTRUCTION.—Except as provided in subsection (d)(2),
22 funds made available for grants under this section may
23 not be used—

24 “(1) to construct a new building or facility; or

1 “(2) to acquire, expand, remodel, or alter an ex-
2 isting building or facility, including site grading and
3 improvement and architect fees.

4 “(g) REGULATIONS.—Not later than 1 year after the
5 date of the enactment of this section, the Secretary shall
6 promulgate regulations to carry out this section.

7 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to the Secretary to carry
9 out this section \$10,000,000 for fiscal year 2013 and each
10 fiscal year thereafter, to remain available until ex-
11 pended.”.

12 **SEC. 7105. GRANTS AND FELLOWSHIPS FOR FOOD AND AG-**
13 **RICULTURE SCIENCES EDUCATION.**

14 Section 1417(m) of the National Agricultural Re-
15 search, Extension, and Teaching Policy Act of 1977 (7
16 U.S.C. 3152(m)) is amended by striking “section
17 \$60,000,000” and all that follows and inserting the fol-
18 lowing: “section—

19 “(1) \$60,000,000 for each of fiscal years 1990
20 through 2012; and

21 “(2) \$40,000,000 for each of fiscal years 2013
22 through 2017.”.

1 **SEC. 7106. POLICY RESEARCH CENTERS.**

2 Section 1419A of the National Agricultural Research,
3 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
4 3155) is amended—

5 (1) in the section heading, by inserting “**AGRI-**
6 **CULTURAL AND FOOD**” before “**POLICY**”;

7 (2) in subsection (a), in the matter preceding
8 paragraph (1)—

9 (A) by striking “Secretary may” and in-
10 serting “Secretary shall, acting through the Of-
11 fice of the Chief Economist,”;

12 (B) by striking “make grants, competitive
13 grants, and special research grants to, and
14 enter into cooperative agreements and other
15 contracting instruments with,” and inserting
16 “make competitive grants to or enter into coop-
17 erative agreements with”; and

18 (C) by inserting “with a history of pro-
19 viding unbiased, nonpartisan economic analysis
20 to Congress” after “subsection (b)”;

21 (3) in subsection (b), by striking “other re-
22 search institutions” and all that follows through
23 “shall be eligible” and inserting “and other public
24 research institutions and organizations shall be eligi-
25 ble”;

1 (4) by redesignating subsections (c) and (d) as
2 subsections (d) and (e), respectively;

3 (5) by inserting after subsection (b), the fol-
4 lowing new subsection:

5 “(c) PREFERENCE.—In awarding grants under this
6 section, the Secretary shall give a preference to policy re-
7 search centers that have extensive databases, models, and
8 demonstrated experience in providing Congress with agri-
9 cultural market projections, rural development analysis,
10 agricultural policy analysis, and baseline projections at the
11 farm, multiregional, national, and international levels.”;
12 and

13 (6) by striking subsection (e) (as redesignated
14 by paragraph (4)) and inserting the following new
15 subsection:

16 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
17 are authorized to be appropriated to carry out this sec-
18 tion—

19 “(1) such sums as are necessary for each of fis-
20 cal years 1996 through 2012; and

21 “(2) \$5,000,000 for each of fiscal years 2013
22 through 2017.”.

1 **SEC. 7107. REPEAL OF HUMAN NUTRITION INTERVENTION**
2 **AND HEALTH PROMOTION RESEARCH PRO-**
3 **GRAM.**

4 Section 1424 of the National Agricultural Research,
5 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
6 3174) is repealed.

7 **SEC. 7108. REPEAL OF PILOT RESEARCH PROGRAM TO**
8 **COMBINE MEDICAL AND AGRICULTURAL RE-**
9 **SEARCH.**

10 Section 1424A of the National Agricultural Research,
11 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
12 3174a) is repealed.

13 **SEC. 7109. NUTRITION EDUCATION PROGRAM.**

14 Section 1425(f) of the National Agricultural Re-
15 search, Extension, and Teaching Policy Act of 1977 (7
16 U.S.C. 3175(f)) is amended by striking “2012” and in-
17 serting “2017”.

18 **SEC. 7110. CONTINUING ANIMAL HEALTH AND DISEASE RE-**
19 **SEARCH PROGRAMS.**

20 Section 1433 of the National Agricultural Research,
21 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
22 3195) is amended by striking the section designation and
23 heading and all that follows through subsection (a) and
24 inserting the following:

1 **“SEC. 1433. APPROPRIATIONS FOR CONTINUING ANIMAL**
2 **HEALTH AND DISEASE RESEARCH PRO-**
3 **GRAMS.**

4 “(a) AUTHORIZATION OF APPROPRIATIONS.—

5 “(1) IN GENERAL.—There are authorized to be
6 appropriated to support continuing animal health
7 and disease research programs at eligible institu-
8 tions—

9 “(A) \$25,000,000 for each of fiscal years
10 1991 through 2012; and

11 “(B) \$15,000,000 for each of fiscal years
12 2013 through 2017.

13 “(2) USE OF FUNDS.—Funds made available
14 under this section shall be used—

15 “(A) to meet the expenses of conducting
16 animal health and disease research, publishing
17 and disseminating the results of such research,
18 and contributing to the retirement of employees
19 subject to the Act of March 4, 1940 (7 U.S.C.
20 331);

21 “(B) for administrative planning and di-
22 rection; and

23 “(C) to purchase equipment and supplies
24 necessary for conducting research described in
25 subparagraph (A).”.

1 **SEC. 7111. REPEAL OF APPROPRIATIONS FOR RESEARCH**
2 **ON NATIONAL OR REGIONAL PROBLEMS.**

3 (a) REPEAL.—Section 1434 of the National Agricul-
4 tural Research, Extension, and Teaching Policy Act of
5 1977 (7 U.S.C. 3196) is repealed.

6 (b) CONFORMING AMENDMENTS.—

7 (1) MATCHING FUNDS.—Section 1438 of the
8 National Agricultural Research, Extension, and
9 Teaching Policy Act of 1977 (7 U.S.C. 3200) is
10 amended in the first sentence by striking “, exclusive
11 of the funds provided for research on specific na-
12 tional or regional animal health and disease prob-
13 lems under the provisions of section 1434 of this
14 title,”.

15 (2) AUTHORIZATION OF APPROPRIATIONS FOR
16 EXISTING AND CERTAIN NEW AGRICULTURAL RE-
17 SEARCH PROGRAMS.—Section 1463(c) of the Na-
18 tional Agricultural Research, Extension, and Teach-
19 ing Policy Act of 1977 (7 U.S.C. 3311(c)) is amend-
20 ed by striking “sections 1433 and 1434” and insert-
21 ing “section 1433”.

1 **SEC. 7112. GRANTS TO UPGRADE AGRICULTURAL AND**
2 **FOOD SCIENCES FACILITIES AT 1890 LAND-**
3 **GRANT COLLEGES, INCLUDING TUSKEGEE**
4 **UNIVERSITY.**

5 Section 1447(b) of the National Agricultural Re-
6 search, Extension, and Teaching Policy Act of 1977 (7
7 U.S.C. 3222b(b)) is amended by striking “2012” and in-
8 serting “2017”.

9 **SEC. 7113. GRANTS TO UPGRADE AGRICULTURE AND FOOD**
10 **SCIENCE FACILITIES AND EQUIPMENT AT IN-**
11 **SULAR AREA LAND-GRANT INSTITUTIONS.**

12 (a) SUPPORTING TROPICAL AND SUBTROPICAL AGRI-
13 CULTURAL RESEARCH.—

14 (1) IN GENERAL.—Section 1447B(a) of the Na-
15 tional Agricultural Research, Extension, and Teach-
16 ing Policy Act of 1977 (7 U.S.C. 3222b–2(a)) is
17 amended to read as follows:

18 “(a) PURPOSE.—It is the intent of Congress to assist
19 the land-grant colleges and universities in the insular
20 areas in efforts to—

21 “(1) acquire, alter, or repair facilities or rel-
22 evant equipment necessary for conducting agricul-
23 tural research; and

24 “(2) support tropical and subtropical agricul-
25 tural research, including pest and disease research.”.

1 (2) CONFORMING AMENDMENT.—Section
2 1447B of the National Agricultural Research, Ex-
3 tension, and Teaching Policy Act of 1977 (7 U.S.C.
4 3222b–2) is amended in the heading—

5 (A) by inserting “**AND SUPPORT TROP-**
6 **ICAL AND SUBTROPICAL AGRICULTURAL**
7 **RESEARCH**” after “**EQUIPMENT**”; and

8 (B) by striking “**INSTITUTIONS**” and in-
9 serting “**COLLEGES AND UNIVERSITIES**”.

10 (b) EXTENSION.—Section 1447B(d) of the National
11 Agricultural Research, Extension, and Teaching Policy
12 Act of 1977 (7 U.S.C. 3222b–2(d)) is amended by striking
13 “2012” and inserting “2017”.

14 **SEC. 7114. REPEAL OF NATIONAL RESEARCH AND TRAIN-**
15 **ING VIRTUAL CENTERS.**

16 Section 1448 of the National Agricultural Research,
17 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
18 3222c) is repealed.

19 **SEC. 7115. HISPANIC-SERVING INSTITUTIONS.**

20 Section 1455(c) of the National Agricultural Re-
21 search, Extension, and Teaching Policy Act of 1977 (7
22 U.S.C. 3241(c)) is amended by striking “2012” and in-
23 serting “2017”.

1 **SEC. 7116. COMPETITIVE GRANTS FOR INTERNATIONAL AG-**
2 **RICULTURAL SCIENCE AND EDUCATION PRO-**
3 **GRAMS.**

4 Section 1459A(c) of the National Agricultural Re-
5 search, Extension, and Teaching Policy Act of 1977 (7
6 U.S.C. 3292b(c)) is amended to read as follows:

7 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to carry out this sec-
9 tion—

10 “(1) such sums as are necessary for each of fis-
11 cal years 1999 through 2012; and

12 “(2) \$5,000,000 for each of fiscal years 2013
13 through 2017.”.

14 **SEC. 7117. REPEAL OF RESEARCH EQUIPMENT GRANTS.**

15 Section 1462A of the National Agricultural Research,
16 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
17 3310a) is repealed.

18 **SEC. 7118. UNIVERSITY RESEARCH.**

19 Section 1463 of the National Agricultural Research,
20 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
21 3311) is amended in each of subsections (a) and (b) by
22 striking “2012” each place it appears and inserting
23 “2017”.

24 **SEC. 7119. EXTENSION SERVICE.**

25 Section 1464 of the National Agricultural Research,
26 Extension, and Teaching Policy Act of 1977 (7 U.S.C.

1 3312) is amended by striking “2012” and inserting
2 “2017”.

3 **SEC. 7120. AUDITING, REPORTING, BOOKKEEPING, AND AD-**
4 **MINISTRATIVE REQUIREMENTS.**

5 Section 1469 of the National Agricultural Research,
6 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
7 3315) is amended—

8 (1) in subsection (a)—

9 (A) in paragraph (2), by adding “and” at
10 the end;

11 (B) by striking paragraph (3); and

12 (C) by redesignating paragraph (4) as
13 paragraph (3);

14 (2) by redesignating subsections (b), (c), and
15 (d) as subsections (c), (d), and (e), respectively; and

16 (3) by inserting after subsection (a) the fol-
17 lowing new subsection:

18 “(b) ADMINISTRATIVE EXPENSES.—

19 “(1) IN GENERAL.—Except as provided in para-
20 graph (2) and notwithstanding any other provision
21 of law, the Secretary may retain not more than 4
22 percent of amounts made available for agricultural
23 research, extension, and teaching assistance pro-
24 grams for the administration of those programs au-
25 thorized under this Act or any other Act.

1 “(2) EXCEPTIONS.—The limitation on adminis-
2 trative expenses under paragraph (1) shall not apply
3 to peer panel expenses under subsection (d) or any
4 other provision of law related to the administration
5 of agricultural research, extension, and teaching as-
6 sistance programs that contains a limitation on ad-
7 ministrative expenses that is less than the limitation
8 under paragraph (1).”.

9 **SEC. 7121. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

10 (a) AUTHORIZATION OF APPROPRIATIONS AND TER-
11 MINATION.—Section 1473D of the National Agricultural
12 Research, Extension, and Teaching Policy Act of 1977 (7
13 U.S.C. 3319d) is amended—

14 (1) in subsection (a), by striking “2012” and
15 inserting “2017”; and

16 (2) by adding at the end the following new sub-
17 section:

18 “(e) There are authorized to be appropriated to carry
19 out this section—

20 “(1) such sums as are necessary for fiscal year
21 2012; and

22 “(2) \$1,000,000 for each of fiscal years 2013
23 through 2017.”.

24 (b) COMPETITIVE GRANTS.—Section 1473D(c)(1) of
25 the National Agricultural Research, Extension, and

1 Teaching Policy Act of 1977 (7 U.S.C. 3319d(c)(1)) is
2 amended by striking “use such research funding, special
3 or competitive grants, or other means, as the Secretary
4 determines,” and inserting “make competitive grants”.

5 **SEC. 7122. CAPACITY BUILDING GRANTS FOR NLGCA INSTI-**
6 **TUTIONS.**

7 Section 1473F(b) of the National Agricultural Re-
8 search, Extension, and Teaching Policy Act of 1977 (7
9 U.S.C. 3319i(b)) is amended by striking “2012” and in-
10 serting “2017”.

11 **SEC. 7123. AQUACULTURE ASSISTANCE PROGRAMS.**

12 (a) COMPETITIVE GRANTS.—Section 1475(b) of the
13 National Agricultural Research, Extension, and Teaching
14 Policy Act of 1977 (7 U.S.C. 3322(b)) is amended in the
15 matter preceding paragraph (1), by inserting “competi-
16 tive” before “grants”.

17 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
18 1477 of the National Agricultural Research, Extension,
19 and Teaching Policy Act of 1977 (7 U.S.C. 3324) is
20 amended to read as follows:

21 **“SEC. 1477. AUTHORIZATION OF APPROPRIATIONS.**

22 “(a) IN GENERAL.—There are authorized to be ap-
23 propriated to carry out this subtitle—

24 “(1) \$7,500,000 for each of fiscal years 1991
25 through 2012; and

1 “(2) \$5,000,000 for each of fiscal years 2013
2 through 2017.

3 “(b) PROHIBITION ON USE.—Funds made available
4 under this section may not be used to acquire or construct
5 a building.”.

6 **SEC. 7124. RANGELAND RESEARCH PROGRAMS.**

7 Section 1483(a) of the National Agricultural Re-
8 search, Extension, and Teaching Policy Act of 1977 (7
9 U.S.C. 3336(a)) is amended by striking “subtitle” and all
10 that follows and inserting the following: “subtitle—

11 “(1) \$10,000,000 for each of fiscal years 1991
12 through 2012; and

13 “(2) \$2,000,000 for each of fiscal years 2013
14 through 2017.”.

15 **SEC. 7125. SPECIAL AUTHORIZATION FOR BIOSECURITY**
16 **PLANNING AND RESPONSE.**

17 Section 1484(a) of the National Agricultural Re-
18 search, Extension, and Teaching Policy Act of 1977 (7
19 U.S.C. 3351(a)) is amended by striking “response such
20 sums as are necessary” and all that follows and inserting
21 the following: “response—

22 “(1) such sums as are necessary for each of fis-
23 cal years 2002 through 2012; and

24 “(2) \$10,000,000 for each of fiscal years 2013
25 through 2017.”.

1 **SEC. 7126. DISTANCE EDUCATION AND RESIDENT INSTRU-**
2 **CTION GRANTS PROGRAM FOR INSULAR AREA**
3 **INSTITUTIONS OF HIGHER EDUCATION.**

4 (a) DISTANCE EDUCATION GRANTS FOR INSULAR
5 AREAS.—

6 (1) COMPETITIVE GRANTS.—Section 1490(a) of
7 the National Agricultural Research, Extension, and
8 Teaching Policy Act of 1977 (7 U.S.C. 3362(a)) is
9 amended by striking “or noncompetitive”.

10 (2) AUTHORIZATION OF APPROPRIATIONS.—
11 Section 1490(f) of the National Agricultural Re-
12 search, Extension, and Teaching Policy Act of 1977
13 (7 U.S.C. 3362(f)) is amended by striking “section”
14 and all that follows and inserting the following: “sec-
15 tion—

16 “(1) such sums as are necessary for each of fis-
17 cal years 2002 through 2012; and

18 “(2) \$2,000,000 for each of fiscal years 2013
19 through 2017.”.

20 (b) RESIDENT INSTRUCTION GRANTS FOR INSULAR
21 AREAS.—Section 1491(c) of the National Agricultural Re-
22 search, Extension, and Teaching Policy Act of 1977 (7
23 U.S.C. 3363(c)) is amended by striking “such sums as
24 are necessary” and all that follows and inserting the fol-
25 lowing: “to carry out this section—

1 “(1) such sums as are necessary for each of fis-
2 cal years 2002 through 2012; and

3 “(2) \$2,000,000 for each of fiscal years 2013
4 through 2017.”.

5 **SEC. 7127. MATCHING FUNDS REQUIREMENT.**

6 (a) IN GENERAL.—The National Agricultural, Re-
7 search, Extension, and Teaching Policy Act of 1977 (7
8 U.S.C. 3101 et seq.) is amended by adding at the end
9 the following new subtitle:

10 **“Subtitle P—General Provisions**

11 **“SEC. 1492. MATCHING FUNDS REQUIREMENT.**

12 “(a) MATCHING FUNDS REQUIREMENT.—The recipi-
13 ent of a competitive grant that is awarded by the Sec-
14 retary under a covered law and that involves applied re-
15 search or extension that is commodity-specific or State-
16 specific shall provide funds, in-kind contributions, or a
17 combination of both, from sources other than funds pro-
18 vided through such grant in an amount at least equal to
19 the amount of such grant.

20 “(b) WAIVER AUTHORITY.—The Secretary may
21 waive the matching funds requirement under subsection
22 (a) with respect to a competitive grant that involves ap-
23 plied research or extension that the National Agricultural
24 Research, Extension, Education, and Economics Advisory

1 Board has determined is a national priority under section
2 1408(c).

3 “(c) DEFINITIONS.—In this section:

4 “(1) APPLIED RESEARCH.—The term ‘applied
5 research’ has the meaning given such term in section
6 251(f)(1)(B) of the Department of Agriculture Reor-
7 ganization Act of 1994 (7 U.S.C. 6971(f)(1)(B)).

8 “(2) COVERED LAW.—The term ‘covered law’
9 means each of the following provisions of law:

10 “(A) This title.

11 “(B) Title XVI of the Food, Agriculture,
12 Conservation, and Trade Act of 1990 (7 U.S.C.
13 5801 et seq.).

14 “(C) The Agricultural Research, Exten-
15 sion, and Education Reform Act of 1998 (7
16 U.S.C. 7601 et seq.).

17 “(D) Section 7405 of the Farm Security
18 and Rural Investment Act of 2002 (7 U.S.C.
19 3319f).

20 “(E) Part III of subtitle E of title VII of
21 the Food, Conservation, and Energy Act of
22 2008 (7 U.S.C. 3202 et seq.).

23 “(F) The Competitive, Special, and Facili-
24 ties Research Grant Act (7 U.S.C. 450i).”.

1 (b) CONFORMING AMENDMENT.—Paragraph (9) of
2 section 2(b) of the Competitive, Special, and Facilities Re-
3 search Grant Act (7 U.S.C. 450i(b)) is amended—

4 (1) by striking subparagraph (B);

5 (2) in the heading, by inserting “FOR EQUIP-
6 MENT GRANTS” after “FUNDS”;

7 (3) by striking “(A) EQUIPMENT GRANTS.—”;

8 and

9 (4) by redesignating clauses (i) and (ii) as sub-
10 paragraphs (A) and (B), respectively, and moving
11 the margins two ems to the left.

12 (c) APPLICATION TO AMENDMENTS.—

13 (1) NEW GRANTS.—Section 1492 of the Na-
14 tional Agricultural, Research, Extension, and Teach-
15 ing Policy Act of 1977, as added by subsection (a),
16 shall apply with respect to grants described in such
17 section awarded after October 1, 2012, unless the
18 provision of a covered law under which such grants
19 are awarded specifically exempts such grants from
20 the matching funds requirement under section 1492
21 of the National Agricultural, Research, Extension,
22 and Teaching Policy Act of 1977.

23 (2) EXISTING GRANTS.—A matching funds re-
24 quirement in effect on or before October 1, 2012,
25 under a covered law shall continue to apply to a

1 grant awarded under such provision of law on or be-
2 fore that date.

3 **Subtitle B—Food, Agriculture, Con-**
4 **servation, and Trade Act of 1990**

5 **SEC. 7201. BEST UTILIZATION OF BIOLOGICAL APPLICA-**
6 **TIONS.**

7 Section 1624 of the Food, Agriculture, Conservation,
8 and Trade Act of 1990 (7 U.S.C. 5814) is amended—

9 (1) by striking “\$40,000,000 for each fiscal
10 year”; and

11 (2) by inserting “\$40,000,000 for each of fiscal
12 years 2012 through 2017” after “chapter”.

13 **SEC. 7202. INTEGRATED MANAGEMENT SYSTEMS.**

14 Section 1627(d) of the Food, Agriculture, Conserva-
15 tion, and Trade Act of 1990 (7 U.S.C. 5821(d)) is amend-
16 ed to read as follows:

17 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
18 are authorized to be appropriated to carry out this section
19 through the National Institute of Food and Agriculture
20 \$20,000,000 for each of fiscal years 2012 through 2017.”.

21 **SEC. 7203. SUSTAINABLE AGRICULTURE TECHNOLOGY DE-**
22 **VELOPMENT AND TRANSFER PROGRAM.**

23 Section 1628(f) of the Food, Agriculture, Conserva-
24 tion, and Trade Act of 1990 (7 U.S.C. 5831(f)) is amend-
25 ed to read as follows:

1 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to carry out this sec-
3 tion—

4 “(1) such sums as are necessary for fiscal year
5 2012; and

6 “(2) \$5,000,000 for each of fiscal years 2013
7 through 2017.”.

8 **SEC. 7204. NATIONAL TRAINING PROGRAM.**

9 Section 1629(i) of the Food, Agriculture, Conserva-
10 tion, and Trade Act of 1990 (7 U.S.C. 5832(i)) is amend-
11 ed to read as follows:

12 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated to carry out the Na-
14 tional Training Program \$20,000,000 for each of fiscal
15 years 2012 through 2017.”.

16 **SEC. 7205. NATIONAL GENETICS RESOURCES PROGRAM.**

17 Section 1635(b) of the Food, Agriculture, Conserva-
18 tion, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amend-
19 ed—

20 (1) by striking “such funds as may be nec-
21 essary”; and

22 (2) by striking “subtitle” and all that follows
23 and inserting the following: “subtitle—

24 “(1) such sums as are necessary for each of fis-
25 cal years 1991 through 2012; and

1 “(2) \$1,000,000 for each of fiscal years 2013
2 through 2017.”.

3 **SEC. 7206. REPEAL OF NATIONAL AGRICULTURAL WEATH-**
4 **ER INFORMATION SYSTEM.**

5 Subtitle D of title XVI of the Food, Agriculture, Con-
6 servation, and Trade Act of 1990 (7 U.S.C. 5851 et seq.)
7 is repealed.

8 **SEC. 7207. REPEAL OF RURAL ELECTRONIC COMMERCE EX-**
9 **TENSION PROGRAM.**

10 Section 1670 of the Food, Agriculture, Conservation,
11 and Trade Act of 1990 (7 U.S.C. 5923) is repealed.

12 **SEC. 7208. REPEAL OF AGRICULTURAL GENOME INITIA-**
13 **TIVE.**

14 Section 1671 of the Food, Agriculture, Conservation,
15 and Trade Act of 1990 (7 U.S.C. 5924) is repealed.

16 **SEC. 7209. HIGH-PRIORITY RESEARCH AND EXTENSION INI-**
17 **TIATIVES.**

18 Section 1672 of the Food, Agriculture, Conservation,
19 and Trade Act of 1990 (7 U.S.C. 5925) is amended—

20 (1) in the first sentence of subsection (a), by
21 striking “subsections (e) through (i)” and inserting
22 “subsections (d) and (e)”;

23 (2) in subsection (b)(2), in the first sentence,
24 by striking “subsections (e) through (i)” and insert-
25 ing “subsections (d) and (e)”;

1 (3) by striking subsections (d), (e), and (h) (as
2 redesignated by section 7125(b)(2)(B));

3 (4) by redesignating subsections (f), (g), and (i)
4 (as redesignated by section 7125(b)(2)(B)) as sub-
5 sections (d), (e), and (f), respectively;

6 (5) in subsection (d) (as redesignated by para-
7 graph (4))—

8 (A) in the heading, by inserting “, BED
9 BUGS, AND OTHER PESTS” after “TERMITES”;
10 and

11 (B) by inserting “, bed bugs, and other
12 pests, including pests that the Secretary deter-
13 mines are a risk to public health” after “ter-
14 mites” each place it appears in paragraphs (1),
15 (2)(A), and (3);

16 (6) in subsection (e) (as redesignated by para-
17 graph (4))—

18 (A) by striking “2012” each place it ap-
19 pears in paragraphs (1)(B), (2)(B), and (3)
20 and inserting “2017”; and

21 (B) in paragraph (4)—

22 (i) in subparagraph (A), by inserting
23 “and honey bee health disorders” after
24 “collapse”; and

1 (ii) in subparagraph (B), by inserting
2 “, including best management practices”
3 after “strategies”; and
4 (7) in subsection (f) (as redesignated by para-
5 graph (4)), by striking “2012” and inserting
6 “2017”.

7 **SEC. 7210. REPEAL OF NUTRIENT MANAGEMENT RESEARCH**
8 **AND EXTENSION INITIATIVE.**

9 Section 1672A of the Food, Agriculture, Conserva-
10 tion, and Trade Act of 1990 (7 U.S.C. 5925a) is repealed.

11 **SEC. 7211. ORGANIC AGRICULTURE RESEARCH AND EXTEN-**
12 **SION INITIATIVE.**

13 Section 1672B of the Food, Agriculture, Conserva-
14 tion, and Trade Act of 1990 (7 U.S.C. 5925b) is amend-
15 ed—

16 (1) by striking subsection (e) and inserting the
17 following new subsection:

18 “(e) FARM BUSINESS MANAGEMENT ENCOUR-
19 AGED.—Following the completion of a peer review process
20 for grant proposals received under this section, the Sec-
21 retary shall provide a priority to grant proposals found
22 in the review process to be scientifically meritorious using
23 the same criteria the Secretary uses to give priority to
24 grants under section 1672D(b).”; and

25 (2) in subsection (f)—

1 (A) in paragraph (1)—

2 (i) in subparagraph (A), by striking
3 “and” at the end;

4 (ii) in subparagraph (B), by striking
5 the period at the end and inserting “;
6 and”; and

7 (iii) by adding at the end the fol-
8 lowing new subparagraph:

9 “(C) \$16,000,000 for each of fiscal years
10 2013 through 2017.”; and

11 (B) in paragraph (2), by striking “2012”
12 and inserting “2017”.

13 **SEC. 7212. REPEAL OF AGRICULTURAL BIOENERGY FEED-**
14 **STOCK AND ENERGY EFFICIENCY RESEARCH**
15 **AND EXTENSION INITIATIVE.**

16 (a) REPEAL.—Section 1672C of the Food, Agri-
17 culture, Conservation, and Trade Act of 1990 (7 U.S.C.
18 5925e) is repealed.

19 (b) CONFORMING AMENDMENT.—Section
20 251(f)(1)(D) of the Department of Agriculture Reorga-
21 nization Act of 1994 (7 U.S.C. 6971(f)(1)(D)) is amend-
22 ed—

23 (1) by striking clause (xi); and

24 (2) by redesignating clauses (xii) and (xiii) as
25 clauses (xi) and (xii), respectively.

1 **SEC. 7213. FARM BUSINESS MANAGEMENT.**

2 Section 1672D(d) of the Food, Agriculture, Con-
3 servation, and Trade Act of 1990 (7 U.S.C. 5925f(d)) is
4 amended by striking “such sums as are necessary to carry
5 out this section.” and inserting the following: “to carry
6 out this section—

7 “(1) such sums as are necessary for fiscal year
8 2012; and

9 “(2) \$5,000,000 for each of fiscal years 2013
10 through 2017.”.

11 **SEC. 7214. REGIONAL CENTERS OF EXCELLENCE.**

12 The Food, Agriculture, Conservation, and Trade Act
13 of 1990 is amended by inserting after section 1672D (7
14 U.S.C. 5925f) the following new section:

15 **“SEC. 1673. REGIONAL CENTERS OF EXCELLENCE.**

16 “(a) FUNDING PRIORITIES.—The Secretary shall
17 prioritize regional centers of excellence established for spe-
18 cific agricultural commodities for the receipt of funding
19 for any competitive research or extension program admin-
20 istered by the Secretary.

21 “(b) COMPOSITION.—A regional center of excellence
22 is composed of 1 or more of the eligible entities specified
23 in section 2(b)(7) of the Competitive, Special, and Facili-
24 ties Research Grant Act (7 U.S.C. 450i(b)(7)).

1 “(c) CRITERIA FOR REGIONAL CENTERS OF EXCEL-
2 LENCE.—The criteria for consideration to be recognized
3 as a regional center of excellence shall include efforts—

4 “(1) to ensure coordination and cost effective-
5 ness by reducing unnecessarily duplicative efforts re-
6 garding research, teaching, and extension;

7 “(2) to leverage available resources by using
8 public/private partnerships among agricultural in-
9 dustry groups, institutions of higher education, and
10 the Federal Government;

11 “(3) to implement teaching initiatives to in-
12 crease awareness and effectively disseminate solu-
13 tions to target audiences through extension activi-
14 ties;

15 “(4) to increase the economic returns to rural
16 communities by identifying, attracting, and directing
17 funds to high-priority agricultural issues; and

18 “(5) to improve teaching capacity and infra-
19 structure at colleges and universities (including land-
20 grant institutions, schools of forestry, schools of vet-
21 erinary medicine, and NLGCA Institutions).”.

22 **SEC. 7215. REPEAL OF RED MEAT SAFETY RESEARCH CEN-**
23 **TER.**

24 Section 1676 of the Food, Agriculture, Conservation,
25 and Trade Act of 1990 (7 U.S.C. 5929) is repealed.

1 **SEC. 7216. ASSISTIVE TECHNOLOGY PROGRAM FOR FARM-**
 2 **ERS WITH DISABILITIES.**

3 Section 1680(c)(1) of the Food, Agriculture, Con-
 4 servation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1))
 5 is amended—

6 (1) by striking “is” and inserting “are”; and

7 (2) by striking “section” and all that follows
 8 and inserting the following: “section—

9 “(A) \$6,000,000 for each of fiscal years
 10 1999 through 2012; and

11 “(B) \$3,000,000 for each of fiscal years
 12 2013 through 2017.”.

13 **SEC. 7217. NATIONAL RURAL INFORMATION CENTER**
 14 **CLEARINGHOUSE.**

15 Section 2381(e) of the Food, Agriculture, Conserva-
 16 tion, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is
 17 amended by striking “2012” and inserting “2017”.

18 **Subtitle C—Agricultural Research,**
 19 **Extension, and Education Re-**
 20 **form Act of 1998**

21 **SEC. 7301. RELEVANCE AND MERIT OF AGRICULTURAL RE-**
 22 **SEARCH, EXTENSION, AND EDUCATION FUND-**
 23 **ED BY THE DEPARTMENT.**

24 Section 103(a)(2) of the Agricultural Research, Ex-
 25 tension, and Education Reform Act of 1998 (7 U.S.C.
 26 7613(a)(2)) is amended—

1 (1) in the heading by striking “MERIT REVIEW
 2 OF EXTENSION” and inserting “RELEVANCE AND
 3 MERIT REVIEW OF RESEARCH, EXTENSION,”;

4 (2) in subparagraph (A)—

5 (A) by inserting “relevance and” before
 6 “merit”; and

7 (B) by striking “extension or education”
 8 and inserting, “research, extension, or edu-
 9 cation”; and

10 (3) in subparagraph (B), by inserting “on a
 11 continuous basis” after “procedures”.

12 **SEC. 7302. INTEGRATED RESEARCH, EDUCATION, AND EX-**
 13 **TENSION COMPETITIVE GRANTS PROGRAM.**

14 Section 406(e) of the Agricultural Research, Exten-
 15 sion, and Education Reform Act of 1998 (7 U.S.C.
 16 7626(e)) (as redesignated by section 7125(b)(3)(A)) is
 17 amended by striking “2012” and inserting “2017”.

18 **SEC. 7303. REPEAL OF COORDINATED PROGRAM OF RE-**
 19 **SEARCH, EXTENSION, AND EDUCATION TO IM-**
 20 **PROVE VIABILITY OF SMALL AND MEDIUM**
 21 **SIZE DAIRY, LIVESTOCK, AND POULTRY OP-**
 22 **ERATIONS.**

23 (a) REPEAL.—Section 407 of the Agricultural Re-
 24 search, Extension, and Education Reform Act of 1998 (7
 25 U.S.C. 7627) is repealed.

1 (b) CONFORMING AMENDMENT.—Section
2 251(f)(1)(D) of the Department of Agriculture Reorga-
3 nization Act of 1994 (7 U.S.C. 6971(f)(1)(D)), as amend-
4 ed by section 7212(b), is further amended—

5 (1) by striking clause (xi) (as redesignated by
6 section 7212(b)); and

7 (2) by redesignating clause (xii) (as redesign-
8 ated by section 7212(b)) as clause (xi).

9 **SEC. 7304. REPEAL OF BOVINE JOHNE’S DISEASE CONTROL**
10 **PROGRAM.**

11 Section 409 of the Agricultural Research, Extension,
12 and Education Reform Act of 1998 (7 U.S.C. 7629) is
13 repealed.

14 **SEC. 7305. GRANTS FOR YOUTH ORGANIZATIONS.**

15 Section 410(d) of the Agricultural Research, Exten-
16 sion, and Education Reform Act of 1998 (7 U.S.C.
17 7630(d)) is amended by striking “section such sums as
18 are necessary” and all that follows and inserting the fol-
19 lowing: “section—

20 “(1) such sums as are necessary for each of fis-
21 cal years 2008 through 2012; and

22 “(2) \$3,000,000 for each of fiscal years 2013
23 through 2017.”.

1 **SEC. 7306. SPECIALTY CROP RESEARCH INITIATIVE.**

2 Section 412 of the Agricultural Research, Extension,
3 and Education Reform Act of 1998 (7 U.S.C. 7632) is
4 amended—

5 (1) in subsection (b)—

6 (A) in paragraph (1), by striking “and
7 genomics” and inserting “genomics, and other
8 methods”; and

9 (B) in paragraph (3), by inserting “han-
10 dling and processing,” after “production effi-
11 ciency,”;

12 (2) by striking subsection (d) and inserting the
13 following new subsection:

14 “(d) RESEARCH PROJECTS.—In carrying out this
15 section, the Secretary shall award competitive grants on
16 the basis of—

17 “(1) an initial scientific peer review conducted
18 by a panel of subject matter experts from Federal
19 agencies, non-Federal entities, and the specialty crop
20 industry; and

21 “(2) a final funding determination made by the
22 Secretary based on a review and ranking for merit,
23 relevance, and impact conducted by a panel of spe-
24 cialty crop industry representatives for the specific
25 specialty crop.”; and

26 (3) in subsection (h)—

1 (A) in paragraph (1)—

2 (i) by striking “(1) IN GENERAL.—Of
3 the funds” and inserting the following:

4 “(1) MANDATORY FUNDING.—

5 “(A) IN GENERAL.—Of the funds”; and

6 (ii) by adding at the end the following
7 new subparagraph:

8 “(B) SUBSEQUENT FUNDING.—Of the
9 funds of the Commodity Credit Corporation, the
10 Secretary shall make available to carry out this
11 section—

12 “(i) \$25,000,000 for fiscal year 2013;

13 “(ii) \$30,000,000 for each of fiscal
14 years 2014 and 2015;

15 “(iii) \$65,000,000 for fiscal year
16 2016; and

17 “(iv) \$50,000,000 for fiscal year 2017
18 and each fiscal year thereafter.”; and

19 (B) in paragraph (2), by striking “2012”
20 and inserting “2017”.

21 **SEC. 7307. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE**
22 **PROGRAM.**

23 Section 604(e) of the Agricultural Research, Exten-
24 sion, and Education Reform Act of 1998 (7 U.S.C.

1 7642(e)) is amended by striking “2012” and inserting
2 “2017”.

3 **SEC. 7308. REPEAL OF NATIONAL SWINE RESEARCH CEN-**
4 **TER.**

5 Section 612 of the Agricultural Research, Extension,
6 and Education Reform Act of 1998 (Public Law 105–185;
7 112 Stat. 605) is repealed.

8 **SEC. 7309. OFFICE OF PEST MANAGEMENT POLICY.**

9 Section 614(f) of the Agricultural Research, Exten-
10 sion, and Education Reform Act of 1998 (7 U.S.C.
11 7653(f)) is amended—

12 (1) by striking “such sums as are necessary”;
13 and

14 (2) by striking “section” and all that follows
15 and inserting the following: “section—

16 “(1) such sums as are necessary for each of fis-
17 cal years 1999 through 2012; and

18 “(2) \$3,000,000 for each of fiscal years 2013
19 through 2017.”.

20 **SEC. 7310. REPEAL OF STUDIES OF AGRICULTURAL RE-**
21 **SEARCH, EXTENSION, AND EDUCATION.**

22 Subtitle C of title VI of the Agricultural Research,
23 Extension, and Education Reform Act of 1998 (7 U.S.C.
24 7671 et seq.) is repealed.

1 **Subtitle D—Other Laws**

2 **SEC. 7401. CRITICAL AGRICULTURAL MATERIALS ACT.**

3 Section 16(a) of the Critical Agricultural Materials
4 Act (7 U.S.C. 178n(a)) is amended—

5 (1) by striking “such sums as are necessary”;

6 and

7 (2) by striking “Act” and all that follows and
8 inserting the following: “Act—

9 “(1) such sums as are necessary for each of fis-
10 cal years 1991 through 2012; and

11 “(2) \$2,000,000 for each of fiscal years 2013
12 through 2017.”.

13 **SEC. 7402. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**

14 **ACT OF 1994.**

15 (a) DEFINITION OF 1994 INSTITUTIONS.—Section
16 532 of the Equity in Educational Land-Grant Status Act
17 of 1994 (7 U.S.C. 301 note; Public Law 103–382) is
18 amended—

19 (1) in paragraph (8), by striking “Memorial”;

20 (2) in paragraph (26), by striking “Commu-
21 nity”;

22 (3) by striking paragraphs (5), (10), and (27);

23 (4) by redesignating paragraphs (1), (2), (3),

24 (4), (6), (7), (8), (9), (11), (12), (13), (14), (15),

25 (16), (17), (18), (19), (20), (21), (22), (23), (24),

1 (25), (26), (28), (29), (30), (31), (32), (33), and
2 (34) as paragraphs (2), (3), (4), (8), (9), (10), (5),
3 (11), (12), (13), (14), (16), (18), (19), (20), (21),
4 (23), (24), (25), (26), (33), (27), (28), (29), (30),
5 (31), (32), (34), (35), (36), and (15) respectively,
6 and transferring the paragraphs so as to appear in
7 numerical order;

8 (5) by inserting before paragraph (2) (as so re-
9 designated), the following new paragraph:

10 “(1) Aaniih Nakoda College.”;

11 (6) by inserting after paragraph (5) (as so re-
12 designated), the following new paragraphs:

13 “(6) College of the Muscogee Nation.

14 “(7) Comanche Nation College.”;

15 (7) by inserting after paragraph (16) (as so re-
16 designated) the following new paragraph:

17 “(17) Keweenaw Bay Ojibwa Community Col-
18 lege.”; and

19 (8) by inserting after paragraph (21) (as so re-
20 designated) the following new paragraph:

21 “(22) Navajo Technical College.”.

22 (b) ENDOWMENT FOR 1994 INSTITUTIONS.—Section
23 533(b) of the Equity in Educational Land-Grant Status
24 Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)

1 is amended in the first sentence by striking “2012” and
2 inserting “2017”.

3 (c) INSTITUTIONAL CAPACITY BUILDING GRANTS.—
4 Section 535 of the Equity in Educational Land-Grant Sta-
5 tus Act of 1994 (7 U.S.C. 301 note; Public Law 103–
6 382) is amended by striking “2012” each place it appears
7 in subsections (b)(1) and (c) and inserting “2017”.

8 (d) RESEARCH GRANTS.—

9 (1) AUTHORIZATION OF APPROPRIATIONS.—
10 Section 536(c) of the Equity in Educational Land-
11 Grant Status Act of 1994 (7 U.S.C. 301 note; Pub-
12 lic Law 103–382) is amended in the first sentence
13 by striking “2012” and inserting “2017”.

14 (2) RESEARCH GRANT REQUIREMENTS.—Sec-
15 tion 536(b) of the Equity in Educational Land-
16 Grant Status Act of 1994 (7 U.S.C. 301 note; Pub-
17 lic Law 103–382) is amended by striking “with at
18 least 1 other land-grant college or university” and
19 all that follows and inserting the following: “with—

20 “(1) the Agricultural Research Service of the
21 Department of Agriculture; or

22 “(2) at least 1—

23 “(A) other land-grant college or university
24 (exclusive of another 1994 Institution);

1 “(B) non-land-grant college of agriculture
 2 (as defined in section 1404 of the National Ag-
 3 ricultural Research, Extension, and Teaching
 4 Policy Act of 1977 (7 U.S.C. 3103)); or
 5 “(C) cooperating forestry school (as de-
 6 fined in that section).”.

7 **SEC. 7403. RESEARCH FACILITIES ACT.**

8 Section 6(a) of the Research Facilities Act (7 U.S.C.
 9 390d(a)) is amended by striking “2012” and inserting
 10 “2017”.

11 **SEC. 7404. REPEAL OF CARBON CYCLE RESEARCH.**

12 Section 221 of the Agricultural Risk Protection Act
 13 of 2000 (7 U.S.C. 6711) is repealed.

14 **SEC. 7405. COMPETITIVE, SPECIAL, AND FACILITIES RE-**
 15 **SEARCH GRANT ACT.**

16 (a) EXTENSION.—Section 2(b)(11)(A) of the Com-
 17 petitive, Special, and Facilities Research Grant Act (7
 18 U.S.C. 450i(b)(11)(A)) is amended in the matter pre-
 19 ceding clause (i) by striking “2012” and inserting “2017”.

20 (b) PRIORITY AREAS.—Section 2(b)(2) of the Com-
 21 petitive, Special, and Facilities Research Grant Act (7
 22 U.S.C. 450i(b)(2)) is amended—

23 (1) in subparagraph (A)—

24 (A) in clause (vi), by striking “and” at the
 25 end;

1 (B) in clause (vii), by striking the period
2 at the end and inserting “; and”; and

3 (C) by adding at the end the following new
4 clause:

5 “(viii) plant-based foods that are
6 major sources of nutrients of concern (as
7 determined by the Secretary).”;

8 (2) in subparagraph (B)—

9 (A) in clause (vii), by striking “and” at the
10 end;

11 (B) in clause (viii), by striking the period
12 at the end and inserting a semicolon; and

13 (C) by adding at the end the following new
14 clauses:

15 “(ix) the research and development of
16 surveillance methods, vaccines, vaccination
17 delivery systems, or diagnostic tests for
18 zoonotic diseases in wildlife reservoirs pre-
19 senting a potential concern to public health
20 or domestic livestock; and

21 “(x) the identification of animal drug
22 needs and the generation and dissemina-
23 tion of data for safe and effective thera-
24 peutic applications of animal drugs for

1 minor species and minor uses of such
2 drugs in major species.”;

3 (3) in subparagraph (C)—

4 (A) in clause (ii), by inserting before the
5 semicolon “, including the effects of plant-based
6 foods that are major sources of nutrients of
7 concern on diet and health”;

8 (B) in clause (iii), by inserting before the
9 semicolon “, including plant-based foods that
10 are major sources of nutrients of concern”;

11 (C) in clause (iv), by inserting before the
12 semicolon “, including postharvest practices con-
13 ducted with respect to plant-based foods that
14 are major sources of nutrients of concern”; and

15 (D) in clause (v), by inserting before the
16 semicolon “, including improving the
17 functionality of plant-based foods that are
18 major sources of nutrients of concern”;

19 (4) in subparagraph (D)—

20 (A) by redesignating clauses (iv), (v), and
21 (vi) as clauses (v), (vi), and (vii), respectively;
22 and

23 (B) by inserting after clause (iii) the fol-
24 lowing new clause:

1 “(iv) the effectiveness of conservation
2 practices and technologies designed to ad-
3 dress nutrient losses and improve water
4 quality;”; and

5 (5) in subparagraph (F)—

6 (A) in the matter preceding clause (i), by
7 inserting “economics,” after “trade,”;

8 (B) by redesignating clauses (v) and (vi)
9 as clauses (vi) and (vii), respectively; and

10 (C) by inserting after clause (iv) the fol-
11 lowing new clause:

12 “(v) the economic costs, benefits, and
13 viability of producers adopting conserva-
14 tion practices and technologies designed to
15 improve water quality;”.

16 (c) GENERAL ADMINISTRATION.—Section 2(b)(4) of
17 the Competitive, Special, and Facilities Research Grant
18 Act (7 U.S.C. 450i(b)(4)) is amended—

19 (1) in subparagraph (D), by striking “and” at
20 the end;

21 (2) in subparagraph (E), by striking the period
22 at the end and inserting “; and”; and

23 (3) by adding at the end the following new sub-
24 paragraph:

1 “(F) establish procedures under which a
2 commodity board established under a com-
3 modity promotion law (as such term is defined
4 under section 501(a) of the Federal Agriculture
5 Improvement and Reform Act of 1996 (7
6 U.S.C. 7401(a))) or a State commodity board
7 (or other equivalent State entity) may directly
8 submit to the Secretary proposals for requests
9 for applications to specifically address par-
10 ticular issues related to the priority areas speci-
11 fied in paragraph (2).”.

12 (d) SPECIAL CONSIDERATIONS.—Section 2(b)(6) of
13 the Competitive, Special, and Facilities Research Grant
14 Act (7 U.S.C. 450i(b)(6)) is amended—

15 (1) in subparagraph (C), by striking “and” at
16 the end;

17 (2) in subparagraph (D), by striking the period
18 at the end and inserting “; and”; and

19 (3) by adding at the end the following new sub-
20 paragraph:

21 “(E) to eligible entities to carry out the
22 specific research proposals submitted under
23 procedures established under paragraph
24 (4)(F).”.

1 (e) INTER-REGIONAL RESEARCH PROJECT NUMBER
2 4.—Section 2(e) of the Competitive, Special, and Facilities
3 Research Grant Act (7 U.S.C. 450i(e)) is amended—

4 (1) in paragraph (1)(A), by striking “minor use
5 pesticides” and inserting “pesticides for minor agri-
6 cultural use and for use on specialty crops (as de-
7 fined in section 3 of the Specialty Crop Competitive-
8 ness Act of 2004 (7 U.S.C. 1621 note)”; and

9 (2) in paragraph (4)—

10 (A) in subparagraph (A), by inserting
11 “and for use on specialty crops” after “minor
12 agricultural use”;

13 (B) in subparagraph (B), by striking
14 “and” at the end;

15 (C) by redesignating subparagraph (C) as
16 subparagraph (G); and

17 (D) by inserting after subparagraph (B)
18 the following new subparagraphs:

19 “(C) prioritize potential pest management
20 technology for minor agricultural use and for
21 use on specialty crops;

22 “(D) conduct research to develop the data
23 necessary to facilitate pesticide registrations,
24 reregistrations, and associated tolerances;

1 “(E) assist in removing trade barriers
2 caused by residues of pesticides registered for
3 minor agricultural use and for use on domesti-
4 cally grown specialty crops;

5 “(F) registration and reregistration assist-
6 ance for pest management technologies for
7 minor agricultural use and for use on specialty
8 crops; and”.

9 (f) EMPHASIS ON SUSTAINABLE AGRICULTURE.—
10 Section 2 of the Competitive, Special, and Facilities Re-
11 search Grant Act (7 U.S.C. 450i) is amended by striking
12 subsection (k).

13 **SEC. 7406. RENEWABLE RESOURCES EXTENSION ACT OF**
14 **1978.**

15 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
16 6 of the Renewable Resources Extension Act of 1978 (16
17 U.S.C. 1675) is amended in the first sentence by striking
18 “2012” and inserting “2017”.

19 (b) TERMINATION DATE.—Section 8 of the Renew-
20 able Resources Extension Act of 1978 (16 U.S.C. 1671
21 note; Public Law 95–306) is amended by striking “2012”
22 and inserting “2017”.

1 **SEC. 7407. NATIONAL AQUACULTURE ACT OF 1980.**

2 Section 10 of the National Aquaculture Act of 1980
3 (16 U.S.C. 2809) is amended by striking “2012” each
4 place it appears and inserting “2017”.

5 **SEC. 7408. REPEAL OF USE OF REMOTE SENSING DATA.**

6 Section 892 of the Federal Agriculture Improvement
7 and Reform Act of 1996 (7 U.S.C. 5935) is repealed.

8 **SEC. 7409. REPEAL OF REPORTS UNDER FARM SECURITY**
9 **AND RURAL INVESTMENT ACT OF 2002.**

10 (a) REPEAL OF REPORT ON PRODUCERS AND HAN-
11 DLERS FOR ORGANIC PRODUCTS.—Section 7409 of the
12 Farm Security and Rural Investment Act of 2002 (7
13 U.S.C. 5925b note; Public Law 107–171) is repealed.

14 (b) REPEAL OF REPORT ON GENETICALLY MODI-
15 FIED PEST-PROTECTED PLANTS.—Section 7410 of the
16 Farm Security and Rural Investment Act of 2002 (Public
17 Law 107–171; 116 Stat. 462) is repealed.

18 (c) REPEAL OF STUDY ON NUTRIENT BANKING.—
19 Section 7411 of the Farm Security and Rural Investment
20 Act of 2002 (7 U.S.C. 5925a note; Public Law 107–171)
21 is repealed.

22 **SEC. 7410. BEGINNING FARMER AND RANCHER DEVELOP-**
23 **MENT PROGRAM.**

24 Section 7405 of the Farm Security and Rural Invest-
25 ment Act of 2002 (7 U.S.C. 3319f) is amended—

26 (1) in subsection (c)—

1 (A) in paragraph (1), by striking subpara-
2 graphs (A) through (R) and inserting the fol-
3 lowing new subparagraphs:

4 “(A) basic livestock, forest management,
5 and crop farming practices;

6 “(B) innovative farm, ranch, and private,
7 nonindustrial forest land transfer strategies;

8 “(C) entrepreneurship and business train-
9 ing;

10 “(D) financial and risk management train-
11 ing;

12 “(E) natural resource management and
13 planning;

14 “(F) diversification and marketing strate-
15 gies;

16 “(G) curriculum development;

17 “(H) mentoring, apprenticeships, and in-
18 ternships;

19 “(I) resources and referral;

20 “(J) farm financial benchmarking; and

21 “(K) other similar subject areas of use to
22 beginning farmers or ranchers.”;

23 (B) in paragraph (6) (as redesignated by
24 section 7125(b)(4)), by striking “and commu-
25 nity-based organizations” and inserting “, com-

1 munity-based organizations, and school-based
2 agricultural educational organizations”;

3 (C) by striking paragraph (7) (as redesign-
4 nated by section 7125(b)(4)) and inserting the
5 following new paragraph:

6 “(7) MILITARY VETERAN BEGINNING FARMERS
7 AND RANCHERS.—

8 “(A) IN GENERAL.—Not less than 5 per-
9 cent of the funds used to carry out this sub-
10 section for a fiscal year shall be used to support
11 programs and services that address the needs of
12 military veteran beginning farmers and ranch-
13 ers.

14 “(B) COORDINATION PERMITTED.—A re-
15 cipient of a grant under this section using the
16 grant as described in subparagraph (A) may co-
17 ordinate with a recipient of a grant under sec-
18 tion 1680 of the Food, Agriculture, Conserva-
19 tion, and Trade Act of 1990 (7 U.S.C. 5933)
20 in addressing the needs of military veteran be-
21 ginning farmers and ranchers with disabili-
22 ties.”; and

23 (D) by adding at the end the following new
24 paragraph:

1 “(10) LIMITATION ON INDIRECT COSTS.—A re-
 2 recipient of a grant under this section may not use
 3 more than 10 percent of the funds provided by the
 4 grant for the indirect costs of carrying out the ini-
 5 tiatives described in paragraph (1).”; and

6 (2) in subsection (h)(1)—

7 (A) in subparagraph (A), by striking
 8 “and” at the end;

9 (B) in subparagraph (B), by striking the
 10 period at the end and inserting “; and”; and

11 (C) by adding at the end the following new
 12 subparagraph:

13 “(C) \$10,000,000 for each of fiscal years
 14 2013 through 2017, to remain available until
 15 expended.”.

16 **SEC. 7411. INCLUSION OF NORTHERN MARIANA ISLANDS AS**
 17 **A STATE UNDER MCINTIRE-STENNIS COOPER-**
 18 **ATIVE FORESTRY ACT.**

19 Section 8 of Public Law 87–788 (commonly known
 20 as the McIntire-Stennis Cooperative Forestry Act; 16
 21 U.S.C. 582a–7) is amended by striking “and Guam” and
 22 inserting “Guam, and the Commonwealth of the Northern
 23 Mariana Islands”.

**Subtitle E—Food, Conservation,
and Energy Act of 2008**

PART 1—AGRICULTURAL SECURITY

**SEC. 7501. AGRICULTURAL BIOSECURITY COMMUNICATION
CENTER.**

Section 14112(c) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8912(c)) is amended to read as follows:

“(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

“(1) such sums as are necessary for each of fiscal years 2008 through 2012; and

“(2) \$2,000,000 for each of fiscal years 2013 through 2017.”.

SEC. 7502. ASSISTANCE TO BUILD LOCAL CAPACITY IN AGRICULTURAL BIOSECURITY PLANNING, PREPARATION, AND RESPONSE.

Section 14113 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8913) is amended—

(1) in subsection (a)(2)—

(A) by striking “such sums as may be necessary”; and

1 (B) by striking “subsection” and all that
2 follows and inserting the following: “sub-
3 section—

4 “(1) such sums as are necessary for each of fis-
5 cal years 2008 through 2012; and

6 “(2) \$15,000,000 for each of fiscal years 2013
7 through 2017.”; and

8 (2) in subsection (b)(2), by striking “is author-
9 ized to be appropriated to carry out this subsection”
10 and all that follows and inserting the following: “are
11 authorized to be appropriated to carry out this sub-
12 section—

13 “(1) \$25,000,000 for each of fiscal years 2008
14 through 2012; and

15 “(2) \$15,000,000 for each of fiscal years 2013
16 through 2017.”.

17 **SEC. 7503. RESEARCH AND DEVELOPMENT OF AGRICUL-**
18 **TURAL COUNTERMEASURES.**

19 Section 14121(b) of the Food, Conservation, and En-
20 ergy Act of 2008 (7 U.S.C. 8921(b)) is amended by strik-
21 ing “is authorized to be appropriated to carry out this sec-
22 tion” and all that follows and inserting the following: “are
23 authorized to be appropriated to carry out this section—

24 “(1) \$50,000,000 for each of fiscal years 2008
25 through 2012; and

1 “(2) \$15,000,000 for each of fiscal years 2013
2 through 2017.”.

3 **SEC. 7504. AGRICULTURAL BIOSECURITY GRANT PROGRAM.**

4 Section 14122(e) of the Food, Conservation, and En-
5 ergy Act of 2008 (7 U.S.C. 8922(e)) is amended—

6 (1) by striking “such sums as are necessary”;
7 and

8 (2) by striking “section” and all that follows
9 and inserting the following: “section—

10 “(1) such sums as are necessary for each of fis-
11 cal years 2008 through 2012, to remain available
12 until expended; and

13 “(2) \$5,000,000 for each of fiscal years 2013
14 through 2017, to remain available until expended.”.

15 **PART 2—MISCELLANEOUS**

16 **SEC. 7511. ENHANCED USE LEASE AUTHORITY PILOT PRO-**
17 **GRAM.**

18 Section 308 of the Federal Crop Insurance Reform
19 and Department of Agriculture Reorganization Act of
20 1994 (7 U.S.C. 3125a) is amended—

21 (1) in subsection (b)(6)(A), by striking “5
22 years” and inserting “9 years”; and

23 (2) in subsection (d)(2), by striking “1, 3, and
24 5 years” and inserting “5, 7, and 9 years”.

1 **SEC. 7512. GRAZINGLANDS RESEARCH LABORATORY.**

2 Section 7502 of the Food, Conservation, and Energy
3 Act of 2008 (Public Law 110–246; 122 Stat. 2019) is
4 amended by striking “5-year period” and inserting “9-
5 year period”.

6 **SEC. 7513. BUDGET SUBMISSION AND FUNDING.**

7 Section 7506 of the Food, Conservation, and Energy
8 Act of 2008 (7 U.S.C. 7614c) is amended—

9 (1) by striking subsection (a) and inserting the
10 following new subsection:

11 “(a) DEFINITIONS.—In this section:

12 “(1) COVERED PROGRAM.—The term ‘covered
13 program’ means—

14 “(A) each research program carried out by
15 the Agricultural Research Service or the Eco-
16 nomic Research Service for which annual appro-
17 priations are requested in the annual budget
18 submission of the President; and

19 “(B) each competitive program carried out
20 by the National Institute of Food and Agri-
21 culture for which annual appropriations are re-
22 quested in the annual budget submission of the
23 President.

24 “(2) REQUEST FOR AWARDS.—The term ‘re-
25 quest for awards’ means a funding announcement
26 published by the National Institute of Food and Ag-

1 riculture that provides detailed information on fund-
2 ing opportunities at the Institute, including the pur-
3 pose, eligibility, restriction, focus areas, evaluation
4 criteria, regulatory information, and instructions on
5 how to apply for such opportunities.”; and

6 (2) by adding at the end the following new sub-
7 sections:

8 “(e) ADDITIONAL PRESIDENTIAL BUDGET SUBMIS-
9 SION REQUIREMENT.—

10 “(1) IN GENERAL.—Each year, the President
11 shall submit to Congress, together with the annual
12 budget submission of the President, the information
13 described in paragraph (2) for each funding request
14 for a covered program.

15 “(2) INFORMATION DESCRIBED.—The informa-
16 tion described in this paragraph includes—

17 “(A) baseline information, including with
18 respect to each covered program—

19 “(i) the funding level for the program
20 for the fiscal year preceding the year the
21 annual budget submission of the President
22 is submitted;

23 “(ii) the funding level requested in the
24 annual budget submission of the President,

1 including any increase or decrease in the
2 funding level; and

3 “(iii) an explanation justifying any
4 change from the funding level specified in
5 clause (i) to the level specified in clause
6 (ii);

7 “(B) with respect to each covered program
8 that is carried out by the Economic Research
9 Service or the Agricultural Research Service,
10 the location and staff years of the program;

11 “(C) the proposed funding levels to be allo-
12 cated to, and the expected publication date,
13 scope, and allocation level for, each request for
14 awards to be published under or associated
15 with—

16 “(i) each priority area specified in sec-
17 tion 2(b)(2) of the Competitive, Special,
18 and Facilities Research Grant Act (7
19 U.S.C. 450i(b)(2));

20 “(ii) each research and extension
21 project carried out under section 1621(a)
22 of the Food, Agriculture, Conservation,
23 and Trade Act of 1990 (7 U.S.C.
24 5811(a));

1 “(iii) each grant to be awarded under
2 section 1672B(a) of the Food, Agriculture,
3 Conservation, and Trade Act of 1990 (7
4 U.S.C. 5925b(a));

5 “(iv) each grant awarded under sec-
6 tion 412(d) of the Agricultural Research,
7 Extension, and Education Reform Act of
8 1998 (7 U.S.C. 7632(d)); and

9 “(v) each grant awarded under
10 7405(c)(1) of the Farm Security and
11 Rural Investment Act of 2002 (7 U.S.C.
12 3319f(c)(1)); or

13 “(D) any other information the Secretary
14 determines will increase congressional oversight
15 with respect to covered programs.

16 “(3) PROHIBITION.—Unless the President sub-
17 mits the information described in paragraph (2)(C)
18 for a fiscal year, the President may not carry out
19 any program during the fiscal year that is author-
20 ized under—

21 “(A) section 2(b) of the Competitive, Spe-
22 cial, and Facilities Research Grant Act (7
23 U.S.C. 450i(b));

1 “(B) section 1621 of the Food, Agri-
2 culture, Conservation, and Trade Act of 1990
3 (7 U.S.C. 5811);

4 “(C) section 1672B of the Food, Agri-
5 culture, Conservation, and Trade Act of 1990
6 (7 U.S.C. 5925b);

7 “(D) section 412 of the Agricultural Re-
8 search, Extension, and Education Reform Act
9 of 1998 (7 U.S.C. 7632); or

10 “(E) section 7405 of the Farm Security
11 and Rural Investment Act of 2002 (7 U.S.C.
12 3319f).

13 “(f) REPORT OF THE SECRETARY OF AGRI-
14 CULTURE.—Each year on a date that is not later than
15 the date on which the President submits the annual budg-
16 et, the Secretary shall submit to Congress a report con-
17 taining a description of the agricultural research, exten-
18 sion, and education activities carried out by the Federal
19 Government during the fiscal year that immediately pre-
20 cedes the year for which the report is submitted, includ-
21 ing—

22 “(1) a review of the extent to which those ac-
23 tivities—

24 “(A) are duplicative or overlap within the
25 Department of Agriculture; or

1 “(B) are similar to activities carried out
2 by—

3 “(i) other Federal agencies;

4 “(ii) the States (including the District
5 of Columbia, the Commonwealth of Puerto
6 Rico and other territories or possessions of
7 the United States);

8 “(iii) institutions of higher education
9 (as defined in section 101 of the Higher
10 Education Act of 1965 (20 U.S.C. 1001));
11 or

12 “(iv) the private sector; and

13 “(2) for each report submitted under this sec-
14 tion on or after January 1, 2013, a 5-year projection
15 of national priorities with respect to agricultural re-
16 search, extension, and education, taking into account
17 domestic needs.”.

18 **SEC. 7514. REPEAL OF RESEARCH AND EDUCATION GRANTS**
19 **FOR THE STUDY OF ANTIBIOTIC-RESISTANT**
20 **BACTERIA.**

21 Section 7521 of the Food, Conservation, and Energy
22 Act of 2008 (7 U.S.C. 3202) is repealed.

1 **SEC. 7515. REPEAL OF FARM AND RANCH STRESS ASSIST-**
2 **ANCE NETWORK.**

3 Section 7522 of the Food, Conservation, and Energy
4 Act of 2008 (7 U.S.C. 5936) is repealed.

5 **SEC. 7516. REPEAL OF SEED DISTRIBUTION.**

6 Section 7523 of the Food, Conservation, and Energy
7 Act of 2008 (7 U.S.C. 415–1) is repealed.

8 **SEC. 7517. NATURAL PRODUCTS RESEARCH PROGRAM.**

9 Section 7525(e) of the Food, Conservation, and En-
10 ergy Act of 2008 (7 U.S.C. 5937(e)) is amended to read
11 as follows:

12 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated to carry out this section
14 \$7,000,000 for each of fiscal years 2013 through 2017.”.

15 **SEC. 7518. SUN GRANT PROGRAM.**

16 (a) IN GENERAL.—Section 7526 of the Food, Con-
17 servation, and Energy Act of 2008 (7 U.S.C. 8114) is
18 amended—

19 (1) in subsection (a)(4)(B), by striking “the
20 Department of Energy” and inserting “other appro-
21 priate Federal agencies (as determined by the Sec-
22 retary)”;

23 (2) in subsection (c)(1)—

24 (A) in subparagraph (B), by striking
25 “multistate” and all that follows through the
26 period and inserting “integrated, multistate re-

1 search, extension, and education programs on
2 technology development and technology imple-
3 mentation.”;

4 (B) by striking subparagraph (C); and

5 (C) by redesignating subparagraph (D) as
6 subparagraph (C);

7 (3) in subsection (d)—

8 (A) in paragraph (1)—

9 (i) by striking “in accordance with
10 paragraph (2)”;

11 (ii) by striking “gasification” and in-
12 serting “bioproducts”; and

13 (iii) by striking “the Department of
14 Energy” and inserting “other appropriate
15 Federal agencies”;

16 (B) by striking paragraph (2); and

17 (C) by redesignating paragraphs (3) and
18 (4) as paragraphs (2) and (3), respectively; and

19 (4) in subsection (g), by striking “2012” and
20 inserting “2017”.

21 (b) CONFORMING AMENDMENTS.—Section
22 7526(f)(1) of the Food, Conservation, and Energy Act of
23 2008 (7 U.S.C. 8114(f)(1)) is amended by striking “sub-
24 section (c)(1)(D)(i)” and inserting “subsection
25 (c)(1)(C)(i)”.

1 **SEC. 7519. REPEAL OF STUDY AND REPORT ON FOOD**
2 **DESERTS.**

3 Section 7527 of the Food, Conservation, and Energy
4 Act of 2008 (Public Law 110–246; 122 Stat. 2039) is re-
5 pealed.

6 **SEC. 7520. REPEAL OF AGRICULTURAL AND RURAL TRANS-**
7 **PORTATION RESEARCH AND EDUCATION.**

8 Section 7529 of the Food, Conservation, and Energy
9 Act of 2008 (7 U.S.C. 5938) is repealed.

10 **SEC. 7521. CONVEYANCE OF LAND COMPRISING SUB-**
11 **TROPICAL HORTICULTURE RESEARCH STA-**
12 **TION.**

13 (a) DEFINITIONS.—In this section:

14 (1) COUNTY.—The term “County” means
15 Miami-Dade County in the State of Florida.

16 (2) PROPERTY.—The term “Property” means
17 approximately 2 acres, more or less, of the federally
18 owned land comprising the Subtropical Horticulture
19 Research Station in the County, which—

20 (A) has been mutually delineated by the
21 Secretary and the authorized representative of
22 the County; and

23 (B) fronts on SW 67th Avenue in Palmetto
24 Bay, Florida.

25 (3) SECRETARY.—The term “Secretary” means
26 the Secretary of Agriculture.

1 (b) PROPERTY CONVEYANCE.—

2 (1) IN GENERAL.—Not later than 120 days
3 after the date on which the County deposits the con-
4 sideration under paragraph (2) and cost reimburse-
5 ment provided in this section with the Department
6 of Agriculture, the Secretary shall convey and quit-
7 claim to the County, all rights, title, and interests of
8 the United States in the Property, subject to ease-
9 ments and rights of record and such other reserva-
10 tions, terms, and conditions as the Secretary may
11 prescribe.

12 (2) CONSIDERATION.—

13 (A) IN GENERAL.—As consideration for
14 the conveyance of the Property, the County
15 shall pay to the Secretary an amount in cash
16 equal to the market value of the property.

17 (B) APPRAISAL.—To determine the market
18 value of the Property, the Secretary shall have
19 the Property appraised for the highest and best
20 use of the Property in conformity with the Uni-
21 form Appraisal Standards for Federal Land Ac-
22 quisitions developed by the Interagency Land
23 Acquisition Conference. The approved appraisal
24 shall at all times be the property of the United
25 States.

1 (3) CORRECTIONS.—With the agreement of the
2 County, the Secretary may make minor corrections
3 or modifications to the legal description of the Prop-
4 erty.

5 (4) COSTS.—

6 (A) TRANSACTION COSTS.—Except as pro-
7 vided in subparagraph (C), the County shall, at
8 closing for the conveyance of the Property
9 under this Act, pay or reimburse the Secretary,
10 as appropriate, for the reasonable transaction
11 and administrative personnel costs associated
12 with the conveyance authorized by this Act, in-
13 cluding the transaction costs of appraisal, title,
14 hazardous substances examination, and closing
15 costs.

16 (B) ADMINISTRATIVE COSTS.—In addition
17 to transaction costs under subparagraph (A),
18 the County shall pay administrative costs in the
19 liquidated amount of \$50,000.

20 (C) ATTORNEYS' FEES.—The County and
21 the Secretary shall each bear their own attor-
22 neys' fees.

23 (5) SURVEY.—The County shall, at its cost,
24 survey the exterior boundaries of the Subtropical
25 Horticulture Research Station and the Property in

1 accordance with Federal survey standards and to the
2 satisfaction of the Secretary, and shall provide to
3 the Secretary certified originals with signature and
4 raised seal.

5 (6) RELEASE.—The County, by a recordable in-
6 strument that the Secretary determines is satisfac-
7 tory, shall release the Department of Agriculture
8 from the instrument dated September 8, 2006, titled
9 “Unity of Title”.

10 (7) SECURITY FENCING.—On or before closing
11 for the conveyance of the Property under this sec-
12 tion, the County shall, at its cost, contract for the
13 construction of a security fence located on the
14 boundary between the Property and the adjacent
15 land administered by the Secretary. The fence shall
16 be of materials and standards approved in advance
17 by the Secretary. The Secretary may approve tem-
18 porary security structures for use during construc-
19 tion phases of the fence.

20 (8) OTHER TERMS.—The Secretary and the
21 County may otherwise effect the purpose of this sec-
22 tion on such additional terms as are mutually ac-
23 ceptable and which are not inconsistent with the
24 provisions of this section.

25 (c) RECEIPTS.—

1 (1) IN GENERAL.—The Secretary shall deposit
2 all funds received from the conveyance authorized
3 under this section, including the market value con-
4 sideration and the reimbursement for costs, into the
5 Treasury of the United States to be credited to the
6 appropriation for the Agricultural Research Service.

7 (2) USE OF FUNDS.—Notwithstanding any limi-
8 tation in applicable appropriation Acts for the De-
9 partment of Agriculture or the Agricultural Re-
10 search Service, all funds deposited into the Treasury
11 pursuant to subsection (a) shall be available to the
12 Secretary until expended, without further appropria-
13 tion, for the operation, upkeep, and maintenance of
14 the Subtropical Horticulture Research Station.

15 **SEC. 7522. CONCESSIONS, FEES, AND VOLUNTARY SERV-**
16 **ICES AT NATIONAL ARBORETUM.**

17 Section 6 of the Act of March 4, 1927 (20 U.S.C.
18 196) is amended—

19 (1) in subsection (a)(1), by inserting “or non-
20 profit organizations that support the purpose of the
21 National Arboretum” after “mission of the National
22 Arboretum”; and

23 (2) by adding at the end the following new sub-
24 section:

1 “(d) RECOGNITION OF DONORS.—A non-profit orga-
2 nization granted a concession under (a)(1) may recognize
3 donors if such recognition is approved in advance by the
4 Secretary.”.

5 **SEC. 7523. COTTON DISEASE RESEARCH REPORT.**

6 Not later than 180 days after the date of the enact-
7 ment of this Act, the Secretary shall submit to Congress
8 a report on the fungus *fusarium oxysporum* f. sp.
9 *vasinfectum* race 4 (referred to in this section as “FOV
10 Race 4”) and the impact of such fungus on cotton, includ-
11 ing—

12 (1) an overview of the threat FOV Race 4 poses
13 to the cotton industry in the United States;

14 (2) the status and progress of Federal research
15 initiatives to detect, contain, or eradicate FOV Race
16 4, including current FOV Race 4-specific research
17 projects; and

18 (3) a comprehensive strategy to combat FOV
19 Race 4 that establishes—

20 (A) detection and identification goals;

21 (B) containment goals;

22 (C) eradication goals; and

23 (D) a plan to partner with the cotton in-
24 dustry in the United States to maximize re-

1 sources, information sharing, and research re-
 2 sponsiveness and effectiveness.

3 **SEC. 7524. MISCELLANEOUS TECHNICAL CORRECTIONS.**

4 Sections 7408 and 7409 of the Food, Conservation,
 5 and Energy Act of 2008 (Public Law 110–246; 122 Stat.
 6 2013) are both amended by striking “Title III of the De-
 7 partment of Agriculture Reorganization Act of 1994” and
 8 inserting “Title III of the Federal Crop Insurance Reform
 9 and Department of Agriculture Reorganization Act of
 10 1994”.

11 **TITLE VIII—FORESTRY**
 12 **Subtitle A—Repeal of Certain**
 13 **Forestry Programs**

14 **SEC. 8001. FOREST LAND ENHANCEMENT PROGRAM.**

15 (a) REPEAL.—Section 4 of the Cooperative Forestry
 16 Assistance Act of 1978 (16 U.S.C. 2103) is repealed.

17 (b) CONFORMING AMENDMENT.—Section 8002 of the
 18 Farm Security and Rural Investment Act of 2002 (Public
 19 Law 107–171; 16 U.S.C. 2103 note) is amended by strik-
 20 ing subsection (a).

21 (c) EFFECTIVE DATE.—The amendments made by
 22 this section shall take effect on October 1, 2012.

23 **SEC. 8002. WATERSHED FORESTRY ASSISTANCE PROGRAM.**

24 (a) REPEAL.—Section 6 of the Cooperative Forestry
 25 Assistance Act of 1978 (16 U.S.C. 2103b) is repealed.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall take effect on October 1, 2012.

3 **SEC. 8003. EXPIRED COOPERATIVE NATIONAL FOREST**
4 **PRODUCTS MARKETING PROGRAM.**

5 Section 18 of the Cooperative Forestry Assistance
6 Act of 1978 (16 U.S.C. 2112) is repealed.

7 **SEC. 8004. HISPANIC-SERVING INSTITUTION AGRICUL-**
8 **TURAL LAND NATIONAL RESOURCES LEAD-**
9 **ERSHIP PROGRAM.**

10 (a) REPEAL.—Section 8402 of the Food, Conserva-
11 tion, and Energy Act of 2008 (16 U.S.C. 1649a) is re-
12 pealed.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall take effect on October 1, 2012.

15 **SEC. 8005. TRIBAL WATERSHED FORESTRY ASSISTANCE**
16 **PROGRAM.**

17 (a) REPEAL.—Section 303 of the Healthy Forests
18 Restoration Act of 2003 (16 U.S.C. 6542) is repealed.

19 (b) EFFECTIVE DATE.—The amendment made by
20 this section shall take effect on October 1, 2012.

1 **Subtitle B—Reauthorization of Co-**
2 **operative Forestry Assistance**
3 **Act of 1978 Programs**

4 **SEC. 8101. FOREST LEGACY PROGRAM.**

5 Subsection (m) of section 7 of the Cooperative For-
6 estry Assistance Act of 1978 (16 U.S.C. 2103c) is amend-
7 ed to read as follows:

8 “(m) AUTHORIZATION OF APPROPRIATIONS.—To
9 carry out this section, there are authorized to be appro-
10 priated—

11 “(1) such sums as are necessary for fiscal year
12 2012; and

13 “(2) \$55,000,000 for each of fiscal years 2013
14 through 2017.”.

15 **SEC. 8102. COMMUNITY FOREST AND OPEN SPACE CON-**
16 **SERVATION PROGRAM.**

17 Subsection (g) of section 7A of the Cooperative For-
18 estry Assistance Act of 1978 (16 U.S.C. 2103d) is amend-
19 ed to read as follows:

20 “(g) AUTHORIZATION OF APPROPRIATIONS.—To
21 carry out this section, there are authorized to be appro-
22 priated—

23 “(1) such sums as are necessary for fiscal year
24 2012; and

1 “(2) \$1,500,000 for each of fiscal years 2013
2 through 2017.”.

3 **Subtitle C—Reauthorization of**
4 **Other Forestry-Related Laws**

5 **SEC. 8201. RURAL REVITALIZATION TECHNOLOGIES.**

6 Section 2371(d)(2) of the Food, Agriculture, Con-
7 servation, and Trade Act of 1990 (7 U.S.C. 6601(d)(2))
8 is amended by striking “2012” and inserting “2017”.

9 **SEC. 8202. OFFICE OF INTERNATIONAL FORESTRY.**

10 Subsection (d) of section 2405 of the Global Climate
11 Change Prevention Act of 1990 (7 U.S.C. 6704) is amend-
12 ed to read as follows:

13 “(d) AUTHORIZATION OF APPROPRIATIONS.—To
14 carry out this section, there are authorized to be appro-
15 priated—

16 “(1) such sums as are necessary for each of fis-
17 cal years 1996 through 2012; and

18 “(2) \$6,000,000 for each of fiscal years 2013
19 through 2017.”.

20 **SEC. 8203. CHANGE IN FUNDING SOURCE FOR HEALTHY**
21 **FORESTS RESERVE PROGRAM.**

22 Section 508 of the Healthy Forests Restoration Act
23 of 2003 (16 U.S.C. 6578) is amended—

1 (1) in subsection (a), by striking “IN GEN-
2 ERAL” and inserting “FISCAL YEARS 2009
3 THROUGH 2012”;

4 (2) by redesignating subsection (b) as sub-
5 section (d); and

6 (3) by inserting after subsection (a) the fol-
7 lowing new subsections:

8 “(b) FISCAL YEARS 2013 THROUGH 2017.—There is
9 authorized to be appropriated to the Secretary of Agri-
10 culture to carry out this section \$9,750,000 for each of
11 fiscal years 2013 through 2017.

12 “(c) ADDITIONAL SOURCE OF FUNDS.—In addition
13 to funds appropriated pursuant to the authorization of ap-
14 propriations in subsection (b) for a fiscal year, the Sec-
15 retary may use such amount of the funds appropriated
16 for that fiscal year to carry out the Soil Conservation and
17 Domestic Allotment Act (16 U.S.C. 590a et seq.) as the
18 Secretary determines necessary to cover the cost of tech-
19 nical assistance, management, and enforcement respon-
20 sibilities for land enrolled in the healthy forests reserve
21 program pursuant to subsections (a) and (b) of section
22 504.”.

1 **SEC. 8204. STEWARDSHIP END RESULT CONTRACTING**
 2 **PROJECT AUTHORITY.**

3 Section 347(a) of the Department of the Interior and
 4 Related Agencies Appropriations Act, 1999 (as contained
 5 in section 101(e) of division A of Public Law 105–277;
 6 16 U.S.C. 2104 note) is amended by striking “2013” and
 7 inserting “2017”.

8 **Subtitle D—National Forest**
 9 **Critical Area Response**

10 **SEC. 8301. DEFINITIONS.**

11 In this title:

12 (1) **CRITICAL AREA.**—The term “critical area”
 13 means an area of the National Forest System des-
 14 ignated by the Secretary under section 8302

15 (2) **NATIONAL FOREST SYSTEM.**—The term
 16 “National Forest System” has the meaning given
 17 that term in section 11(a) of the Forest and Range-
 18 land Renewable Resources Planning Act of 1974 (16
 19 U.S.C. 1609(a)).

20 (3) **SECRETARY.**—The term “Secretary” means
 21 the Secretary of Agriculture.

22 **SEC. 8302. DESIGNATION OF CRITICAL AREAS.**

23 (a) **DESIGNATION REQUIREMENTS.**—The Secretary
 24 of Agriculture shall designate critical areas within the Na-
 25 tional Forest System for the purposes of addressing—

1 (1) deteriorating forest health conditions in ex-
2 istence as of the date of the enactment of this Act
3 due to insect infestation, drought, disease, or storm
4 damage; and

5 (2) the future risk of insect infestations or dis-
6 ease outbreaks through preventative treatments.

7 (b) DESIGNATION METHOD.—In considering Na-
8 tional Forest System land for designation as a critical
9 area, the Secretary shall use—

10 (1) for purposes of subsection (a)(1), the most
11 recent annual forest health aerial surveys of mor-
12 tality and defoliation; and

13 (2) for purposes of subsection (a)(2), the Na-
14 tional Insect and Disease Risk Map.

15 (c) TIME FOR INITIAL DESIGNATIONS.—The first
16 critical areas shall be designated by the Secretary not later
17 than 60 days after the date of the enactment of this Act.

18 (d) DURATION OF DESIGNATION.—The designation
19 of a critical area shall expire not later than 10 years after
20 the date of the designation.

21 **SEC. 8303. APPLICATION OF EXPEDITED PROCEDURES AND**
22 **ACTIVITIES OF THE HEALTHY FORESTS RES-**
23 **TORATION ACT OF 2003 TO CRITICAL AREAS.**

24 (a) APPLICABILITY.—Subject to subsections (b)
25 through (e), title I of the Healthy Forests Restoration Act

1 of 2003 (16 U.S.C. 6511 et seq.) (including the environ-
2 mental analysis requirements of section 104 of that Act
3 (16 U.S.C. 6514), the special administrative review proc-
4 ess under section 105 of that Act (16 U.S.C. 6515), and
5 the judicial review process under section 106 of that Act
6 (16 U.S.C. 6516)), shall apply to all Forest Service
7 projects and activities carried out in a critical area.

8 (b) APPLICATION OF OTHER LAW.—Section 322 of
9 Public Law 102–381 (16 U.S.C. 1612 note; 106 Stat.
10 1419) shall not apply to projects conducted in accordance
11 with this section.

12 (c) REQUIRED MODIFICATIONS.—In applying title I
13 of the Healthy Forests Restoration Act of 2003 (16
14 U.S.C. 6511 et seq.) to Forest Service projects and activi-
15 ties in a critical area, the Secretary shall make the fol-
16 lowing modifications:

17 (1) The authority shall apply to the entire crit-
18 ical area, including land that is outside of a
19 wildland-urban interface area or that does not sat-
20 isfy any of the other eligibility criteria specified in
21 section 102(a) of that Act (16 U.S.C. 6512(a)).

22 (2) All projects and activities of the Forest
23 Service, including necessary connected actions (as
24 described in section 1508.25(a)(1) of title 40, Code
25 of Federal Regulations (or a successor regulation)),

1 shall be considered to be authorized hazardous fuel
2 reduction projects for purposes of applying the title.

3 (d) SMALLER PROJECTS.—

4 (1) IN GENERAL.—Except as provided in para-
5 graph (2), a project conducted in a critical area in
6 accordance with this section that comprises less than
7 1,000 acres shall be considered an action categori-
8 cally excluded from the requirements for an environ-
9 mental assessment or an environmental impact
10 statement under section 1508.4 of title 40, Code of
11 Federal Regulations (or a successor regulation).

12 (2) EXCLUSION OF CERTAIN AREAS.—Para-
13 graph (1) does not apply to—

14 (A) a component of the National Wilder-
15 ness Preservation System;

16 (B) any Federal land on which, by Act of
17 Congress or Presidential proclamation, the re-
18 moval of vegetation is restricted or prohibited;

19 (C) a congressionally designated wilderness
20 study area; or

21 (D) an area in which activities under para-
22 graph (1) would be inconsistent with the appli-
23 cable land and resource management plan.

24 (e) FOREST MANAGEMENT PLANS.—All projects and
25 activities carried out in a critical area pursuant to this

1 subtitle shall be consistent with the land and resource
2 management plan established under section 6 of the For-
3 est and Rangeland Renewable Resources Planning Act of
4 1974 (16 U.S.C. 1604) for the unit of the National Forest
5 System containing the critical area.

6 **SEC. 8304. GOOD NEIGHBOR AUTHORITY.**

7 (a) DEFINITIONS.—In this section:

8 (1) ELIGIBLE STATE.—The term “eligible
9 State” means a State that contains National Forest
10 System land.

11 (2) SECRETARY.—The term “Secretary” means
12 the Secretary of Agriculture.

13 (3) STATE FORESTER.—The term “State for-
14 ester” means the head of a State agency with juris-
15 diction over State forestry programs in an eligible
16 State.

17 (b) COOPERATIVE AGREEMENTS AND CONTRACTS.—

18 (1) IN GENERAL.—The Secretary may enter
19 into a cooperative agreement or contract (including
20 a sole source contract) with a State forester to au-
21 thorize the State forester to provide the forest,
22 rangeland, and watershed restoration and protection
23 services described in paragraph (2) on National For-
24 est System land in the eligible State.

1 (2) AUTHORIZED SERVICES.—The forest,
2 rangeland, and watershed restoration and protection
3 services referred to in paragraph (1) include the con-
4 duct of—

5 (A) activities to treat insect infected trees;

6 (B) activities to reduce hazardous fuels;

7 and

8 (C) any other activities to restore or im-
9 prove forest, rangeland, and watershed health,
10 including fish and wildlife habitat.

11 (3) STATE AS AGENT.—Except as provided in
12 paragraph (6), a cooperative agreement or contract
13 entered into under paragraph (1) may authorize the
14 State forester to serve as the agent for the Secretary
15 in providing the restoration and protection services
16 authorized under that paragraph.

17 (4) SUBCONTRACTS.—In accordance with appli-
18 cable contract procedures for the eligible State, a
19 State forester may enter into subcontracts to provide
20 the restoration and protection services authorized
21 under a cooperative agreement or contract entered
22 into under paragraph (1).

23 (5) TIMBER SALES.—Subsections (d) and (g) of
24 section 14 of the National Forest Management Act
25 of 1976 (16 U.S.C. 472a) shall not apply to services

1 performed under a cooperative agreement or con-
 2 tract entered into under paragraph (1).

3 (6) RETENTION OF NEPA RESPONSIBILITIES.—

4 Any decision required to be made under the Na-
 5 tional Environmental Policy Act of 1969 (42 U.S.C.
 6 4321 et seq.) with respect to any restoration and
 7 protection services to be provided under this section
 8 by a State forester on National Forest System land
 9 shall not be delegated to a State forester or any
 10 other officer or employee of the eligible State.

11 (7) APPLICABLE LAW.—The restoration and
 12 protection services to be provided under this section
 13 shall be carried out on a project-to-project basis
 14 under existing authorities of the Forest Service.

15 **Subtitle E—Miscellaneous** 16 **Provisions**

17 **SEC. 8401. REVISION OF STRATEGIC PLAN FOR FOREST IN-** 18 **VENTORY AND ANALYSIS.**

19 (a) REVISION REQUIRED.—Not later than 180 days
 20 after the date of the enactment of this Act, the Secretary
 21 of Agriculture shall revise the strategic plan for forest in-
 22 ventory and analysis initially prepared pursuant to section
 23 3(e) of the Forest and Rangeland Renewable Resources
 24 Research Act of 1978 (16 U.S.C. 1642(e)) to address the
 25 requirements imposed by subsection (b).

1 (b) ELEMENTS OF REVISED STRATEGIC PLAN.—In
2 revising the strategic plan, the Secretary of Agriculture
3 shall describe in detail the organization, procedures, and
4 funding needed to achieve each of the following:

5 (1) Complete the transition to a fully
6 annualized forest inventory program and include in-
7 ventory and analysis of interior Alaska.

8 (2) Implement an annualized inventory of trees
9 in urban settings, including the status and trends of
10 trees and forests, and assessments of their eco-
11 system services, values, health, and risk to pests and
12 diseases.

13 (3) Report information on renewable biomass
14 supplies and carbon stocks at the local, State, re-
15 gional, and national level, including by ownership
16 type.

17 (4) Engage State foresters and other users of
18 information from the forest inventory and analysis
19 in reevaluating the list of core data variables col-
20 lected on forest inventory and analysis plots with an
21 emphasis on demonstrated need.

22 (5) Improve the timeliness of the timber prod-
23 uct output program and accessibility of the
24 annualized information on that database.

1 (6) Foster greater cooperation among the forest
2 inventory and analysis program, research station
3 leaders, and State foresters and other users of infor-
4 mation from the forest inventory and analysis.

5 (7) Availability of and access to non-Federal re-
6 sources to improve information analysis and infor-
7 mation management.

8 (8) Collaborate with the Natural Resources
9 Conservation Service, National Aeronautics and
10 Space Administration, National Oceanic and Atmos-
11 pheric Administration, and United States Geological
12 Survey to integrate remote sensing, spatial analysis
13 techniques, and other new technologies in the forest
14 inventory and analysis program.

15 (9) Understand and report on changes in land
16 cover and use.

17 (10) Expand existing programs to promote sus-
18 tainable forest stewardship through increased under-
19 standing, in partnership with other Federal agencies,
20 of the over 10 million family forest owners, their de-
21 mographics, and the barriers to forest stewardship.

22 (11) Implement procedures to improve the sta-
23 tistical precision of estimates at the sub-State level.

24 (c) SUBMISSION OF REVISED STRATEGIC PLAN.—
25 The Secretary of Agriculture shall submit the revised stra-

1 tegic plan to the Committee on Agriculture of the House
 2 of Representatives and the Committee on Agriculture, Nu-
 3 trition, and Forestry of the Senate.

4 **SEC. 8402. FOREST SERVICE PARTICIPATION IN ACES PRO-**
 5 **GRAM.**

6 The Secretary of Agriculture, acting through the
 7 Chief of the Forest Service, may use funds derived from
 8 conservation-related programs executed on National For-
 9 est System lands to utilize the Agriculture Conservation
 10 Experienced Services Program established pursuant to
 11 section 1252 of the Food Security Act of 1985 (16 U.S.C.
 12 3851) to provide technical services for conservation-re-
 13 lated programs and authorities carried out by the Sec-
 14 retary on National Forest System lands.

15 **TITLE IX—ENERGY**

16 **SEC. 9001. DEFINITION OF RENEWABLE ENERGY SYSTEM.**

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

19 (1) by striking paragraph (4) and inserting the
 20 following:

21 “(4) BIOBASED PRODUCT.—

22 “(A) IN GENERAL.—The term ‘biobased
 23 product’ means a product determined by the
 24 Secretary to be a commercial or industrial prod-
 25 uct (other than food or feed) that is—

1 “(i) composed, in whole or in signifi-
2 cant part, of biological products, including
3 renewable domestic agricultural materials
4 and forestry materials; or

5 “(ii) an intermediate ingredient or
6 feedstock.

7 “(B) INCLUSION.—The term ‘biobased
8 product’, with respect to forestry materials, in-
9 cludes forest products that meet biobased con-
10 tent requirements, notwithstanding the market
11 share the product holds, the age of the product,
12 or whether the market for the product is new
13 or emerging.”;

14 (2) redesignating paragraphs (9), (10), (11),
15 (12), (13), and (14) as paragraphs (10), (11), (12),
16 (13), (14), and (16);

17 (3) inserting after paragraph (8), the following
18 new paragraph:

19 “(9) FOREST PRODUCT.—

20 “(A) IN GENERAL.—The term ‘forest prod-
21 uct’ means a product made from materials de-
22 rived from the practice of forestry or the man-
23 agement of growing timber.

24 “(B) INCLUSIONS.—The term ‘forest prod-
25 uct’ includes—

1 “(i) pulp, paper, paperboard, pellets,
2 and wood products; and

3 “(ii) any recycled products derived
4 from forest materials.”; and

5 (4) inserting after paragraph (14), the following
6 new paragraph:

7 “(15) RENEWABLE ENERGY SYSTEM.—

8 “(A) IN GENERAL.—Subject to subpara-
9 graph (B), the term ‘renewable energy system’
10 means a system that—

11 “(i) produces usable energy from a re-
12 newable energy source;

13 “(ii) may include distribution compo-
14 nents necessary to move energy produced
15 by such system to the initial point of sale;
16 and

17 “(B) LIMITATION.—A system described in
18 subparagraph (A) may not include a mechanism
19 for dispensing energy at retail.”.

20 **SEC. 9002. BIOBASED MARKETS PROGRAM.**

21 Section 9002(h) of the Farm Security and Rural In-
22 vestment Act of 2002 (7 U.S.C. 8102(h)) is amended—

23 (1) in the heading of paragraph (1), by insert-
24 ing “FOR FISCAL YEARS 2008 THROUGH 2012” after
25 “FUNDING”;

1 (2) in the heading of paragraph (2), by insert-
2 ing “FOR FISCAL YEARS 2009 THROUGH 2012” after
3 “FUNDING”; and

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

6 “(3) FISCAL YEARS 2013 THROUGH 2017.—
7 There are authorized to be appropriated to carry out
8 this section \$2,000,000 for each of fiscal years 2013
9 through 2017.”.

10 **SEC. 9003. BIOREFINERY ASSISTANCE.**

11 (a) PROGRAM ADJUSTMENTS.—Section 9003 of the
12 Farm Security and Rural Investment Act of 2002 (7
13 U.S.C. 8103) is amended—

14 (1) in subsection (c), by striking “to eligible en-
15 tities” and all that follows through “guarantees for
16 loans” and inserting “to eligible entities guarantees
17 for loans”;

18 (2) by striking subsections (d);

19 (3) by redesignating subsections (e), (f), (g),
20 and (h) (as amended by subsection (b) of this sec-
21 tion) as subsections (d), (e), (f), (g), respectively;
22 and

23 (4) in subsection (d) (as so redesignated)—

1 (A) by striking “subsection (c)(2)” each
2 place it appears and inserting “subsection (c)”;
3 and

4 (B) in paragraph (2)(C), by striking “sub-
5 section (h)” and inserting “subsection (g)”.

6 (b) FUNDING.—Section 9003(g) of the Farm Secu-
7 rity and Rural Investment Act of 2002, as redesignated
8 by subsection (a)(3), is amended—

9 (1) in the heading of paragraph (1), by insert-
10 ing “FOR FISCAL YEARS 2009 AND 2010” after
11 “FUNDING”;

12 (2) in the heading of paragraph (2), by insert-
13 ing “FOR FISCAL YEARS 2009 THROUGH 2012” after
14 “FUNDING”; and

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

17 “(3) FISCAL YEARS 2013 THROUGH 2017.—
18 There are authorized to be appropriated to carry out
19 this section \$75,000,000 for each of fiscal years
20 2013 through 2017.”.

21 **SEC. 9004. REPEAL OF REPOWERING ASSISTANCE PRO-**
22 **GRAM AND TRANSFER OF REMAINING FUNDS.**

23 (a) REPEAL.—Subject to subsection (b), section 9004
24 of the Farm Security and Rural Investment Act of 2002
25 (7 U.S.C. 8104) is repealed.

1 (b) USE OF REMAINING FUNDING FOR RURAL EN-
2 ERGY FOR AMERICA PROGRAM.—Funds made available
3 pursuant to subsection (d) of such section 9004 that are
4 unobligated on the day before the date of the enactment
5 of this section shall—

6 (1) remain available until expended;

7 (2) be used by the Secretary of Agriculture to
8 carry out financial assistance for energy efficiency
9 improvements and renewable energy systems under
10 section 9007(a)(2) of the Farm Security and Rural
11 Investment Act of 2002 (7 U.S.C. 8107(a)(2)); and

12 (3) be in addition to any other funds made
13 available to carry out that program.

14 **SEC. 9005. BIOENERGY PROGRAM FOR ADVANCED**
15 **BIOFUELS.**

16 Section 9005(g) of the Farm Security and Rural In-
17 vestment Act of 2002 (7 U.S.C. 8105(c)) is amended—

18 (1) in the heading of paragraph (1), by insert-
19 ing “FOR FISCAL YEARS 2009 THROUGH 2012” after
20 “FUNDING”;

21 (2) in the heading of paragraph (2), by insert-
22 ing “FOR FISCAL YEARS 2009 THROUGH 2012” after
23 “FUNDING”;

24 (3) by redesignating paragraph (3) as para-
25 graph (4); and

1 (4) by inserting after paragraph (2) the fol-
2 lowing new paragraph:

3 “(3) FISCAL YEARS 2013 THROUGH 2017.—
4 There are authorized to be appropriated to carry out
5 this section \$50,000,000 for each of fiscal years
6 2013 through 2017.”.

7 **SEC. 9006. BIODIESEL FUEL EDUCATION PROGRAM.**

8 Subsection (d) of section 9006 of the Farm Security
9 and Rural Investment Act of 2002 (7 U.S.C. 8106(d)) is
10 amended to read as follows:

11 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated to carry out this section
13 \$2,000,000 for each of fiscal years 2013 through 2017.”.

14 **SEC. 9007. RURAL ENERGY FOR AMERICA PROGRAM.**

15 (a) PROGRAM ADJUSTMENTS.—

16 (1) REPEAL OF FEASIBILITY STUDIES.—Section
17 9007(c) of the Farm Security and Rural Investment
18 Act of 2002 (7 U.S.C. 8107(c)) is amended by strik-
19 ing paragraph (3).

20 (2) TIERED APPLICATION PROCESS.—Section
21 9007(c) of the Farm Security and Rural Investment
22 Act of 2002 (7 U.S.C. 8107(c)) is further amended
23 by—

24 (A) redesignating paragraph (2) as para-
25 graph (3); and

1 (B) by inserting after paragraph (1) the
2 following new paragraph:

3 “(2) TIERED APPLICATION PROCESS.—In car-
4 rying out this subsection, the Secretary shall estab-
5 lish a three-tiered application, evaluation, and over-
6 sight process that varies based on the cost of the
7 proposed project with the process most simplified for
8 projects referred to in subparagraph (A), more com-
9 prehensive for projects referred to in subparagraph
10 (B), and most comprehensive for projects referred to
11 in subparagraph (C). The three tiers for such proc-
12 ess shall be as follows:

13 “(A) TIER 1.—Projects for which the cost
14 of the project funded under this subsection is
15 not more than \$80,000.

16 “(B) TIER 2.—Projects for which the cost
17 of the project funded under this subsection is
18 more than \$80,000 but less than \$200,000.

19 “(C) TIER 3.—Projects for which the cost
20 of the project funded under this subsection is
21 \$200,000 or more.”.

22 (b) FUNDING.—Section 9007(g) of the Farm Secu-
23 rity and Rural Investment Act of 2002 (7 U.S.C. 8107(g))
24 is amended—

1 (1) in the heading of paragraph (1), by insert-
2 ing “FOR FISCAL YEARS 2009 THROUGH 2012” after
3 “FUNDING”;

4 (2) in the heading of paragraph (2), by insert-
5 ing “FOR FISCAL YEARS 2009 THROUGH 2012” after
6 “FUNDING”;

7 (3) in the heading of paragraph (3), by insert-
8 ing “FOR FISCAL YEARS 2009 THROUGH 2012” after
9 “FUNDING”; and

10 (4) by adding at the end the following new
11 paragraph:

12 “(4) FISCAL YEARS 2013 THROUGH 2017.—
13 There are authorized to be appropriated to carry out
14 this section \$45,000,000 for each of fiscal years
15 2013 through 2017.”.

16 **SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT.**

17 Section 9008(h) of the Farm Security and Rural In-
18 vestment Act of 2002 (7 U.S.C. 8108(h)) is amended—

19 (1) in the heading of paragraph (1), by insert-
20 ing “FOR FISCAL YEARS 2009 THROUGH 2012” after
21 “FUNDING”;

22 (2) in the heading of paragraph (2), by insert-
23 ing “FOR FISCAL YEARS 2009 THROUGH 2012” after
24 “FUNDING”; and

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

3 “(3) FISCAL YEARS 2013 THROUGH 2017.—
4 There are authorized to be appropriated to carry out
5 this section \$20,000,000 for each of fiscal years
6 2013 through 2017.”.

7 **SEC. 9009. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIO-**
8 **ENERGY PRODUCERS.**

9 Section 9010(b) of the Farm Security and Rural In-
10 vestment Act of 2002 (7 U.S.C. 8110(b)) is amended—

11 (1) in paragraph (1)(A), by striking “2012”
12 and inserting “2017”; and

13 (2) in paragraph (2)(A), by striking “2012”
14 and inserting “2017”.

15 **SEC. 9010. BIOMASS CROP ASSISTANCE PROGRAM.**

16 Section 9011 of the Farm Security and Rural Invest-
17 ment Act of 2002 (7 U.S.C. 8111) is amended—

18 (1) in subsection (a)—

19 (A) by striking paragraph (6); and

20 (B) by redesignating paragraphs (7) and
21 (8) as paragraphs (6) and (7), respectively;

22 (2) in subsection (b)—

23 (A) by striking “Program to” and all that
24 follows through “support the establishment”

1 and inserting “Program to support the estab-
2 lishment”;

3 (B) by striking “; and” and inserting a pe-
4 riod; and

5 (C) by striking paragraph (2);

6 (3) in subsection (c)(5)(C)(ii)—

7 (A) by striking subclause (III); and

8 (B) by redesignating subclauses (IV) and
9 (V) as subclauses (III) and (IV), respectively;

10 (4) by striking subsection (d);

11 (5) by redesignating subsections (e) and (f) as
12 subsections (d) and (e), respectively; and

13 (6) in subsection (e) (as so redesignated)—

14 (A) by striking “(e) FUNDING.—Of the
15 funds” and inserting “(e) FUNDING.—

16 “(1) FISCAL YEARS 2008 THROUGH 2012.—Of
17 the funds”; and

18 (B) by adding at the end the following new
19 paragraph:

20 “(2) FISCAL YEARS 2013 THROUGH 2017.—

21 “(A) IN GENERAL.—Subject to subpara-
22 graph (B), there are authorized to be appro-
23 priated to carry out this section \$75,000,000
24 for each of fiscal years 2013 through 2017.

1 “(B) MULTIYEAR CONTRACTS.—For each
 2 multiyear contract entered into by the Secretary
 3 during a fiscal year under this section, the Sec-
 4 retary shall ensure that sufficient funds are ob-
 5 ligated from the appropriation for that fiscal
 6 year to fully cover all payments required by the
 7 contract for all years of the contract.”.

8 **SEC. 9011. COMMUNITY WOOD ENERGY PROGRAM.**

9 Section 9013(e) of the Farm Security and Rural In-
 10 vestment Act of 2002 (7 U.S.C. 8113(e)) is amended by
 11 striking “carry out this section” and all that follows and
 12 inserting the following: “carry out this section—

13 “(1) \$5,000,000 for each of fiscal years 2009
 14 through 2012; and

15 “(2) \$2,000,000 for each of fiscal years 2013
 16 through 2017.”.

17 **SEC. 9012. REPEAL OF BIOFUELS INFRASTRUCTURE STUDY.**

18 Section 9002 of the Food, Conservation, and Energy
 19 Act of 2008 (Public Law 110–246; 122 Stat. 2095) is re-
 20 pealed.

21 **SEC. 9013. REPEAL OF RENEWABLE FERTILIZER STUDY.**

22 Section 9003 of the Food, Conservation, and Energy
 23 Act of 2008 (Public Law 110–246; 122 Stat. 2096) is re-
 24 pealed.

TITLE X—HORTICULTURE

SEC. 10001. SPECIALTY CROPS MARKET NEWS ALLOCATION.

Section 10107(b) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 1622b(b)) is amended by striking “2012” and inserting “2017”.

SEC. 10002. REPEAL OF GRANT PROGRAM TO IMPROVE MOVEMENT OF SPECIALTY CROPS.

Section 10403 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 1622c) is repealed.

SEC. 10003. FARMERS MARKET AND LOCAL FOOD PRO- MOTION PROGRAM.

Section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005) is amended—

(1) in the section heading, by inserting “**AND
LOCAL FOOD**” after “**FARMERS’ MARKET**”;

(2) in subsection (a)—

(A) by inserting “and Local Food” after “Farmers’ Market”;

(B) by striking “farmers’ markets and to promote”; and

(C) by striking the period and inserting “and assist in the development of local food business enterprises.”;

(3) in subsection (b), by striking paragraph (1) and inserting the following new paragraph:

1 “(1) IN GENERAL.—The purposes of the pro-
2 gram are to increase domestic consumption of, and
3 consumer access to, locally and regionally produced
4 agricultural products by assisting in the develop-
5 ment, improvement, and expansion of—

6 “(A) domestic farmers’ markets, roadside
7 stands, community-supported agriculture pro-
8 grams, agritourism activities, and other direct
9 producer-to-consumer market opportunities; and

10 “(B) local and regional food business en-
11 terprises that process, distribute, aggregate,
12 and store locally or regionally produced food
13 products.”;

14 (4) in subsection (c)(1)—

15 (A) by inserting “or other agricultural
16 business entity” after “cooperative”; and

17 (B) by inserting “, including a community
18 supported agriculture network or association”
19 after “association”;

20 (5) by redesignating subsection (e) as sub-
21 section (f);

22 (6) by inserting after subsection (d) the fol-
23 lowing new subsection:

24 “(e) FUNDS REQUIREMENTS FOR ELIGIBLE ENTI-
25 TIES.—

1 “(1) MATCHING FUNDS.—An entity receiving a
2 grant under this section for a project to carry out
3 a purpose described in subsection (b)(1)(B) shall
4 provide matching funds in the form of cash or an in-
5 kind contribution in an amount equal to 25 percent
6 of the total cost of such project.

7 “(2) LIMITATION ON USE OF FUNDS.—An eligi-
8 ble entity may not use a grant or other assistance
9 provided under this section for the purchase, con-
10 struction, or rehabilitation of a building or struc-
11 ture.”; and

12 (7) in subsection (f) (as redesignated by para-
13 graph (5))—

14 (A) in paragraph (1)—

15 (i) in subparagraph (B), by striking
16 “and” at the end;

17 (ii) in subparagraph (C), by striking
18 the period at the end and inserting “;
19 and”; and

20 (iii) by adding at the end the fol-
21 lowing new subparagraph:

22 “(D) \$20,000,000 for each of fiscal years
23 2013 through 2017.”;

24 (B) by striking paragraphs (2) and (4);

1 (C) by redesignating paragraph (3) as
2 paragraph (5); and

3 (D) by inserting after paragraph (1) the
4 following new paragraphs:

5 “(2) AUTHORIZATION OF APPROPRIATIONS.—

6 There are authorized to be appropriated to carry out
7 this section \$10,000,000 for each of fiscal years
8 2013 through 2017.

9 “(3) USE OF FUNDS.—Of the funds made avail-
10 able to carry out this section for a fiscal year, 50
11 percent of such funds shall be used for the purposes
12 described in subparagraph (A) of subsection (b)(1)
13 and 50 percent of such funds shall be used for the
14 purposes described in subparagraph (B) of such sub-
15 section.

16 “(4) LIMITATION ON ADMINISTRATIVE EX-
17 PENSES.—Not more than 3 percent of the total
18 amount made available to carry out this section for
19 a fiscal year may be used for administrative ex-
20 penses.”.

21 **SEC. 10004. ORGANIC AGRICULTURE.**

22 (a) ORGANIC PRODUCTION AND MARKET DATA INI-
23 TIATIVES.—Section 7407(d) of the Farm Security and
24 Rural Investment Act of 2002 (7 U.S.C. 5925c(d)) is
25 amended—

1 (1) by redesignating paragraph (2) as para-
2 graph (3);

3 (2) by inserting after paragraph (1) the fol-
4 lowing new paragraph:

5 “(2) MANDATORY FUNDING.—In addition to
6 funds made available under paragraph (1), of the
7 funds of the Commodity Credit Corporation, the
8 Secretary shall use to carry out this section
9 \$5,000,000, to remain available until expended.”;
10 and

11 (3) in paragraph (3) (as redesignated by para-
12 graph (1))—

13 (A) by striking “paragraph (1)” and in-
14 serting “paragraphs (1) and (2)”; and

15 (B) by striking “2012” and inserting
16 “2017”.

17 (b) MODERNIZATION AND TECHNOLOGY UPGRADE
18 FOR NATIONAL ORGANIC PROGRAM.—Section 2122 of the
19 Organic Foods Production Act of 1990 (7 U.S.C. 6521)
20 is amended by adding at the end the following new sub-
21 section:

22 “(c) MODERNIZATION AND TECHNOLOGY UPGRADE
23 FOR NATIONAL ORGANIC PROGRAM.—The Secretary shall
24 modernize database and technology systems of the na-
25 tional organic program.”.

1 (c) AUTHORIZATION OF APPROPRIATIONS FOR NA-
2 TIONAL ORGANIC PROGRAM.—Section 2123 of the Or-
3 ganic Foods Production Act of 1990 (7 U.S.C. 6522) is
4 amended—

5 (1) in subsection (b)—

6 (A) in paragraph (5), by striking “and” at
7 the end;

8 (B) by redesignating paragraph (6) as
9 paragraph (7); and

10 (C) by inserting after paragraph (5) the
11 following new paragraph:

12 “(6) \$11,000,000 for each of fiscal years 2013
13 through 2017; and”; and

14 (2) by adding at the end the following new sub-
15 section:

16 “(c) MODERNIZATION AND TECHNOLOGY UPGRADE
17 FOR NATIONAL ORGANIC PROGRAM.—Of the funds of the
18 Commodity Credit Corporation and in addition to any
19 other funds made available to carry out section 2122(c),
20 the Secretary shall use to carry out such section
21 \$5,000,000 for fiscal year 2013, to remain available until
22 expended.”.

23 (d) NATIONAL ORGANIC CERTIFICATION COST-
24 SHARE PROGRAM.—Section 10606 of the Farm Security

1 and Rural Investment Act of 2002 (7 U.S.C. 6523) is re-
2 pealed.

3 **SEC. 10005. INVESTIGATIONS AND ENFORCEMENT OF THE**
4 **ORGANIC FOODS PRODUCTION ACT OF 1990.**

5 The Organic Foods Production Act of 1990 is amend-
6 ed by inserting after section 2122 (7 U.S.C. 6521) the
7 following new section:

8 **“SEC. 2122A. INVESTIGATIONS AND ENFORCEMENT.**

9 “(a) INVESTIGATION.—

10 “(1) IN GENERAL.—The Secretary may take
11 such investigative actions as the Secretary considers
12 to be necessary to carry out this title—

13 “(A) to verify the accuracy of any informa-
14 tion reported or made available under this title;
15 and

16 “(B) to determine, with regard to actions,
17 practices, or information required under this
18 title, whether a person covered by this title has
19 committed a violation of any provision of this
20 title.

21 “(2) INVESTIGATIVE POWERS.—The Secretary
22 may administer oaths and affirmations, subpoena
23 witnesses, compel attendance of witnesses, take evi-
24 dence, and require the production of any records re-

1 quired to be maintained under section 2112(d) or
2 2116(e) that are relevant to the investigation.

3 “(b) UNLAWFUL ACT.—It shall be unlawful and a
4 violation of this title for any person covered by this title—

5 “(1) to refuse to provide information required
6 by the Secretary under this title; or

7 “(2) to violate—

8 “(A) a suspension or revocation of the or-
9 ganic certification of a producer or handler; or

10 “(B) a suspension or revocation of the ac-
11 creditation of a certifying agent.

12 “(c) ENFORCEMENT.—

13 “(1) SUSPENSION.—

14 “(A) IN GENERAL.—The Secretary may,
15 after notice and opportunity for an expedited
16 administrative hearing, suspend the organic cer-
17 tification of a producer or handler, or accredita-
18 tion of a certifying agent if the Secretary has
19 reason to believe that a person producing or
20 handling an agricultural product, or a certifying
21 agent, has violated or is violating any provision
22 of this title.

23 “(B) CONTINUATION OF SUSPENSION
24 THROUGH APPEAL.—If the Secretary deter-
25 mines subsequent to an investigation that a vio-

1 lation of this title by a person covered by this
2 title has occurred, the suspension shall remain
3 in effect until the Secretary issues a revocation
4 of the certification of the person or of the ac-
5 creditation of the certifying agent, covered by
6 this title, after an expedited administrative ap-
7 peal under section 2121 has been completed.

8 “(2) REVOCATION.—After notice and oppor-
9 tunity for an administrative appeal under section
10 2121, if a violation of this title is determined to have
11 occurred, the Secretary shall revoke the organic cer-
12 tification of the producer or handler, or the accredi-
13 tation of the certifying agent.

14 “(d) APPEAL.—

15 “(1) IN GENERAL.—A revocation of a certifi-
16 cation or an accreditation under subsection (c)(2)
17 shall be final and conclusive unless the affected per-
18 son files an appeal of the revocation, if the affected
19 person so elects, to a United States district court as
20 provided in section 2121(b) not later than 30 days
21 after the date of the revocation under subsection
22 (c)(2).

23 “(2) STANDARD.—A revocation of a certifi-
24 cation or an accreditation under subsection (c)(2)

1 shall be set aside only if the revocation of such cer-
2 tification or such accreditation is clearly erroneous.

3 “(e) NONCOMPLIANCE.—

4 “(1) IN GENERAL.—If a person covered by this
5 title fails to obey a revocation of a certification or
6 an accreditation under subsection (c)(2) after such
7 revocation has become final and conclusive or after
8 the appropriate United States district court has en-
9 tered a final judgment in favor of the Secretary, the
10 United States may apply to the appropriate United
11 States district court for enforcement of such revoca-
12 tion.

13 “(2) ENFORCEMENT.—If the court determines
14 that the revocation was lawfully made and duly
15 served and that the person violated the revocation,
16 the court shall enforce the revocation.

17 “(3) CIVIL PENALTY.—If the court finds that
18 the person violated the revocation of a certification
19 or an accreditation under subsection (c)(2), the per-
20 son shall be subject to one or more of the penalties
21 provided in subsections (a) and (b) of section
22 2120.”.

1 **SEC. 10006. FOOD SAFETY EDUCATION INITIATIVES.**

2 Section 10105(c) of the Food, Conservation, and En-
3 ergy Act of 2008 (7 U.S.C. 7655a(c)) is amended by strik-
4 ing “2012” and inserting “2017”.

5 **SEC. 10007. SPECIALTY CROP BLOCK GRANTS.**

6 Section 101 of the Specialty Crops Competitiveness
7 Act of 2004 (7 U.S.C. 1621 note; Public Law 108-465)
8 is amended—

9 (1) in subsection (a)—

10 (A) by striking “subsection (j)” and insert-
11 ing “subsection (l)”; and

12 (B) by striking “2012” and inserting
13 “2017”;

14 (2) by striking subsection (b) and inserting the
15 following new subsection:

16 “(b) GRANTS BASED ON VALUE AND ACREAGE.—
17 Subject to subsection (c), for each State whose application
18 for a grant for a fiscal year that is accepted by the Sec-
19 retary under subsection (f), the amount of the grant for
20 such fiscal year to the State under this section shall bear
21 the same ratio to the total amount made available under
22 subsection (l)(1) for such fiscal year as—

23 “(1) the average of the most recent available
24 value of specialty crop production in the State and
25 the acreage of specialty crop production in the State,

1 as demonstrated in the most recent Census of Agri-
2 culture data; bears to

3 “(2) the average of the most recent available
4 value of specialty crop production in all States and
5 the acreage of specialty crop production in all
6 States, as demonstrated in the most recent Census
7 of Agriculture data.”;

8 (3) by redesignating subsection (j) as sub-
9 section (l);

10 (4) by inserting after subsection (i) the fol-
11 lowing new paragraph:

12 “(j) MULTISTATE PROJECTS.—Not later than 180
13 days after the effective date of the Federal Agriculture
14 Reform and Risk Management Act of 2012, the Secretary
15 of Agriculture shall issue guidance for the purpose of mak-
16 ing grants to multistate projects under this section for
17 projects involving—

18 “(1) food safety;

19 “(2) plant pests and disease;

20 “(3) crop-specific projects addressing common
21 issues; and

22 “(4) any other area that furthers the purposes
23 of this section, as determined by the Secretary.

24 “(k) ADMINISTRATION.—

1 “(1) DEPARTMENT.—The Secretary of Agri-
2 culture may not use more than 3 percent of the
3 funds made available to carry out this section for a
4 fiscal year for administrative expenses.

5 “(2) STATES.—A State receiving a grant under
6 this section may not use more than 8 percent of the
7 funds received under the grant for a fiscal year for
8 administrative expenses.”; and

9 (5) in subsection (l) (as redesignated by para-
10 graph (3))—

11 (A) by redesignating paragraphs (1), (2),
12 and (3) as subparagraphs (A), (B), and (C), re-
13 spectively, and moving such subparagraphs two
14 ems to the right;

15 (B) by striking “Of the funds” and insert-
16 ing the following:

17 “(1) IN GENERAL.—Of the funds”;

18 (C) in paragraph (1) (as so designated)—

19 (i) in subparagraph (B) (as redesign-
20 ated by subparagraph (A)), by striking
21 “and” at the end;

22 (ii) in subparagraph (C) (as redesign-
23 ated by subparagraph (A)), by striking
24 the period at the end and inserting “;
25 and”;

1 (iii) by adding at the end the fol-
2 lowing new subparagraph:

3 “(D) \$70,000,000 for fiscal year 2013 and
4 each fiscal year thereafter.”; and

5 (D) by adding at the end the following new
6 paragraph:

7 “(2) MULTISTATE PROJECTS.—Of the funds
8 made available under paragraph (1), the Secretary
9 may use to carry out subsection (j), to remain avail-
10 able until expended—

11 “(A) \$1,000,000 for fiscal year 2013;

12 “(B) \$2,000,000 for fiscal year 2014;

13 “(C) \$3,000,000 for fiscal year 2015;

14 “(D) \$4,000,000 for fiscal year 2016; and

15 “(E) \$5,000,000 for fiscal year 2017.”.

16 **SEC. 10008. REPORT ON HONEY.**

17 (a) REPORT.—Not later than 180 days after the date
18 of the enactment of this Act, the Secretary of Agriculture,
19 in consultation with persons affected by the potential es-
20 tablishment of a Federal standard for the identity of
21 honey, shall submit to the Commissioner of Food and
22 Drugs a report describing how an appropriate Federal
23 standard for the identity of honey would be in the interest
24 of consumers, the honey industry, and United States agri-
25 culture.

1 (b) CONSIDERATIONS.—In preparing the report re-
2 quired under subsection (a), the Secretary shall take into
3 consideration the March, 2006, Standard of Identity citi-
4 zens petition filed with the Food and Drug Administra-
5 tion, including any current industry amendments or clari-
6 fications necessary to update such petition.

7 **SEC. 10009. BULK SHIPMENTS OF APPLES TO CANADA.**

8 (a) BULK SHIPMENT OF APPLES TO CANADA.—Sec-
9 tion 4 of the Export Apple Act (7 U.S.C. 584) is amend-
10 ed—

11 (1) by striking “Apples in” and inserting “(a)
12 Apples in”; and

13 (2) by adding at the end the following new sub-
14 section:

15 “(b) Apples may be shipped to Canada in bulk bins
16 without complying with the provisions of this Act.”.

17 (b) DEFINITION OF BULK BIN.—Section 9 of the Ex-
18 port Apple Act (7 U.S.C. 589) is amended by adding at
19 the end the following new paragraph:

20 “(5) The term ‘bulk bin’ means a bin that con-
21 tains a quantity of apples weighing more than 100
22 pounds.”.

23 (c) REGULATIONS.—Not later than 60 days after the
24 date of the enactment of this Act, the Secretary of Agri-

1 culture shall issue regulations to carry out the amend-
2 ments made by this Act.

3 **SEC. 10010. INCLUSION OF OLIVE OIL IN IMPORT CON-**
4 **TROLS UNDER THE AGRICULTURAL ADJUST-**
5 **MENT ACT.**

6 Section 8e(a) of the Agricultural Adjustment Act (7
7 U.S.C. 608e–1(a)) is amended by inserting “olive oil,”
8 after “olives (other than Spanish-style green olives),”.

9 **SEC. 10011. PETITIONS TO DETERMINE ORGANISM NOT A**
10 **PLANT PEST.**

11 (a) PETITION TO DETERMINE ORGANISM NOT A
12 PLANT PEST.—The Plant Protection Act is amended by
13 inserting after section 411 (7 U.S.C. 7711) the following
14 new section:

15 **“SEC. 411A. PETITION TO DETERMINE ORGANISM NOT A**
16 **PLANT PEST.**

17 “(a) PETITION.—A person may petition the Sec-
18 retary for a determination that an organism that is subject
19 to regulation by the Secretary as a plant pest under this
20 Act is not a plant pest for purposes of this Act.

21 “(b) REVIEW OF PETITION.—

22 “(1) ASSESSMENT AND ANALYSIS REQUIRED.—

23 In reviewing a petition submitted under subsection
24 (a), the Secretary shall conduct the following with

1 respect to an organism that is the subject of the pe-
2 tition:

3 “(A) PLANT PEST RISK ASSESSMENT.—An
4 assessment of the likelihood that such organism
5 is a plant pest.

6 “(B) ENVIRONMENTAL ANALYSIS.—An
7 analysis of any likely adverse effects of such or-
8 ganism on the soil, water, air quality, non-tar-
9 get organisms, and listed threatened and endan-
10 gered species and the critical habitat of such
11 species for the environment in which such orga-
12 nism is likely to be grown or otherwise used
13 under the conditions specified in such petition.

14 “(2) DETERMINATION.—The Secretary shall
15 issue a determination that an organism is not a
16 plant pest for purposes of this Act if the Secretary
17 determines, based on sound science and the plant
18 pest risk assessment conducted under paragraph
19 (1)(A), that an organism is not likely to be a plant
20 pest.

21 “(3) REVIEW PERIOD.—

22 “(A) INITIAL REVIEW PERIOD.—Not later
23 than one year after the date on which the Sec-
24 retary determines that a petition submitted
25 under subsection (a) is complete, the Secretary

1 shall complete the plant pest risk assessment
2 and the environmental analysis required under
3 paragraph (1) and issue a determination with
4 respect to such petition under paragraph (2).

5 “(B) EXTENSION.—The Secretary may ex-
6 tend the one-year review period referred to in
7 subparagraph (A) for a petition for one addi-
8 tional period of not more than 180 days if the
9 Secretary determines that additional review is
10 necessary. The Secretary shall notify the person
11 who submitted the petition, in writing, of the
12 reasons for the extension and an estimate of the
13 time period necessary to complete the review.

14 “(4) EFFECT OF FAILURE TO MEET TIME PE-
15 RIOD.—Notwithstanding any other provision of law,
16 if after completing the plant pest risk assessment,
17 but not the environmental analysis, required under
18 paragraph (1), the Secretary finds that there is no
19 reason to believe that an organism is a plant pest
20 and does not grant or deny a petition submitted
21 under subsection (a) with respect to such organism
22 within the time period required under paragraph (3),
23 such organism shall be deemed not to be a plant
24 pest for purposes of this Act.

1 “(5) EFFECT ON PESTICIDE REGISTRATION.—

2 In the case of an organism containing a plant-incor-
3 porated protectant (as defined in section 174.3 of
4 title 40, Code of Federal Regulations, or any suc-
5 cessor regulation) with respect to which an applica-
6 tion for registration of the plant-incorporated pro-
7 tectant is pending under the Federal Insecticide,
8 Fungicide, and Rodenticide Act (7 U.S.C. 136a et
9 seq.), a determination made under paragraph (2)
10 that an organism is not a plant pest or the deeming
11 that an organism is not a plant pest under para-
12 graph (4) shall not be effective until the registration
13 of the plant-incorporated protectant contained in
14 such organism is approved under the Federal Insec-
15 ticide, Fungicide, and Rodenticide Act (7 U.S.C.
16 136a et seq.). If such registration is not approved,
17 a determination made under paragraph (2) that an
18 organism is not a plant pest or a deeming that an
19 organism is not a plant pest under paragraph (4)
20 shall not become effective.

21 “(6) SUBSEQUENT AUTHORITY TO REGU-
22 LATE.—Notwithstanding a determination that an or-
23 ganism is not a plant pest under paragraph (2) or
24 that such organism has been deemed not to be a
25 plant pest under paragraph (4), the Secretary may

1 issue a determination, based on information discov-
2 ered after the date of such determination or the date
3 on which the organism was so deemed and sound
4 science, that an organism is a plant pest for pur-
5 poses of this Act.

6 “(7) PUBLIC NOTICE.—

7 “(A) NOTICE.—The Secretary shall pub-
8 lish notice in the Federal Register of—

9 “(i) the grant or denial of a petition
10 submitted under subsection (a) with re-
11 spect to an organism; or

12 “(ii) the deeming that such organism
13 is not a plant pest under paragraph (4).

14 “(B) RISK ASSESSMENTS AND ENVIRON-
15 MENTAL ANALYSIS.—The Secretary shall pro-
16 vide to the person who submitted a petition
17 under subsection (a), and make available to the
18 public, the risk assessment and environmental
19 analysis prepared under paragraph (1) with re-
20 spect to such petition.

21 “(c) APPLICABILITY OF ENVIRONMENTAL ANALYSIS
22 CONDUCTED FOR PETITION TO DETERMINE ORGANISM
23 NOT A PLANT PEST.—

24 “(1) EXCLUSIVE ANALYSIS PERFORMED.—Not-
25 withstanding any other provision of law, the environ-

1 mental analysis required under subsection (b)(1) and
2 as specifically described in such subsection shall be
3 the only analysis or procedure regarding the effects
4 on the environment of an organism that is the sub-
5 ject of a petition submitted under subsection (a) re-
6 quired or authorized by law with respect to review-
7 ing and taking action on such a petition.

8 “(2) PROHIBITION ON USE OF FUNDS FOR
9 OTHER ANALYSES.—No funds made available by any
10 Act shall be obligated, expended, or used for any
11 analysis or procedure regarding the effects on the
12 environment of an organism conducted for purposes
13 of this section other than the environmental analysis
14 required under subsection (b)(1).

15 “(3) PROHIBITION ON SOLICITATION OF FUNDS
16 FOR ENVIRONMENTAL ANALYSIS.—The Secretary
17 shall not require or solicit any financial assistance
18 from a person submitting a petition under sub-
19 section (a) for any analysis or procedure regarding
20 the effects on the environment of an organism or for
21 any other analysis or procedure not specifically au-
22 thorized by subsection (b)(1).

23 “(d) USE OF DATA FROM PERMITS FOR PURPOSES
24 OF PETITION FOR A DETERMINATION THAT AN ORGA-
25 NISM NOT A PLANT PEST.—Notwithstanding any other

1 provision of law, the Secretary shall use data collected
2 under a permit issued by the Secretary under section
3 411(a) with respect to an organism, among other relevant
4 data, for purposes of the review of a petition submitted
5 under subsection (a) with respect to such organism.”.

6 (b) AUTHORITY OF REVIEW FOR AND ENVIRON-
7 MENTAL ANALYSIS APPLICABLE TO PERMITS.—Section
8 411 of the Plant Protection Act (7 U.S.C. 7711) is amend-
9 ed—

10 (1) by redesignating subsections (c), (d), and
11 (e) as subsections (e), (f), and (g), respectively; and
12 (2) by inserting after subsection (b), the fol-
13 lowing new subsections:

14 “(c) LIMITATION ON ANALYSES AND PROCEDURES
15 FOR PERMITS.—Notwithstanding any other provision of
16 law, the analyses or procedures required under the regula-
17 tions issued by the Secretary under the Federal Plant Pest
18 Act and continued in effect in accordance with section
19 438(c) shall be the only analyses or procedures required
20 or authorized by law with respect to reviewing and taking
21 action on an application for a permit submitted under sub-
22 section (a).

23 “(d) ENVIRONMENTAL ANALYSIS APPLICABLE TO
24 CERTAIN PERMITS.—Notwithstanding any other provision
25 of law, in reviewing an application for a permit submitted

1 under subsection (a) that is not excluded from environ-
2 mental review under regulations issued by the Secretary
3 in effect on the date of the enactment of this subsection
4 (or any successor regulations), the Secretary shall conduct
5 an environmental analysis described in section
6 411A(b)(1)(B). Such analysis shall be the only environ-
7 mental analysis or procedure required or authorized by law
8 with respect to reviewing and taking action on such an
9 application.”.

10 (c) TRANSITIONAL PROVISIONS.—

11 (1) COMPLETENESS.—

12 (A) COMPLETENESS OF PETITIONS.—Not-
13 withstanding any other provision of law, includ-
14 ing section 411A of the Plant Protection Act
15 (as added by subsection (a)), if the Secretary of
16 Agriculture determined that a petition sub-
17 mitted before the date of the enactment of this
18 section under section 340.6 of title 7, Code of
19 Federal Regulations, for a determination that
20 an organism is not a plant pest was complete
21 before such date, the Secretary shall consider
22 such petition to be complete and maintain the
23 status such petition had in the process for the
24 review of such petition on such date under sec-

tion 340.6 of title 7, Code of Federal Regulations.

(B) COMPLETENESS OF APPLICATIONS FOR PERMITS.—Notwithstanding any other provision of law, including subsection (c) of section 411 of the Plant Protection Act (7 U.S.C. 7711) (as amended by subsection (b)), if the Secretary of Agriculture determined that an application for a permit submitted under subsection (a) of such section (7 U.S.C. 7711) before the date of the enactment of this section was complete before such date, the Secretary shall consider such application to be complete and maintain the status such application had in the process for the review of such application on such date under subsection (a) of such section.

(2) USE OF ENVIRONMENTAL ANALYSIS.—

(A) USE OF ENVIRONMENTAL ANALYSIS FOR PETITIONS.—Notwithstanding any other provision of law, the Secretary of Agriculture shall use any environmental analysis conducted for purposes of a petition submitted under section 340.6 of title 7, Code of Federal Regulations, before the date of the enactment of this section with respect to an organism to the

1 greatest extent possible to complete the environ-
2 mental analysis conducted under section 411A
3 of the Plant Protection Act (as added by sub-
4 section (a)) for purposes of a petition submitted
5 under subsection (a) of such section with re-
6 spect to such organism.

7 (B) USE OF ENVIRONMENTAL ANALYSIS
8 FOR APPLICATIONS FOR PERMITS.—Notwith-
9 standing any other provision of law, the Sec-
10 retary of Agriculture shall use any environ-
11 mental analysis conducted for purposes of an
12 application for a permit submitted under sub-
13 section (a) of section 411 of the Plant Protec-
14 tion Act (7 U.S.C. 7711) before the date of the
15 enactment of this section with respect to such
16 organism to the greatest extent possible to com-
17 plete the environmental analysis conducted
18 under subsection (d) of such section (as amend-
19 ed by subsection (b)) with respect to such orga-
20 nism.

21 (3) SPECIAL CONSIDERATION FOR REVIEW OF
22 CERTAIN PETITIONS.—

23 (A) PENDING PETITIONS WITHOUT A COM-
24 PLETED PLANT PEST RISK ASSESSMENT.—Not-
25 withstanding section 411A(b)(2) of the Plant

1 Protection Act (as added by subsection (a)), the
2 Secretary of Agriculture shall determine the
3 length of the period for the review of petitions
4 submitted under section 340.6 of title 7, Code
5 of Federal Regulations, before the date of the
6 enactment of this section for which a plant pest
7 risk assessment has not been completed on or
8 before such date of enactment.

9 (B) PENDING PETITIONS WITH A COM-
10 PLETED PLANT PEST RISK ASSESSMENT.—

11 (i) DEEMING OF CERTAIN PETI-
12 TIONS.—Notwithstanding any other provi-
13 sion of law, with respect to each covered
14 petition, if the Secretary finds that there is
15 no reason to believe that the organism that
16 is the subject of such covered petition is a
17 plant pest and the Secretary does not
18 grant or deny such covered petition not
19 later than 90 days after the date of the en-
20 actment of this section, such organism
21 shall be deemed not to be a plant pest for
22 purposes of the Plant Protection Act (7
23 U.S.C. 7701 et seq.).

24 (ii) COVERED PETITION DEFINED.—
25 In this subparagraph, the term “covered

1 petition” means a petition submitted be-
2 fore the date of the enactment of this sec-
3 tion under section 340.6 of title 7, Code of
4 Federal Regulations, for a determination
5 that an organism is not a plant pest for
6 which a plant pest risk assessment and an
7 environmental assessment have been pub-
8 lished and a notice and comment period on
9 each assessment has been completed as of
10 such date of enactment.

11 (4) REGULATIONS.—Not later than 180 days
12 after the date of the enactment of this section, the
13 Secretary of Agriculture shall issue such regulations
14 as the Secretary considers necessary to carry out the
15 amendments made by this section.

16 **SEC. 10012. CONSOLIDATION OF PLANT PEST AND DISEASE**
17 **MANAGEMENT AND DISASTER PREVENTION**
18 **PROGRAMS.**

19 (a) RELOCATION OF LEGISLATIVE LANGUAGE RE-
20 LATING TO NATIONAL CLEAN PLANT NETWORK.—Section
21 420 of the Plant Protection Act (7 U.S.C. 7721) is amend-
22 ed—

23 (1) by redesignating subsection (e) as sub-
24 section (f); and

1 (2) by inserting after subsection (d) the fol-
2 lowing new subsection:

3 “(e) NATIONAL CLEAN PLANT NETWORK.—

4 “(1) IN GENERAL.—The Secretary shall estab-
5 lish a program to be known as the ‘National Clean
6 Plant Network’ (referred to in this subsection as the
7 ‘Program’).

8 “(2) REQUIREMENTS.—Under the Program, the
9 Secretary shall establish a network of clean plant
10 centers for diagnostic and pathogen elimination serv-
11 ices—

12 “(A) to produce clean propagative plant
13 material; and

14 “(B) to maintain blocks of pathogen-tested
15 plant material in sites located throughout the
16 United States.

17 “(3) AVAILABILITY OF CLEAN PLANT SOURCE
18 MATERIAL.—Clean plant source material produced
19 or maintained under the Program may be made
20 available to—

21 “(A) a State for a certified plant program
22 of the State; and

23 “(B) private nurseries and producers.

24 “(4) CONSULTATION AND COLLABORATION.—In
25 carrying out the Program, the Secretary shall—

1 “(A) consult with—

2 “(i) State departments of agriculture;

3 and

4 “(ii) land-grant colleges and univer-

5 sities and NLGCA Institutions (as those

6 terms are defined in section 1404 of the

7 National Agricultural Research, Extension,

8 and Teaching Policy Act of 1977 (7 U.S.C.

9 3103)); and

10 “(B) to the extent practicable and with

11 input from the appropriate State officials and

12 industry representatives, use existing Federal or

13 State facilities to serve as clean plant centers.”.

14 (b) FUNDING.—Subsection (f) of section 420 of the

15 Plant Protection Act (7 U.S.C. 7721) (as so redesignated)

16 is amended—

17 (1) in paragraph (3), by striking “and” at the

18 end;

19 (2) in paragraph (4), by striking “and each fis-

20 cal year thereafter.” and inserting “; and”; and

21 (3) by adding at the end the following new

22 paragraph:

23 “(5) \$71,500,000 for fiscal year 2013 and each

24 fiscal year thereafter.”.

1 (c) REPEAL OF EXISTING PROVISION.—Section
2 10202 of the Food, Conservation, and Energy Act of 2008
3 (7 U.S.C. 7761) is repealed.

4 (d) CLARIFICATION OF USE OF FUNDS FOR TECH-
5 NICAL ASSISTANCE.—Section 420 of the Plant Protection
6 Act (7 U.S.C. 7721) (as amended by subsection (a)) is
7 amended by adding at the end the following new sub-
8 section:

9 “(g) RELATIONSHIP TO OTHER LAW.—The use of
10 Commodity Credit Corporation funds under this section
11 to provide technical assistance shall not be considered an
12 allotment or fund transfer from the Commodity Credit
13 Corporation for purposes of the limit on expenditures for
14 technical assistance imposed by section 11 of the Com-
15 modity Credit Corporation Charter Act (15 U.S.C.
16 714i).”.

17 **SEC. 10013. AUTHORITY FOR REGULATION OF PLANTS.**

18 (a) REGULATION OF PLANTS UNDER PLANT PRO-
19 TECTION ACT.—Subject to subsection (b), any living stage
20 of a plant, including any nucleic acid or other genetic ma-
21 terial as contained in such plant, shall be exclusively sub-
22 ject to regulation under statutes under which the Sec-
23 retary of Agriculture is authorized to issue regulations
24 with respect to plants, including the Plant Protection Act
25 (7 U.S.C. 7701 et seq.).

1 (b) REGULATION OF CERTAIN PESTICIDAL SUB-
2 STANCES UNDER FEDERAL INSECTICIDE, FUNGICIDE,
3 AND RODENTICIDE ACT.—A pesticidal substance con-
4 tained in a plant shall be subject to regulation as a plant-
5 incorporated protectant (as defined in section 174.3 of
6 title 40, Code of Federal Regulations, or any successor
7 regulation) under the Federal Insecticide, Fungicide, and
8 Rodenticide Act (7 U.S.C. 136 et seq.).

9 (c) REQUIREMENTS FOR REGULATION OF CERTAIN
10 PESTICIDAL SUBSTANCES UNDER FEDERAL INSECTI-
11 CIDE, FUNGICIDE, AND RODENTICIDE ACT.—The regula-
12 tions issued by the Administrator of the Environmental
13 Protection Agency with respect to plant-incorporated
14 protectants under the Federal Insecticide, Fungicide, and
15 Rodenticide Act (7 U.S.C. 136 et seq.), including section
16 3(c)(1)(C) of such Act (7 U.S.C. 136a(c)(1)(C)), section
17 3(c)(2)(A) of such Act (7 U.S.C. 136a(c)(2)(A)), section
18 7 of such Act (7 U.S.C. 136e), section 8 of such Act (7
19 U.S.C. 136f), section 9 of such Act (7 U.S.C. 136g), and
20 section 17 of such Act (7 U.S.C. 136o), shall—

- 21 (1) be based on sound science;
- 22 (2) use the least burdensome requirements; and
- 23 (3) provide for exemptions from the require-
- 24 ments otherwise applicable to pesticides that are not
- 25 plant-incorporated protectants.

1 (d) DEFINITIONS.—In this section:

2 (1) PLANT.—The term “plant” has the mean-
3 ing given such term in section 403 of the Plant Pro-
4 tection Act (7 U.S.C. 7702).

5 (2) PESTICIDAL SUBSTANCE.—The term “pes-
6 ticial substance” means a substance or a mixture
7 of substances that—

8 (A) is contained in any living stage of a
9 plant that—

10 (i) as of the date of the enactment of
11 this subsection, is subject to part 340 of
12 title 7, Code of Federal Regulations; or

13 (ii) has been determined not to be a
14 plant pest under section 411A(b)(2) or
15 deemed not to be a plant pest under sec-
16 tion 411A(b)(4); and

17 (B) is intended for preventing, destroying,
18 repelling, or mitigating any pest.

19 **SEC. 10014. REPORT TO CONGRESS ON REGULATION OF**
20 **BIOTECHNOLOGY.**

21 Not later than one year after the date of the enact-
22 ment of this section, the Secretary, in consultation with
23 the Secretary of Health and Human Services and the Ad-
24 ministrator of the Environmental Protection Agency, shall
25 submit to Congress a report on the measures taken and

1 proposed to be taken by the Secretaries and the Adminis-
2 trator to provide for balanced and appropriate regulatory
3 oversight of agricultural biotechnology products, by—

4 (1) reducing regulatory burdens on research
5 conducted by academic institutions, small businesses,
6 and public entities in developing lower-cost plant and
7 animal sources of food, feed, fuel, and fiber devel-
8 oped through biotechnology, with special emphasis
9 on minor use crops, orphan crops, and sources of
10 protein;

11 (2) identifying categories of products developed
12 through biotechnology for which a history of safe use
13 has been established and providing with respect to
14 such products reduced data requirements, expedited
15 review periods, exemptions from regulation, and
16 other measures, as appropriate, based on sound
17 science; and

18 (3) developing and implementing a cohesive na-
19 tional policy for the low-level presence of agronomic
20 biotechnology material in crops, including grain and
21 other commodity crops, for food, feed, and proc-
22 essing.

23 **SEC. 10015. PESTICIDE REGISTRATION IMPROVEMENT.**

24 (a) MAINTENANCE FEES.—

1 (1) FEES.—Section 4(i) of the Federal Insecti-
2 cide, Fungicide, and Rodenticide Act (7 U.S.C.
3 136a–1(i)) is amended—

4 (A) in paragraph (5)—

5 (i) in subparagraph (C), by striking
6 “aggregate amount of” and all that follows
7 through the end of the subparagraph and
8 inserting “aggregate amount of
9 \$27,800,000 for each of fiscal years 2013
10 through 2017.”;

11 (ii) in subparagraph (D)—

12 (I) in clause (i), by striking
13 “shall be” and all that follows
14 through the semicolon and inserting
15 “shall be \$115,500 for each of fiscal
16 years 2013 through 2017;”;

17 (II) in clause (ii), by striking
18 “shall be” and all that follows
19 through the period and inserting
20 “shall be \$184,800 for each of fiscal
21 years 2013 through 2017.”;

22 (iii) in subparagraph (E)(i)—

23 (I) in subclause (I), by striking
24 “shall be” and all that follows
25 through the semicolon and inserting

1 “shall be \$70,600 for each of fiscal
2 years 2013 through 2017;” and

3 (II) in subclause (II), by striking
4 “shall be” and all that follows
5 through the period and inserting
6 “shall be \$122,100 for each of fiscal
7 years 2013 through 2017.”;

8 (iv) in subparagraph (F), by striking
9 “paragraph (3)” and inserting “this para-
10 graph”;

11 (v) by inserting after subparagraph
12 (E), the following new subparagraph:

13 “(F) FEE REDUCTION FOR CERTAIN
14 SMALL BUSINESSES.—

15 “(i) WAIVER.—Except as provided in
16 clause (ii), the Administrator shall waive
17 25 percent of the fee under this paragraph
18 applicable to the first registration of any
19 qualified small business entity under this
20 paragraph.

21 “(ii) LIMITATION.—The Adminis-
22 trator shall not grant a waiver under
23 clause (i) to a qualified small business en-
24 tity if the Administrator determines that
25 the entity has been formed or manipulated

1 primarily for the purpose of qualifying for
2 the waiver.

3 “(iii) DEFINITION.—For purposes of
4 this subparagraph, the term ‘qualified
5 small business entity’ means a corporation,
6 partnership, or unincorporated business
7 that—

8 “(I) has 500 or fewer employees;

9 “(II) during the 3-year period
10 prior to the most recent maintenance
11 fee billing cycle, had an average an-
12 nual global gross revenue from all
13 sources that did not exceed
14 \$10,000,000; and

15 “(III) holds not more than 5 pes-
16 ticide registrations under this para-
17 graph.”; and

18 (vi) in subparagraph (H), by striking
19 “2012” and inserting “2017”;
20 (B) in paragraph (6)—

21 (i) by striking “2014” and inserting
22 “2019”; and

23 (ii) by striking “paragraphs (1)
24 through (5)” and inserting “paragraph
25 (5)”;

1 (C) by striking paragraphs (1), (2), (3),
2 (4), and (7); and

3 (D) by redesignating paragraphs (5) and
4 (6) as paragraphs (1) and (2), respectively.

5 (2) EXTENSION OF PROHIBITION ON TOLER-
6 ANCE FEES.—Section 408(m)(3) of the Federal
7 Food, Drug, and Cosmetic Act (21 U.S.C.
8 346a(m)(3)) is amended by striking “September 30,
9 2012” and inserting “September 30, 2017”.

10 (3) REREGISTRATION AND EXPEDITED PROC-
11 ESSING FUND.—

12 (A) SOURCE AND USE.—Section 4(k)(2)(A)
13 of the Federal Insecticide, Fungicide, and
14 Rodenticide Act (7 U.S.C. 136a–1(k)(2)(A)) is
15 amended—

16 (i) by inserting “, to enhance the in-
17 formation systems capabilities to improve
18 the tracking of pesticide registration deci-
19 sions,” after “paragraph (3)” each place it
20 appears; and

21 (ii) in clause (i)—

22 (I) by inserting “offset” before
23 “the costs of reregistration”; and

24 (II) by striking “in the same por-
25 tion as appropriated funds”.

1 (B) EXPEDITED PROCESSING OF SIMILAR
2 APPLICATIONS.—Section 4(k)(3)(A) of the Fed-
3 eral Insecticide, Fungicide, and Rodenticide Act
4 (7 U.S.C. 136a–1(k)(3)(A)) is amended—

5 (i) in the matter preceding clause (i),
6 by striking “2008 through 2012, between
7 1/8 and 1/7” and inserting “2013 through
8 2017, between 1/9 and 1/8”; and

9 (ii) in clause (i), by striking “new”.

10 (C) ENHANCEMENTS OF INFORMATION
11 TECHNOLOGY SYSTEMS FOR IMPROVEMENT IN
12 REVIEW OF PESTICIDE APPLICATIONS.—Section
13 4(k) of the Federal Insecticide, Fungicide, and
14 Rodenticide Act (7 U.S.C. 136a–1(k)) is
15 amended—

16 (i) by redesignating paragraphs (4)
17 and (5) as paragraphs (5) and (6), respec-
18 tively;

19 (ii) by inserting after paragraph (3)
20 the following new paragraph:

21 “(4) ENHANCEMENTS OF INFORMATION TECH-
22 NOLOGY SYSTEMS FOR IMPROVEMENT IN REVIEW OF
23 PESTICIDE APPLICATIONS.—

24 “(A) IN GENERAL.—For each of fiscal
25 years 2013 through 2017, the Administrator

1 shall use not more than \$800,000 of the
2 amounts made available to the Administrator in
3 the Reregistration and Expedited Processing
4 Fund for the activities described in subpara-
5 graph (B).

6 “(B) ACTIVITIES.—The Administrator
7 shall use amounts made available from such
8 Fund to improve the information systems capa-
9 bilities for the Office of Pesticide Programs to
10 enhance tracking of pesticide registration deci-
11 sions, which shall include—

12 “(i) the electronic tracking of—

13 “(I) registration submissions;

14 and

15 “(II) the status of conditional
16 registrations;

17 “(ii) enhancing the database for infor-
18 mation regarding endangered species as-
19 sessments for registration review;

20 “(iii) implementing the capability to
21 electronically review labels submitted with
22 registration actions; and

23 “(iv) acquiring and implementing the
24 capability to electronically assess and

1 evaluate confidential statements of formula
 2 submitted with registration actions.”; and

3 (iii) in the first sentence of paragraph
 4 (6) (as redesignated by clause (i)), by
 5 striking “to carry out the goals established
 6 under subsection (l)” and inserting “for
 7 the purposes described in paragraphs (2),
 8 (3), and (4) and to carry out the goals es-
 9 tablished under subsection (l)”.

10 (b) PESTICIDE REGISTRATION SERVICE FEES.—

11 (1) AMOUNT OF FEES.—Section 33(b) of the
 12 Federal Insecticide, Fungicide, and Rodenticide Act
 13 (7 U.S.C. 136w–8(b)) is amended—

14 (A) in paragraph (3)—

15 (i) in subparagraph (A), by striking
 16 “Pesticide Registration Improvement Re-
 17 newal Act” and inserting “Federal Agri-
 18 culture Reform and Risk Management Act
 19 of 2012”; and

20 (ii) in subparagraph (B), by striking
 21 “S10409” and all that follows through the
 22 period and inserting “S_____ through
 23 S_____, dated _____.”;

24 (B) in paragraph (6)—

25 (i) in subparagraph (A)—

1 (I) by striking “October 1, 2008”
 2 and inserting “October 1, 2013”; and

3 (II) by striking “September 30,
 4 2010” and inserting “September 30,
 5 2015”; and

6 (ii) in subparagraph (B)—

7 (I) by striking “October 1, 2010”
 8 and inserting “October 1, 2015”; and

9 (II) by striking “September 30,
 10 2010” and inserting “September 30,
 11 2015”; and

12 (C) in paragraph (8)(C)(ii)—

13 (i) in subclause (I), by striking “or”
 14 at the end;

15 (ii) in subclause (II), by striking the
 16 period at the end and inserting “; or”; and

17 (iii) by adding at the end the fol-
 18 lowing new subclause:

19 “(III) on the basis that the Ad-
 20 ministrator rejected the application
 21 under subsection (f)(4)(B).”.

22 (2) PESTICIDE REGISTRATION FUND.—Section
 23 33(c)(3)(B) of the Federal Insecticide, Fungicide,
 24 and Rodenticide Act (7 U.S.C. 136w–8(c)(3)(B)) is
 25 amended—

1 (A) in clause (i), by striking “2008
2 through 2012” and inserting “2013 through
3 2017”;

4 (B) in clause (ii), by striking “grants” and
5 all that follows through the end of clause (ii)
6 and inserting “grants, for each of fiscal years
7 2013 through 2017, \$500,000.”; and

8 (C) in clause (iii), by striking “2008
9 through 2012” and inserting “2013 through
10 2017”.

11 (3) ASSESSMENT OF FEES.—Section 33(d) of
12 the Federal Insecticide, Fungicide, and Rodenticide
13 Act (7 U.S.C. 136w–8(d)) is amended—

14 (A) in paragraph (2), by striking “2002”
15 each place it appears and inserting “2012”;

16 (B) by striking paragraph (4); and

17 (C) by redesignating paragraph (5) as
18 paragraph (4).

19 (4) REFORMS TO REDUCE DECISION TIME RE-
20 VIEW PERIODS.—Section 33(e) of the Federal Insec-
21 ticide, Fungicide, and Rodenticide Act (7 U.S.C.
22 136w–8(e)) is amended by striking “Pesticide Reg-
23 istration Improvement Act of 2003” and inserting
24 “Federal Agriculture Reform and Risk Management
25 Act of 2012”.

1 (5) DECISION TIME REVIEW PERIODS.—Section
2 33(f) of the Federal Insecticide, Fungicide, and
3 Rodenticide Act (7 U.S.C. 136w–8(f)) is amended—

4 (A) in paragraph (1), by striking “Pes-
5 ticide Registration Improvement Renewal Act”
6 and inserting “Federal Agriculture Reform and
7 Risk Management Act of 2012”;

8 (B) in paragraph (2), by striking
9 “S10409” and all that follows through the pe-
10 riod and inserting “S_____ through S_____,
11 dated _____.”; and

12 (C) in paragraph (4)—

13 (i) in subparagraph (A), by inserting
14 “and fee” before the period; and

15 (ii) in subparagraph (B)—

16 (I) in the heading, by striking
17 “COMPLETENESS OF APPLICATION”
18 and inserting “INITIAL CONTENT AND
19 PRELIMINARY TECHNICAL
20 SCREENINGS”;

21 (II) in clause (i)—

22 (aa) by striking “Not later”
23 and inserting the following:
24 “(I) Not later”.

1 (bb) by adding at the end
2 the following new subclause:

3 “(II) After conducting the initial
4 content screening described in sub-
5 clause (I) and in accordance with
6 clause (iv), the Administrator shall
7 conduct a preliminary technical
8 screening—

9 “(aa) not later than 45 days
10 after the date on which the deci-
11 sion time review period begins
12 (for applications with decision
13 time review periods of not more
14 than 180 days); and

15 “(bb) not later than 90 days
16 after the date on which the deci-
17 sion time review period begins
18 (for applications with decision
19 time review periods greater than
20 180 days).”;

21 (III) in clause (ii) by striking
22 “under clause (i)” and all that follows
23 through the period and inserting “at
24 any time before the Administrator
25 completes the preliminary technical

1 screening under clause (i)(II) that the
2 application failed the initial content or
3 preliminary technical screening and
4 the applicant does not correct such
5 failure before the date that is 10 busi-
6 ness days after the applicant receives
7 a notification of the failure, the Ad-
8 ministrator shall reject the applica-
9 tion. The Administrator shall make
10 every effort to provide a written noti-
11 fication of such rejection during the
12 10-day period that begins on the date
13 the Administrator completes the pre-
14 liminary technical screening.”;

15 (IV) in clause (iii)—

16 (aa) in the heading, by in-
17 serting “INITIAL CONTENT” be-
18 fore “SCREENING” ;

19 (bb) in the matter preceding
20 subclause (I), by inserting “con-
21 tent” after “initial”; and

22 (cc) in subclause (II), by
23 striking “contains” and inserting
24 “appears to contain”; and

1 (V) by adding at the end the fol-
2 lowing new clause:

3 “(iv) REQUIREMENTS OF PRELIMI-
4 NARY TECHNICAL SCREENING.—In con-
5 ducting a preliminary technical screening
6 of an application, the Administrator shall
7 determine if—

8 “(I) the application and the data
9 and information submitted with such
10 application are accurate and complete;
11 and

12 “(II) the application, data, and
13 information are consistent with the
14 proposed labeling and any proposal
15 for a tolerance or exemption from the
16 requirement for a tolerance under sec-
17 tion 408 of the Federal Food, Drug,
18 and Cosmetic Act, and are such that,
19 subject to full review under the stand-
20 ards of this Act, could result in the
21 granting of the application.”.

22 (6) REPORTS.—Section 33(k) of the Federal
23 Insecticide, Fungicide, and Rodenticide Act (7
24 U.S.C. 136w–8(k)) is amended—

1 (A) in paragraph (1), by striking “March
2 1, 2014” and inserting “March 1, 2017”; and

3 (B) in paragraph (2)—

4 (i) in subparagraph (A)—

5 (I) in clause (vi), by striking
6 “and” at the end;

7 (II) in clause (vii), by inserting
8 “and” at the end; and

9 (III) by adding at the end the
10 following new clause:

11 “(viii) the number of extensions of de-
12 cision time review periods agreed to under
13 subsection (f)(5) along with a description
14 of the reason that the Administrator was
15 unable to make a decision within the initial
16 decision time review period;”;

17 (ii) in subparagraph (E), by striking
18 “and” at the end;

19 (iii) in subparagraph (F), by striking
20 the period and inserting a semicolon; and

21 (iv) by adding at the end the following
22 new subparagraph:

23 “(G) a review of the progress made to-
24 ward—

1 “(i) carrying out section 4(k)(4) and
2 the amounts from the Reregistration and
3 Expedited Processing Fund used for the
4 purposes described in such section;

5 “(ii) implementing systems for the
6 electronic tracking of registration submis-
7 sions by December 31, 2013;

8 “(iii) implementing a system for
9 tracking the status of conditional registra-
10 tions, including making non-confidential
11 information related to such conditional reg-
12 istrations publicly available by December
13 31, 2013;

14 “(iv) implementing enhancements to
15 the endangered species knowledge data-
16 base, including making non-confidential in-
17 formation related to such database publicly
18 available;

19 “(v) implementing the capability to
20 electronically submit and review labels sub-
21 mitted with registration actions;

22 “(vi) acquiring and implementing the
23 capability to electronically assess and
24 evaluate confidential statements of formula

1 submitted with registration actions by De-
2 cember 31, 2014; and

3 “ (vii) facilitating public participation
4 in certain registration actions and the reg-
5 istration review process by providing elec-
6 tronic notification to interested parties of
7 additions to the public docket;

8 “(H) the number of applications rejected
9 by the Administrator under the initial content
10 and preliminary technical screening conducted
11 under subsection (f)(4);

12 “(I) a review of the progress made in up-
13 dating the Pesticide Incident Data System, in-
14 cluding progress toward making the information
15 contained in such System available to the public
16 (as the Administrator determines is appro-
17 priate); and

18 “(J) an assessment of the public avail-
19 ability of summary pesticide usage data.”.

20 (7) TERMINATION OF EFFECTIVENESS.—Sec-
21 tion 33(m) of the Federal Insecticide, Fungicide,
22 and Rodenticide Act (7 U.S.C. 136w–8(m)) is
23 amended—

24 (A) in paragraph (1), by striking “2012”
25 and inserting “2017”; and

1 (B) in paragraph (2)—

2 (i) in subparagraph (A)—

3 (I) in the heading, by striking
4 “2013” and inserting “2018”;

5 (II) by striking “2013,” and in-
6 serting “2018,”; and

7 (III) by striking “September 30,
8 2012” and inserting “September 30,
9 2017”;

10 (ii) in subparagraph (B)—

11 (I) in the heading by striking
12 “2014” and inserting “2019”;

13 (II) by striking “2014,” and in-
14 serting “2019,”; and

15 (III) by striking “September 30,
16 2012” and inserting “September 30,
17 2017”;

18 (iii) in subparagraph (C)—

19 (I) in the heading by striking
20 “2014” and inserting “2019”; and

21 (II) by striking “September 30,
22 2014” and inserting “September 30,
23 2019”; and

1 (iv) in subparagraph (D), by striking
2 “2012” each place it appears and inserting
3 “2017”.

4 (c) EFFECTIVE DATE.—This section and the amend-
5 ments made by this section shall take effect on October
6 1, 2012.

7 **SEC. 10016. MODIFICATION, CANCELLATION, OR SUSPEN-**
8 **SION ON BASIS OF A BIOLOGICAL OPINION.**

9 (a) IN GENERAL.—Except in the case of a voluntary
10 request from a pesticide registrant to amend a registration
11 under section 3 of the Federal Insecticide, Fungicide, and
12 Rodenticide Act (7 U.S.C. 136a), a registration of a pes-
13 ticide may be modified, canceled, or suspended on the
14 basis of the implementation of a Biological Opinion issued
15 by the National Marine Fisheries Service or the United
16 States Fish and Wildlife Service prior to the date of com-
17 pletion of the study referred to in subsection (b), or Janu-
18 ary 1, 2014, whichever is earlier, only if—

19 (1) the modification, cancellation, or suspension
20 is undertaken pursuant to section 6 of such Act (7
21 U.S.C. 136d); and

22 (2) the Biological Opinion complies with the
23 recommendations contained in the study referred to
24 in subsection (b).

1 (b) NATIONAL ACADEMY OF SCIENCES STUDY.—The
2 study commissioned by the Administrator of the Environ-
3 mental Protection Agency on March 10, 2011, shall in-
4 clude, at a minimum, each of the following:

5 (1) A formal, independent, and external peer
6 review, consistent with Office of Management and
7 Budget policies, of each Biological Opinion described
8 in subsection (a).

9 (2) Assessment of economic impacts of meas-
10 ures or alternatives recommended in each such Bio-
11 logical Opinion.

12 (3) An examination of the specific scientific and
13 procedural questions and issues pertaining to eco-
14 nomic feasibility contained in the June 23, 2011 let-
15 ter sent to the Administrator (and other Federal of-
16 ficials) by the Chairmen of the Committee on Agri-
17 culture, the Committee on Natural Resources, and
18 the Subcommittee on Interior, Environment, and
19 Related Agencies of the Committee on Appropria-
20 tions, of the House of Representatives.

21 **SEC. 10017. USE AND DISCHARGES OF AUTHORIZED PES-**
22 **TICIDES.**

23 (a) SHORT TITLE.—This section may be cited as the
24 “Reducing Regulatory Burdens Act of 2012”.

1 (b) USE OF AUTHORIZED PESTICIDES.—Section 3(f)
2 of the Federal Insecticide, Fungicide, and Rodenticide Act
3 (7 U.S.C. 136a(f)) is amended by adding at the end the
4 following:

5 “(5) USE OF AUTHORIZED PESTICIDES.—Ex-
6 cept as provided in section 402(s) of the Federal
7 Water Pollution Control Act, the Administrator or a
8 State may not require a permit under such Act for
9 a discharge from a point source into navigable
10 waters of a pesticide authorized for sale, distribu-
11 tion, or use under this Act, or the residue of such
12 a pesticide, resulting from the application of such
13 pesticide.”.

14 (c) DISCHARGES OF PESTICIDES.—Section 402 of
15 the Federal Water Pollution Control Act (33 U.S.C. 1342)
16 is amended by adding at the end the following:

17 “(s) DISCHARGES OF PESTICIDES.—

18 “(1) NO PERMIT REQUIREMENT.—Except as
19 provided in paragraph (2), a permit shall not be re-
20 quired by the Administrator or a State under this
21 Act for a discharge from a point source into navi-
22 gable waters of a pesticide authorized for sale, dis-
23 tribution, or use under the Federal Insecticide, Fun-
24 gicide, and Rodenticide Act, or the residue of such

1 a pesticide, resulting from the application of such
2 pesticide.

3 “(2) EXCEPTIONS.—Paragraph (1) shall not
4 apply to the following discharges of a pesticide or
5 pesticide residue:

6 “(A) A discharge resulting from the appli-
7 cation of a pesticide in violation of a provision
8 of the Federal Insecticide, Fungicide, and
9 Rodenticide Act that is relevant to protecting
10 water quality, if—

11 “(i) the discharge would not have oc-
12 curred but for the violation; or

13 “(ii) the amount of pesticide or pes-
14 ticide residue in the discharge is greater
15 than would have occurred without the vio-
16 lation.

17 “(B) Stormwater discharges subject to reg-
18 ulation under subsection (p).

19 “(C) The following discharges subject to
20 regulation under this section:

21 “(i) Manufacturing or industrial efflu-
22 ent.

23 “(ii) Treatment works effluent.

24 “(iii) Discharges incidental to the nor-
25 mal operation of a vessel, including a dis-

1 charge resulting from ballasting operations
 2 or vessel biofouling prevention.”.

3 **SEC. 10018. EFFECTIVE DATE.**

4 (a) IN GENERAL.—Except as provided in subsection
 5 (b), this title and the amendments made by this title take
 6 effect on October 1, 2012.

7 (b) EXCEPTIONS.—The following provisions of this
 8 title shall take effect on the date of the enactment of this
 9 Act:

10 (1) Section 10008.

11 (2) Section 10009.

12 **TITLE XI—CROP INSURANCE**

13 **SEC. 11001. INFORMATION SHARING.**

14 Section 502(c) of the Federal Crop Insurance Act (7
 15 U.S.C. 1502(c)) is amended by adding at the end the fol-
 16 lowing new paragraph:

17 “(4) INFORMATION.—

18 “(A) REQUEST.—Subject to subparagraph
 19 (B), the Farm Service Agency shall, in a timely
 20 manner, provide to an agent or an approved in-
 21 surance provider authorized by the producer
 22 any information (including Farm Service Agen-
 23 cy Form 578s (or any successor form) or maps
 24 (or any corrections to those forms or maps)
 25 that may assist the agent or approved insurance

1 provider in insuring the producer under a policy
 2 or plan of insurance under this subtitle.

3 “(B) PRIVACY.—Except as provided in
 4 subparagraph (C), an agent or approved insur-
 5 ance provider that receives the information of a
 6 producer pursuant to subparagraph (A) shall
 7 treat the information in accordance with para-
 8 graph (1).

9 “(C) SHARING.—Nothing in this section
 10 prohibits the sharing of the information of a
 11 producer pursuant to subparagraph (A) be-
 12 tween the agent and the approved insurance
 13 provider of the producer.”.

14 **SEC. 11002. PUBLICATION OF INFORMATION ON VIOLA-**
 15 **TIONS OF PROHIBITION ON PREMIUM AD-**
 16 **JUSTMENTS.**

17 Section 508(a)(9) of the Federal Crop Insurance Act
 18 (7 U.S.C. 1508(a)(9)) is amended by adding at the end
 19 the following new subparagraph:

20 “(C) PUBLICATION OF VIOLATIONS.—

21 “(i) PUBLICATION REQUIRED.—Sub-
 22 ject to clause (ii), the Corporation shall
 23 publish in a timely manner on the website
 24 of the Risk Management Agency informa-
 25 tion regarding each violation of this para-

graph, including any sanctions imposed in response to the violation, in sufficient detail so that the information may serve as effective guidance to approved insurance providers, agents, and producers.

“(ii) PROTECTION OF PRIVACY.—In providing information under clause (i) regarding violations of this paragraph, the Corporation shall redact the identity of the persons and entities committing the violations in order to protect their privacy.”.

SEC. 11003. SUPPLEMENTAL COVERAGE OPTION.

(a) AVAILABILITY OF SUPPLEMENTAL COVERAGE OPTION.—Paragraph (3) of section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amended to read as follows:

“(3) YIELD AND LOSS BASIS OPTIONS.—A producer shall have the option of purchasing additional coverage based on—

“(A)(i) an individual yield and loss basis;

or

“(ii) an area yield and loss basis;

“(B) an individual yield and loss basis, supplemented with coverage based on an area yield and loss basis to cover a part of the de-

1 ductible under the individual yield and loss pol-
2 icy, as described in paragraph (4)(C); or

3 “(C) a margin basis alone or in combina-
4 tion with the coverages available in subpara-
5 graph (A) or (B).”.

6 (b) LEVEL OF COVERAGE.—Paragraph (4) of section
7 508(c) of the Federal Crop Insurance Act (7 U.S.C.
8 1508(c)) is amended to read as follows:

9 “(4) LEVEL OF COVERAGE.—

10 “(A) DOLLAR DENOMINATION AND PER-
11 CENTAGE OF YIELD.—Except as provided in
12 subparagraph (C), the level of coverage—

13 “(i) shall be dollar denominated; and

14 “(ii) may be purchased at any level
15 not to exceed 85 percent of the individual
16 yield or 95 percent of the area yield (as de-
17 termined by the Corporation).

18 “(B) INFORMATION.—The Corporation
19 shall provide producers with information on cat-
20 astrophic risk and additional coverage in terms
21 of dollar coverage (within the allowable limits of
22 coverage provided in this paragraph).

23 “(C) SUPPLEMENTAL COVERAGE OP-
24 TION.—

1 “(i) IN GENERAL.—Notwithstanding
2 subparagraph (A), in the case of the sup-
3 plemental coverage option described in
4 paragraph (3)(B), the Corporation shall
5 offer producers the opportunity to pur-
6 chase coverage in combination with a pol-
7 icy or plan of insurance offered under this
8 subtitle that would allow indemnities to be
9 paid to a producer equal to a part of the
10 deductible under the policy or plan of in-
11 surance—

12 “(I) at a county-wide level to the
13 fullest extent practicable; or

14 “(II) in counties that lack suffi-
15 cient data, on the basis of such larger
16 geographical area as the Corporation
17 determines to provide sufficient data
18 for purposes of providing the cov-
19 erage.

20 “(ii) TRIGGER.—Coverage offered
21 under paragraph (3)(B) and clause (i)
22 shall be triggered only if the losses in the
23 area exceed 10 percent of normal levels (as
24 determined by the Corporation).

1 “(iii) COVERAGE.—Subject to the trig-
2 ger described in clause (ii), coverage of-
3 fered under paragraph (3)(B) and clause
4 (i) shall not exceed the difference be-
5 tween—

6 “(I) 90 percent; and

7 “(II) the coverage level selected
8 by the producer for the underlying
9 policy or plan of insurance.

10 “(iv) INELIGIBLE CROPS AND
11 ACRES.—Crops for which the producer has
12 elected under section 1107(c)(1) of the
13 Federal Agriculture Reform and Risk
14 Management Act of 2012 to receive rev-
15 enue loss coverage and acres that are en-
16 rolled in the stacked income protection
17 plan under section 508B shall not be eligi-
18 ble for supplemental coverage under this
19 subparagraph.

20 “(v) CALCULATION OF PREMIUM.—
21 Notwithstanding subsection (d), the pre-
22 mium for coverage offered under para-
23 graph (3)(B) and clause (i) shall—

1 “(I) be sufficient to cover antici-
2 pated losses and a reasonable reserve;
3 and

4 “(II) include an amount for oper-
5 ating and administrative expenses es-
6 tablished in accordance with sub-
7 section (k)(4)(F).”.

8 (c) PAYMENT OF PORTION OF PREMIUM BY COR-
9 PORATION.—Section 508(e)(2) of the Federal Crop Insur-
10 ance Act (7 U.S.C. 1508(e)(2)) is amended by adding at
11 the end the following new subparagraph:

12 “(H) In the case of the supplemental cov-
13 erage option authorized in subsection (c)(4)(C),
14 the amount shall be equal to the sum of—

15 “(i) 70 percent of the additional pre-
16 mium associated with the coverage; and

17 “(ii) the amount determined under
18 subsection (c)(4)(C)(vi)(II), subject to sub-
19 section (k)(4)(F), for the coverage to cover
20 operating and administrative expenses.”.

21 (d) EFFECTIVE DATE.—The Federal Crop Insurance
22 Corporation shall begin to provide additional coverage
23 based on an individual yield and loss basis, supplemented
24 with coverage based on an area yield and loss basis, not
25 later than for the 2013 crop year.

1 **SEC. 11004. PREMIUM AMOUNTS FOR CATASTROPHIC RISK**
2 **PROTECTION.**

3 Subparagraph (A) of section 508(d)(2) of the Federal
4 Crop Insurance Act (7 U.S.C. 1508(d)(2)) is amended to
5 read as follows:

6 “(A) In the case of catastrophic risk pro-
7 tection, the amount of the premium established
8 by the Corporation for each crop for which cat-
9 astrophic risk protection is available shall be re-
10 duced by the percentage equal to the difference
11 between the average loss ratio for the crop and
12 100 percent, plus a reasonable reserve.”.

13 **SEC. 11005. REPEAL OF PREFORMANCE-BASED DISCOUNT.**

14 (a) REPEAL.—Section 508(d) of the Federal Crop In-
15 surance Act (7 U.S.C. 1508(d)) is amended—

16 (1) by striking paragraph (3); and

17 (2) by redesignating paragraph (4) as para-
18 graph (3).

19 (b) CONFORMING AMENDMENT.—Section
20 508(a)(9)(B) of the Federal Crop Insurance Act (7 U.S.C.
21 1508(a)(9)(B)) is amended—

22 (1) by inserting “or” at the end of clause (i);

23 (2) by striking clause (ii); and

24 (3) by redesignating clause (iii) as clause (ii).

1 **SEC. 11006. PERMANENT ENTERPRISE UNIT SUBSIDY.**

2 Subparagraph (A) of section 508(e)(5) of the Federal
3 Crop Insurance Act (7 U.S.C. 1508(e)(5)) is amended to
4 read as follows:

5 “(A) IN GENERAL.—The Corporation may
6 pay a portion of the premiums for plans or poli-
7 cies of insurance for which the insurable unit is
8 defined on a whole farm or enterprise unit basis
9 that is higher than would otherwise be paid in
10 accordance with paragraph (2).”.

11 **SEC. 11007. ENTERPRISE UNITS FOR IRRIGATED AND NON-**
12 **IRRIGATED CROPS.**

13 Section 508(e)(5) of the Federal Crop Insurance Act
14 (7 U.S.C. 1508(e)(5)) is amended by adding at the end
15 the following new subparagraph:

16 “(D) NONIRRIGATED CROPS.—Beginning
17 with the 2013 crop year, the Corporation shall
18 make available separate enterprise units for ir-
19 rigated and nonirrigated acreage of crops in
20 counties.”.

21 **SEC. 11008. DATA COLLECTION.**

22 Section 508(g)(2) of the Federal Crop Insurance Act
23 (7 U.S.C. 1508(g)(2)) is amended by adding at the end
24 the following new subparagraph:

1 “(E) SOURCES OF YIELD DATA.—To deter-
 2 mine yields under this paragraph, the Corpora-
 3 tion—

4 “(i) shall use county data collected by
 5 the Risk Management Agency or the Na-
 6 tional Agricultural Statistics Service, or
 7 both; or

8 “(ii) if sufficient county data is not
 9 available, may use other data considered
 10 appropriate by the Secretary.”.

11 **SEC. 11009. ADJUSTMENT IN ACTUAL PRODUCTION HIS-**
 12 **TORY TO ESTABLISH INSURABLE YIELDS.**

13 Section 508(g)(4)(B) of the Federal Crop Insurance
 14 Act (7 U.S.C. 1508(g)(4)(B)) is amended by striking
 15 “60” each place it appears and inserting “70”.

16 **SEC. 11010. SUBMISSION AND REVIEW OF POLICIES.**

17 Section 508(h) of the Federal Crop Insurance Act (7
 18 U.S.C. 1508(h)) is amended—

19 (1) in paragraph (1)—

20 (A) by redesignating subparagraphs (A)
 21 and (B) as clauses (i) and (ii), respectively, and
 22 indenting appropriately;

23 (B) by striking “(1) IN GENERAL.—In ad-
 24 dition” and inserting the following:

25 “(1) AUTHORITY TO SUBMIT.—

1 “(A) IN GENERAL.—In addition”; and

2 (C) by adding at the end the following new
3 subparagraph:

4 “(B) REVIEW AND SUBMISSION BY COR-
5 PORATION.—The Corporation shall review any
6 policy developed under section 522(c) or any
7 pilot program developed under section 523 and
8 submit the policy or program to the Board
9 under this subsection if the Corporation, at the
10 sole discretion of the Corporation, finds that
11 the policy or program—

12 “(i) will likely result in a viable and
13 marketable policy consistent with this sub-
14 section;

15 “(ii) would provide crop insurance
16 coverage in a significantly improved form;
17 and

18 “(iii) adequately protects the interests
19 of producers.”; and

20 (2) in paragraph (3)—

21 (A) by striking “A policy” and inserting
22 the following:

23 “(A) IN GENERAL.—A policy”; and

24 (B) by adding at the end the following new
25 subparagraph:

1 “(B) SPECIFIED REVIEW AND APPROVAL
2 PRIORITIES.—In reviewing policies and other
3 materials submitted to the Board under this
4 subsection for approval, the Board—

5 “(i) shall make the development and
6 approval of a revenue policy for peanut
7 producers a priority so that a revenue pol-
8 icy is available to peanut producers in time
9 for the 2013 crop year;

10 “(ii) shall make the development and
11 approval of a downed rice policy and mar-
12 gin coverage policy for rice producers a
13 priority so that each policy is available to
14 rice producers in time for the 2013 crop
15 year; and

16 “(iii) may approve a submission that
17 is made pursuant to this subsection that
18 would, beginning with the 2013 crop year,
19 allow producers that purchase policies in
20 accordance with subsection (e)(5)(A) to
21 separate enterprise units by risk rating for
22 acreage of crops in counties..”.

1 **SEC. 11011. EQUITABLE RELIEF FOR SPECIALTY CROP PRO-**
2 **DUCERS.**

3 Section 508(k)(8)(E) of the Federal Crop Insurance
4 Act of 1938 (7 U.S.C. 1508(k)(8)(E)) is amended by add-
5 ing at the end the following new clause:

6 “(iii) EQUITABLE RELIEF FOR SPE-
7 CIALTY CROP PRODUCERS.—

8 “(I) IN GENERAL.—For each of
9 the 2011 through 2015 reinsurance
10 years, in addition to the total amount
11 of funding for reimbursement of ad-
12 ministrative and operating costs that
13 is otherwise required to be made avail-
14 able in each such reinsurance year
15 pursuant to an agreement entered
16 into by the Corporation, the Corpora-
17 tion shall use \$41,000,000 to provide
18 additional reimbursement with respect
19 to eligible insurance contracts for any
20 agricultural commodity that is not eli-
21 gible for a benefit under subtitles A,
22 B or C of title I of the Federal Agri-
23 culture Reform and Risk Management
24 Act of 2012.

25 “(II) TREATMENT.—Additional
26 reimbursements made under this

1 clause shall be included as part of the
 2 base level of administrative and oper-
 3 ating expense reimbursement to which
 4 any limit on compensation to persons
 5 involved in the direct sale and service
 6 of any eligible crop insurance contract
 7 required under an agreement entered
 8 into by the Corporation is applied.

9 “(III) RULE OF CONSTRUC-
 10 TION.—Nothing in this clause shall be
 11 construed as statutory assent to the
 12 limit described in subclause (II).”.

13 **SEC. 11012. BUDGET LIMITATIONS ON RENEGOTIATION OF**
 14 **THE STANDARD REINSURANCE AGREEMENT.**

15 Section 508(k)(8) of the Federal Crop Insurance Act
 16 of 1938 (7 U.S.C. 1508(k)(8)) is amended by adding at
 17 the end the following new subparagraph:

18 “(F) BUDGET.—

19 “(i) IN GENERAL.—The Board shall
 20 ensure that any Standard Reinsurance
 21 Agreement negotiated under subparagraph
 22 (A)(ii), as compared to the previous Stand-
 23 ard Reinsurance Agreement—

24 “(I) to the maximum extent prac-
 25 ticable, shall be budget neutral; and

1 “(II) in no event, may signifi-
2 cantly depart from budget neutrality.

3 “(ii) USE OF SAVINGS.—To the extent
4 that any budget savings is realized in the
5 renegotiation of a Standard Reinsurance
6 Agreement under subparagraph (A)(ii),
7 and the savings are determined not to be
8 a significant departure from budget neu-
9 trality under clause (i), the savings shall
10 be used to increase the obligations of the
11 Corporation under subsections (e)(2) or
12 (k)(4) or section 523.”.

13 **SEC. 11013. CROP PRODUCTION ON NATIVE SOD.**

14 (a) FEDERAL CROP INSURANCE.—Section 508(o) of
15 the Federal Crop Insurance Act (7 U.S.C. 1508(o)) is
16 amended—

17 (1) in paragraph (1)(B), by inserting “, or the
18 producer cannot substantiate that the ground has
19 ever been tilled,” after “tilled”;

20 (2) in paragraph (2)—

21 (A) in the paragraph heading, by striking
22 “INELIGIBILITY FOR” and inserting “REDUC-
23 TION IN”; and

1 (B) in subparagraph (A), by striking “for
2 benefits under—” and all that follows through
3 the period at the end and inserting “for—

4 “(i) a portion of crop insurance pre-
5 mium subsidies under this subtitle in ac-
6 cordance with paragraph (3);

7 “(ii) benefits under section 196 of the
8 Federal Agriculture Improvement and Re-
9 form Act of 1996 (7 U.S.C. 7333); and

10 “(iii) payments described in sub-
11 section (b) or (c) of section 1001 of the
12 Food Security Act of 1985 (7 U.S.C.
13 1308).”; and

14 (3) by striking paragraph (3) and inserting the
15 following new paragraphs:

16 “(3) ADMINISTRATION.—

17 “(A) IN GENERAL.—During the first 4
18 crop years of planting on native sod acreage by
19 a producer described in paragraph (2)—

20 “(i) paragraph (2) shall apply to 65
21 percent of the transitional yield of the pro-
22 ducer; and

23 “(ii) the crop insurance premium sub-
24 sidy provided for the producer under this
25 subtitle shall be 50 percentage points less

1 than the premium subsidy that would oth-
2 erwise apply.

3 “(B) YIELD SUBSTITUTION.—During the
4 period native sod acreage is covered by this sub-
5 section, a producer may not substitute yields
6 for the native sod acreage.

7 “(4) APPLICATION.—This subsection shall only
8 apply to native sod in the Prairie Pothole National
9 Priority Area.”.

10 (b) NONINSURED CROP DISASTER ASSISTANCE.—
11 Section 196(a)(4) of the Federal Agriculture Improvement
12 and Reform Act of 1996 (7 U.S.C. 7333(a)(4)) is amend-
13 ed—

14 (1) in the paragraph heading, by striking “IN-
15 ELIGIBILITY” and inserting “BENEFIT REDUCTION”;

16 (2) in subparagraph (A)(i), by inserting “, or
17 the producer cannot substantiate that the ground
18 has ever been tilled,” after “tilled”;

19 (3) in subparagraph (B)—

20 (A) in the subparagraph heading, by strik-
21 ing “INELIGIBILITY” and inserting “REDUC-
22 TION IN”; and

23 (B) in clause (i), by striking “for benefits
24 under—” and all that follows through the pe-
25 riod at the end and inserting “for—

1 “(I) benefits under this section;

2 “(II) a portion of crop insurance
3 premium subsidies under the Federal
4 Crop Insurance Act (7 U.S.C. 1501 et
5 seq.) in accordance with subparagraph
6 (C); and

7 “(III) payments described in sub-
8 section (b) or (c) of section 1001 of
9 the Food Security Act of 1985 (7
10 U.S.C. 1308).”; and

11 (4) by striking subparagraph (C) and inserting
12 the following new subparagraphs:

13 “(C) ADMINISTRATION.—

14 “(i) IN GENERAL.—During the first 4
15 crop years of planting on native sod acre-
16 age by a producer described in subpara-
17 graph (B)—

18 “(I) subparagraph (B) shall
19 apply to 65 percent of the transitional
20 yield of the producer; and

21 “(II) the crop insurance premium
22 subsidy provided for the producer
23 under the Federal Crop Insurance Act
24 (7 U.S.C. 1501 et seq.) shall be 50
25 percentage points less than the pre-

1 mium subsidy that would otherwise
2 apply.

3 “(ii) YIELD SUBSTITUTION.—During
4 the period native sod acreage is covered by
5 this paragraph, a producer may not sub-
6 stitute yields for the native sod acreage.

7 “(D) APPLICATION.—This paragraph shall
8 only apply to native sod in the Prairie Pothole
9 National Priority Area.”.

10 (c) CROPLAND REPORT.—

11 (1) BASELINE.—Not later than 180 days after
12 the date of enactment of this Act, the Secretary of
13 Agriculture shall submit to the Committee on Agri-
14 culture of the House of Representatives and the
15 Committee on Agriculture, Nutrition, and Forestry
16 of the Senate a report that describes the cropland
17 acreage in each applicable county and State, and the
18 change in cropland acreage from the preceding year
19 in each applicable county and State, beginning with
20 calendar year 2000 and including that information
21 for the most recent year for which that information
22 is available.

23 (2) ANNUAL UPDATES.—Not later than Janu-
24 ary 1, 2014, and each January 1 thereafter through
25 January 1, 2017, the Secretary of Agriculture shall

1 submit to the Committee on Agriculture of the
2 House of Representatives and the Committee on Ag-
3 riculture, Nutrition, and Forestry of the Senate a
4 report that describes—

5 (A) the cropland acreage in each applicable
6 county and State as of the date of submission
7 of the report; and

8 (B) the change in cropland acreage from
9 the preceding year in each applicable county
10 and State.

11 **SEC. 11014. COVERAGE LEVELS BY PRACTICE.**

12 Section 508 of the Federal Crop Insurance Act of
13 1938 (7 U.S.C. 1508) is amended by adding at the end
14 the following new subsection:

15 “(p) **COVERAGE LEVELS BY PRACTICE.**—Beginning
16 with the 2014 crop year, a producer that produces an agri-
17 cultural commodity on both dry land and irrigated land
18 may elect a different coverage level for each production
19 practice.”.

20 **SEC. 11015. BEGINNING FARMER AND RANCHER PROVI-**
21 **SIONS.**

22 (a) **DEFINITION.**—Section 502(b) of the Federal
23 Crop Insurance Act (7 U.S.C. 1502(b)) is amended—

1 (1) by redesignating paragraphs (3) through
2 (9) as paragraphs (4) through (10), respectively;
3 and

4 (2) by inserting after paragraph (2) the fol-
5 lowing:

6 “(3) BEGINNING FARMER OR RANCHER.—The
7 term ‘beginning farmer or rancher’ means a farmer
8 or rancher who has not actively operated and man-
9 aged a farm or ranch with a bona fide insurable in-
10 terest in a crop or livestock as an owner-operator,
11 landlord, tenant, or sharecropper for more than 5
12 crop years, as determined by the Secretary.”.

13 (b) PREMIUM ADJUSTMENTS.—Section 508 of the
14 Federal Crop Insurance Act (7 U.S.C. 1508) is amend-
15 ed—

16 (1) in subsection (b)(5)(E), by inserting “and
17 beginning farmers or ranchers” after “limited re-
18 source farmers”;

19 (2) in subsection (e), by adding at the end the
20 following new paragraph:

21 “(8) PREMIUM FOR BEGINNING FARMERS OR
22 RANCHERS.—Notwithstanding any other provision of
23 this subsection regarding payment of a portion of
24 premiums, a beginning farmer or rancher shall re-
25 ceive premium assistance that is 10 percentage

1 points greater than premium assistance that would
2 otherwise be available under paragraphs (2) (except
3 for subparagraph (A) of that paragraph), (5), (6),
4 and (7) for the applicable policy, plan of insurance,
5 and coverage level selected by the beginning farmer
6 or rancher.”; and

7 (3) in subsection (g)—

8 (A) in paragraph (2)(B)—

9 (i) in clause (i), by striking “or” at
10 the end;

11 (ii) in clause (ii)(III), by striking the
12 period at the end and inserting “; or”; and

13 (iii) by adding at the end the fol-
14 lowing:

15 “(iii) if the producer is a beginning
16 farmer or rancher who was previously in-
17 volved in a farming or ranching operation,
18 including involvement in the decision-
19 making or physical involvement in the pro-
20 duction of the crop or livestock on the
21 farm, for any acreage obtained by the be-
22 ginning farmer or rancher, a yield that is
23 the higher of—

24 “(I) the actual production history
25 of the previous producer of the crop

1 or livestock on the acreage determined
 2 under subparagraph (A); or

3 “(II) a yield of the producer, as
 4 determined in clause (i).”; and

5 (B) in paragraph (4)(B)(ii) (as amended
 6 by section 11006)—

7 (i) by inserting “(I)” after “(ii)”;

8 (ii) by striking the period at the end
 9 and inserting “; or”; and

10 (iii) by adding at the end the fol-
 11 lowing:

12 “(II) in the case of begin-
 13 ning farmers or ranchers, replace
 14 each excluded yield with a yield
 15 equal to 80 percent of the appli-
 16 cable transitional yield.”.

17 **SEC. 11016. STACKED INCOME PROTECTION PLAN FOR PRO-**
 18 **DUCERS OF UPLAND COTTON.**

19 (a) AVAILABILITY OF STACKED INCOME PROTECTION
 20 PLAN FOR PRODUCERS OF UPLAND COTTON.—The Fed-
 21 eral Crop Insurance Act is amended by inserting after sec-
 22 tion 508A (7 U.S.C. 1508a) the following new section:

1 **“SEC. 508B. STACKED INCOME PROTECTION PLAN FOR**
2 **PRODUCERS OF UPLAND COTTON.**

3 “(a) AVAILABILITY.—Beginning not later than the
4 2013 crop of upland cotton, the Corporation shall make
5 available to producers of upland cotton an additional pol-
6 icy (to be known as the ‘Stacked Income Protection Plan’),
7 which shall provide coverage consistent with the Group
8 Risk Income Protection Plan (and the associated Harvest
9 Revenue Option Endorsement) offered by the Corporation
10 for the 2011 crop year.

11 “(b) REQUIRED TERMS.—The Corporation may mod-
12 ify the Stacked Income Protection Plan on a program-wide
13 basis, except that the Stacked Income Protection Plan
14 shall comply with the following requirements:

15 “(1) Provide coverage for revenue loss of not
16 less than 10 percent and not more than 30 percent
17 of expected county revenue, specified in increments
18 of 5 percent. The deductible is the minimum percent
19 of revenue loss at which indemnities are triggered
20 under the plan, not to be less than 10 percent of the
21 expected county revenue.

22 “(2) Be offered to producers of upland cotton
23 in all counties with upland cotton production—

24 “(A) at a county-wide level to the fullest
25 extent practicable; or

1 “(B) in counties that lack sufficient data,
2 on the basis of such larger geographical area as
3 the Corporation determines to provide sufficient
4 data for purposes of providing the coverage.

5 “(3) Be purchased in addition to any other in-
6 dividual or area coverage in effect on the producer’s
7 acreage or as a stand-alone policy, except that if a
8 producer has an individual or area coverage for the
9 same acreage, the maximum coverage available
10 under the Stacked Income Protection Plan shall not
11 exceed the deductible for the individual or area cov-
12 erage.

13 “(4) Establish coverage based on—

14 “(A) an expected price that is the higher
15 of—

16 “(i) the expected price established
17 under existing Group Risk Income Protec-
18 tion or area wide policy offered by the Cor-
19 poration for the applicable county (or area)
20 and crop year; or

21 “(ii) \$0.6861 per pound; and

22 “(B) an expected county yield that is the
23 higher of—

24 “(i) the expected county yield estab-
25 lished for the existing area-wide plans of-

1 ferred by the Corporation for the applicable
2 county (or area) and crop year (or, in geo-
3 graphic areas where area-wide plans are
4 not offered, an expected yield determined
5 in a manner consistent with those of area-
6 wide plans); or

7 “(ii) the average of the applicable
8 yield data for the county (or area) for the
9 most recent 5 years, excluding the highest
10 and lowest observations, from the Risk
11 Management Agency or the National Agri-
12 cultural Statistics Service (or both) or, if
13 sufficient county data is not available, such
14 other data considered appropriate by the
15 Secretary.

16 “(5) Use a multiplier factor to establish max-
17 imum protection per acre (referred to as a ‘protec-
18 tion factor’) of not less than the higher of the level
19 established on a program wide basis or 120 percent.

20 “(6) Pay an indemnity based on the amount
21 that the expected county revenue exceeds the actual
22 county revenue, as applied to the individual coverage
23 of the producer. Indemnities under the Stacked In-
24 come Protection Plan shall not include or overlap

1 the amount of the deductible selected under para-
2 graph (1).

3 “(7) In all counties for which data are avail-
4 able, establish separate coverage levels for irrigated
5 and non-irrigated practices.

6 “(c) REINSURANCE.—When the \$0.6861 reference
7 price is equal to or greater than the expected price estab-
8 lished under the existing Group Risk Income Protection
9 or area wide policy offered by the Corporation for the ap-
10 plicable county (or area) and crop year or the yield estab-
11 lished under subsection (b)(4)(B) is used to establish the
12 expected county yield, the Corporation shall reinsure at
13 100 percent that portion of the indemnity that is attrib-
14 utable to the difference between—

15 “(1) the \$0.6861 reference price and the ex-
16 pected price established under the existing Group
17 Risk Income Protection or area wide policy offered
18 by the Corporation for the applicable county (or
19 area) and crop year; and

20 “(2) the yield established under subsection
21 (b)(4)(B).

22 “(d) PREMIUM.—Notwithstanding section 508(d),
23 the premium for the Stacked Income Protection Plan
24 shall—

1 “(1) be sufficient to cover anticipated losses
2 and a reasonable reserve; and

3 “(2) include an amount for operating and ad-
4 ministrative expenses established in accordance with
5 section 508(k)(4)(F).

6 “(e) PAYMENT OF PORTION BY CORPORATION.—
7 Subject to section 508(e)(4), the amount of premium paid
8 by the Corporation for all qualifying coverage levels of the
9 Stacked Income Protection Plan shall be—

10 “(1) 80 percent of the amount of the premium
11 established under subsection (d) for the coverage
12 level selected; and

13 “(2) the amount determined under subsection
14 (d)(2), subject to section 508(k)(4)(F), for the cov-
15 erage to cover administrative and operating ex-
16 penses.

17 “(f) RELATION TO OTHER COVERAGES.—The
18 Stacked Income Protection Plan is in addition to all other
19 coverages available to producers of upland cotton.”.

20 (b) CONFORMING AMENDMENT.—Section
21 508(k)(4)(F) of the Federal Crop Insurance Act (7 U.S.C.
22 1508(k)(4)(F)) is amended by inserting “or authorized
23 under subsection (c)(4)(C) or section 508B” after “of this
24 subparagraph”.

1 **SEC. 11017. PEANUT REVENUE CROP INSURANCE.**

2 The Federal Crop Insurance Act is amended by in-
3 serting after section 508B, as added by the previous sec-
4 tion, the following new section:

5 **“SEC. 508C. PEANUT REVENUE CROP INSURANCE.**

6 “(a) IN GENERAL.—Effective beginning with the
7 2013 crop year, the Risk Management Agency and the
8 Corporation shall make available to producers of peanuts
9 a revenue crop insurance program for peanuts.

10 “(b) EFFECTIVE PRICE.—Subject to subsection (c),
11 for purposes of the revenue crop insurance program and
12 the multiperil crop insurance program under this Act, the
13 effective price for peanuts shall be equal to the Rotterdam
14 price index for peanuts, as adjusted to reflect the farmer
15 stock price of peanuts in the United States.

16 “(c) ADJUSTMENTS.—

17 “(1) IN GENERAL.—The effective price for pea-
18 nuts established under subsection (b) may be ad-
19 justed by the Risk Management Agency and the
20 Corporation to correct distortions.

21 “(2) ADMINISTRATION.—If an adjustment is
22 made under paragraph (1), the Risk Management
23 Agency and the Corporation shall—

24 “(A) make the adjustment in an open and
25 transparent manner; and

1 “(B) submit to the Committee on Agri-
2 culture of the House of Representatives and the
3 Committee on Agriculture, Nutrition, and For-
4 estry of the Senate a report that describes the
5 reasons for the adjustment.”.

6 **SEC. 11018. AUTHORITY TO CORRECT ERRORS.**

7 Section 515(c) of the Federal Crop Insurance Act (7
8 U.S.C. 1515(c)) is amended—

9 (1) in the first sentence, by striking “The Sec-
10 retary” and inserting the following:

11 “(1) IN GENERAL.—The Secretary”;

12 (2) in the second sentence, by striking “Begin-
13 ning with” and inserting the following:

14 “(2) FREQUENCY.—Beginning with”; and

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

17 “(3) CORRECTIONS.—

18 “(A) IN GENERAL.—In addition to the cor-
19 rections permitted by the Corporation as of the
20 date of enactment of the Federal Agriculture
21 Reform and Risk Management Act of 2012, the
22 Corporation shall allow an agent or an approved
23 insurance provider, subject to subparagraph
24 (B)—

1 “(i) within a reasonable amount of
2 time following the applicable sales closing
3 date, to correct unintentional errors in in-
4 formation that is provided by a producer
5 for the purpose of obtaining coverage
6 under any policy or plan of insurance made
7 available under this subtitle to ensure that
8 the eligibility information is correct;

9 “(ii) within a reasonable amount of
10 time following—

11 “(I) the acreage reporting date,
12 to correct unintentional errors in fac-
13 tual information that is provided by a
14 producer after the sales closing date
15 to reconcile the information with the
16 information reported by the producer
17 to the Farm Service Agency; or

18 “(II) the date of any subsequent
19 correction of data by the Farm Serv-
20 ice Agency made as a result of the
21 verification of information; and

22 “(iii) at any time, to correct uninten-
23 tional errors that were made by the Farm
24 Service Agency or an agent or approved in-
25 surance provider in transmitting the infor-

1 mation provided by the producer to the ap-
2 proved insurance provider or the Corpora-
3 tion.

4 “(B) LIMITATION.—In accordance with the
5 procedures of the Corporation, correction to the
6 information described in clauses (i) and (ii) of
7 subparagraph (A) may only be made if the cor-
8 rections do not allow the producer—

9 “(i) to avoid ineligibility requirements
10 for insurance;

11 “(ii) to obtain, enhance, or increase
12 an insurance guarantee or indemnity, or
13 avoid premium owed, if a cause of loss ex-
14 ists or has occurred before any correction
15 has been made; or

16 “(iii) to avoid an obligation or re-
17 quirement under any Federal or State law.

18 “(C) EXCEPTION TO LATE FILING SANC-
19 TIONS.—Any corrections made pursuant to this
20 paragraph shall not be subject to any late filing
21 sanctions authorized in the reinsurance agree-
22 ment with the Corporation.”.

23 **SEC. 11019. IMPLEMENTATION.**

24 Section 515 of the Federal Crop Insurance Act (7
25 U.S.C. 1515) is amended—

(1) in subsection (j), by striking paragraph (1) and inserting the following new paragraph:

“(1) SYSTEMS MAINTENANCE AND UP-
GRADES.—

“(A) IN GENERAL.—The Secretary shall maintain and upgrade the information management systems of the Corporation used in the administration and enforcement of this subtitle.

“(B) REQUIREMENT.—

“(i) IN GENERAL.—In maintaining and upgrading the systems, the Secretary shall ensure that new hardware and software are compatible with the hardware and software used by other agencies of the Department to maximize data sharing and promote the purposes of this section.

“(ii) ACREAGE REPORT STREAMLINING INITIATIVE PROJECT.—As soon as practicable, the Secretary shall develop and implement an acreage report streamlining initiative project to allow producers to report acreage and other information directly to the Department.”; and

(2) in subsection (k), by striking paragraph (1) and inserting the following new paragraph:

1 “(1) INFORMATION TECHNOLOGY.—

2 “(A) IN GENERAL.—For purposes of sub-
3 section (j)(1), the Corporation may use, from
4 amounts made available from the insurance
5 fund established under section 516(c), not more
6 than—

7 “(i)(I) for fiscal year 2013,
8 \$25,000,000; and

9 “(II) for each of fiscal years 2014
10 through 2017, \$10,000,000; or

11 “(ii) if the Acreage Crop Reporting
12 Streamlining Initiative (ACRSI) project is
13 substantially completed by September 30,
14 2014, not more than \$15,000,000 for each
15 of the fiscal years 2014 through 2017.

16 “(B) NOTIFICATION.—The Secretary shall
17 notify the Committee on Agriculture of the
18 House of Representatives and the Committee
19 on Agriculture, Nutrition, and Forestry of the
20 Senate of the substantial completion of the
21 Acreage Crop Reporting Streamlining Initiative
22 (ACRSI) project not later than July 1, 2014.”.

23 **SEC. 11020. RESEARCH AND DEVELOPMENT PRIORITIES.**

24 Section 522(c)(6) of the Federal Crop Insurance Act
25 (7 U.S.C. 1522(c)(6)) is amended by striking “a pasture,

1 range, and forage program” and inserting “policies that
2 increase participation by producers of underserved agricul-
3 tural commodities, including sweet sorghum, biomass sor-
4 ghum, rice, peanuts, and sugarcane”.

5 **SEC. 11021. ADDITIONAL RESEARCH AND DEVELOPMENT**
6 **CONTRACTING REQUIREMENTS.**

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

9 (1) by redesignating paragraph (17) as para-
10 graph (21); and

11 (2) by inserting after paragraph (16), the fol-
12 lowing new paragraphs:

13 “(17) MARGIN COVERAGE FOR CATFISH.—

14 “(A) IN GENERAL.—The Corporation shall
15 offer to enter into a contract with a qualified
16 entity to conduct research and development re-
17 garding a policy to insure producers against re-
18 duction in the margin between the market value
19 of catfish and selected costs incurred in the
20 production of catfish.

21 “(B) ELIGIBILITY.—Eligibility for the pol-
22 icy described in subparagraph (A) shall be lim-
23 ited to freshwater species of catfish that are
24 propagated and reared in controlled or selected
25 environments.

1 “(C) IMPLEMENTATION.—The Board shall
2 review the policy described in subparagraph (B)
3 under subsection 508(h) and approve the policy
4 if the Board finds that the policy—

5 “(i) will likely result in a viable and
6 marketable policy consistent with this sub-
7 section;

8 “(ii) would provide crop insurance
9 coverage in a significantly improved form;

10 “(iii) adequately protects the interests
11 of producers; and

12 “(iv) the proposed policy meets other
13 requirements of this subtitle determined
14 appropriate by the Board.

15 “(18) BIOMASS AND SWEET SORGHUM ENERGY
16 CROP INSURANCE POLICIES.—

17 “(A) AUTHORITY.—The Corporation shall
18 offer to enter into 1 or more contracts with
19 qualified entities to carry out research and de-
20 velopment regarding—

21 “(i) a policy to insure biomass sor-
22 ghum that is grown expressly for the pur-
23 pose of producing a feedstock for renew-
24 able biofuel, renewable electricity, or
25 biobased products; and

1 “(ii) a policy to insure sweet sorghum
2 that is grown for a purpose described in
3 clause (i).

4 “(B) RESEARCH AND DEVELOPMENT.—
5 Research and development with respect to each
6 of the policies required in subparagraph (A)
7 shall evaluate the effectiveness of risk manage-
8 ment tools for the production of biomass sor-
9 ghum or sweet sorghum, including policies and
10 plans of insurance that—

11 “(i) are based on market prices and
12 yields;

13 “(ii) to the extent that insufficient
14 data exist to develop a policy based on
15 market prices and yields, evaluate the poli-
16 cies and plans of insurance based on the
17 use of weather indices, including excessive
18 or inadequate rainfall, to protect the inter-
19 est of crop producers; and

20 “(iii) provide protection for production
21 or revenue losses, or both.

22 “(19) STUDY ON SWINE CATASTROPHIC DIS-
23 EASE PROGRAM.—

24 “(A) IN GENERAL.—The Corporation shall
25 contract with a qualified person to conduct a

1 study to determine the feasibility of insuring
2 swine producers for a catastrophic event.

3 “(B) REPORT.—Not later than 1 year
4 after the date of the enactment of this para-
5 graph, the Corporation shall submit to the
6 Committee on Agriculture of the House of Rep-
7 resentatives and the Committee on Agriculture,
8 Nutrition, and Forestry of the Senate a report
9 that describes the results of the study con-
10 ducted under subparagraph (A).

11 “(20) WHOLE FARM DIVERSIFIED RISK MAN-
12 AGEMENT INSURANCE PLAN.—

13 “(A) IN GENERAL.—The Corporation shall
14 conduct activities or enter into contracts to
15 carry out research and development to develop
16 a whole farm risk management insurance plan,
17 with a liability limitation of \$1,000,000, that
18 allows a diversified crop or livestock producer
19 the option to qualify for an indemnity if actual
20 gross farm revenue is below 85 percent of the
21 average gross farm revenue or the expected
22 gross farm revenue that can reasonably be ex-
23 pected of the producer, as determined by the
24 Corporation.

1 “(B) ELIGIBLE PRODUCERS.—The Cor-
2 poration shall permit producers (including di-
3 rect-to-consumer marketers and producers serv-
4 icing local and regional and farm identity-pre-
5 served markets) who produce multiple agricul-
6 tural commodities, including specialty crops, in-
7 dustrial crops, livestock, and aquaculture prod-
8 ucts, to participate in the plan in lieu of any
9 other plan under this subtitle.

10 “(C) DIVERSIFICATION.—The Corporation
11 may provide diversification-based additional
12 coverage payment rates, premium discounts, or
13 other enhanced benefits in recognition of the
14 risk management benefits of crop and livestock
15 diversification strategies for producers that
16 grow multiple crops or that may have income
17 from the production of livestock that uses a
18 crop grown on the farm.

19 “(D) MARKET READINESS.—The Corpora-
20 tion may include coverage for the value of any
21 packing, packaging, or any other similar on-
22 farm activity the Corporation determines to be
23 the minimum required in order to remove the
24 commodity from the field.

1 “(E) REPORT.—Not later than 2 years
2 after the date of enactment of this paragraph,
3 the Corporation shall submit to the Committee
4 on Agriculture of the House of Representatives
5 and the Committee on Agriculture, Nutrition,
6 and Forestry of the Senate a report that de-
7 scribes the results and feasibility of the re-
8 search and development conducted under this
9 paragraph, including an analysis of potential
10 adverse market distortions.”.

11 **SEC. 11022. PILOT PROGRAMS.**

12 Section 523(a) of the Federal Crop Insurance Act (7
13 U.S.C. 1523(a)) is amended—

14 (1) in paragraph (1), by inserting “, at the sole
15 discretion of the Corporation,” after “may”; and

16 (2) by striking paragraph (5).

17 **SEC. 11023. LIMITATION ON EXPENDITURES FOR LIVE-**
18 **STOCK PILOT PROGRAMS.**

19 Section 523(b)(10) of the Federal Crop Insurance
20 Act (7 U.S.C. 1523(b)(10)) is amended—

21 (1) in subparagraph (C), by striking “fiscal
22 year 2004 and each subsequent fiscal year” and in-
23 serting “each of fiscal years 2004 through 2012.”;
24 and

1 (2) by adding at the end the following new sub-
2 paragraph:

3 “(D) \$50,000,000 for fiscal year 2013 and
4 each subsequent fiscal year.”.

5 **SEC. 11024. NONINSURED CROP ASSISTANCE PROGRAM.**

6 Section 196 of the Federal Agriculture Improvement
7 and Reform Act of 1996 (7 U.S.C. 7333), as amended
8 by section 11013(b)) is further amended—

9 (1) in subsection (a)—

10 (A) by striking paragraph (1) and insert-
11 ing the following new paragraph:

12 “(1) IN GENERAL.—

13 “(A) COVERAGES.—In the case of an eligi-
14 ble crop described in paragraph (2), the Sec-
15 retary of Agriculture shall operate a noninsured
16 crop disaster assistance program to provide cov-
17 erages based on individual yields (other than
18 for value-loss crops) equivalent to—

19 “(i) catastrophic risk protection avail-
20 able under section 508(b) of the Federal
21 Crop Insurance Act (7 U.S.C. 1508(b)); or

22 “(ii) additional coverage available
23 under subsections (c) and (h) of section
24 508 of that Act (7 U.S.C. 1508) that does
25 not exceed 65 percent.

1 “(B) ADMINISTRATION.—The Secretary
2 shall carry out this section through the Farm
3 Service Agency (referred to in this section as
4 the ‘Agency’).”; and

5 (B) in paragraph (2)(A)—

6 (i) in clause (i), by striking “and”
7 after the semicolon at the end;

8 (ii) by redesignating clause (ii) as
9 clause (iii); and

10 (iii) by inserting after clause (i) the
11 following new clause:

12 “(ii) for which additional
13 coverage under subsections (c)
14 and (h) of section 508 of that
15 Act (7 U.S.C. 1508) is not avail-
16 able; and”;

17 (2) in subsection (d), by striking “The Sec-
18 retary” and inserting “Subject to subsection (l), the
19 Secretary”; and

20 (3) by adding at the end the following new sub-
21 section:

22 “(l) PAYMENT EQUIVALENT TO ADDITIONAL COV-
23 ERAGE.—

24 “(1) IN GENERAL.—The Secretary shall make
25 available to a producer eligible for noninsured assist-

1 ance under this section a payment equivalent to an
2 indemnity for additional coverage under subsections
3 (c) and (h) of section 508 of the Federal Crop In-
4 surance Act (7 U.S.C. 1508) that does not exceed
5 65 percent of the established yield for the eligible
6 crop on the farm, computed by multiplying—

7 “(A) the quantity that is not greater than
8 65 percent of the established yield for the crop,
9 as determined by the Secretary, specified in in-
10 crements of 5 percent;

11 “(B) 100 percent of the average market
12 price for the crop, as determined by the Sec-
13 retary; and

14 “(C) a payment rate for the type of crop,
15 as determined by the Secretary, that reflects—

16 “(i) in the case of a crop that is pro-
17 duced with a significant and variable har-
18 vesting expense, the decreasing cost in-
19 curred in the production cycle for the crop
20 that is, as applicable—

21 “(I) harvested;

22 “(II) planted but not harvested;

23 or

24 “(III) prevented from being
25 planted because of drought, flood, or

1 other natural disaster, as determined
2 by the Secretary; or

3 “(ii) in the case of a crop that is pro-
4 duced without a significant and variable
5 harvesting expense, such rate as shall be
6 determined by the Secretary.

7 “(2) PREMIUM.—To be eligible to receive a pay-
8 ment under this subsection, a producer shall pay—

9 “(A) the service fee required by subsection
10 (k); and

11 “(B) a premium for the applicable crop
12 year that is equal to the product obtained by
13 multiplying—

14 “(i) the number of acres devoted to
15 the eligible crop;

16 “(ii) the established yield for the eligi-
17 ble crop, as determined by the Secretary
18 under subsection (e);

19 “(iii) the coverage level elected by the
20 producer;

21 “(iv) the average market price, as de-
22 termined by the Secretary; and

23 “(v) .0525.

24 “(3) LIMITED RESOURCE, BEGINNING, AND SO-
25 cially disadvantaged farmers.—The additional

1 coverage made available under this subsection shall
2 be available to limited resource, beginning, and so-
3 cially disadvantaged producers, as determined by the
4 Secretary, in exchange for a premium that is 50 per-
5 cent of the premium determined for a producer
6 under paragraph (2).

7 “(4) PREMIUM PAYMENT AND APPLICATION
8 DEADLINE.—

9 “(A) PREMIUM PAYMENT.—A producer
10 electing additional coverage under this sub-
11 section shall pay the premium amount owed for
12 the additional coverage by September 30 of the
13 crop year for which the additional coverage is
14 purchased.

15 “(B) APPLICATION DEADLINE.—The latest
16 date on which additional coverage under this
17 subsection may be elected shall be the applica-
18 tion closing date described in subsection (b)(1).

19 “(5) EFFECTIVE DATE.—Additional coverage
20 under this subsection shall be available beginning
21 with the 2014 crop.”.

22 **SEC. 11025. TECHNICAL AMENDMENTS.**

23 (a) ELIGIBILITY FOR DEPARTMENT PROGRAMS.—
24 Section 508(b) of the Federal Crop Insurance Act (7
25 U.S.C. 1508(b)) is amended—

1 (1) by striking paragraph (7); and

2 (2) by redesignating paragraphs (8) through
3 (11) as paragraphs (7) through (10), respectively.

4 (b) EXCLUSIONS TO ASSISTANCE FOR LOSSES DUE
5 TO DROUGHT CONDITIONS.—

6 (1) IN GENERAL.—Section 531(d)(3)(A) of the
7 Federal Crop Insurance Act (7 U.S.C.
8 1531(d)(3)(A)) is amended—

9 (A) by striking “(A) ELIGIBLE LOSSES.—
10 ” and all that follows through “An eligible” in
11 clause (i) and inserting the following:

12 “(A) ELIGIBLE LOSSES.—An eligible”;

13 (B) by striking clause (ii); and

14 (C) by redesignating subclauses (I) and
15 (II) as clauses (i) and (ii), respectively, and in-
16 denting appropriately.

17 (2) CONFORMING AMENDMENT.—Section
18 901(d)(3)(A) of the Trade Act of 1974 (19 U.S.C.
19 2497(d)(3)(A)) is amended—

20 (A) by striking “(A) ELIGIBLE LOSSES.—
21 ” and all that follows through “An eligible” in
22 clause (i) and inserting the following:

23 “(A) ELIGIBLE LOSSES.—An eligible”;

24 (B) by striking clause (ii); and

1 (C) by redesignating subclauses (I) and
2 (II) as clauses (i) and (ii), respectively, and in-
3 denting appropriately.

4 **TITLE XII—MISCELLANEOUS**
5 **Subtitle A—Livestock**

6 **SEC. 12101. NATIONAL SHEEP INDUSTRY IMPROVEMENT**
7 **CENTER.**

8 Section 375(e)(6)(C) of the Consolidated Farm and
9 Rural Development Act (7 U.S.C. 2008j(e)(6)(C)) is
10 amended by striking “2012” and inserting “2017”.

11 **SEC. 12102. TRICHINAE CERTIFICATION PROGRAM.**

12 Section 10405(d)(1) of the Animal Health Protection
13 Act (7 U.S.C. 8304(d)(1)) is amended in subparagraphs
14 (A) and (B) by striking “2012” each place it appears and
15 inserting “2017”.

16 **SEC. 12103. NATIONAL AQUATIC ANIMAL HEALTH PLAN.**

17 Section 11013(d) of the Food, Conservation, and En-
18 ergy Act of 2008 (7 U.S.C. 8322(d)) is amended by strik-
19 ing “2012” and inserting “2017”.

1 **Subtitle B—Socially Disadvantaged**
2 **Producers and Limited Re-**
3 **source Producers**

4 **SEC. 12201. OUTREACH AND ASSISTANCE FOR SOCIALLY**
5 **DISADVANTAGED FARMERS AND RANCHERS**
6 **AND VETERAN FARMERS AND RANCHERS.**

7 (a) OUTREACH AND ASSISTANCE FOR SOCIALLY DIS-
8 ADVANTAGED FARMERS AND RANCHERS AND VETERAN
9 FARMERS AND RANCHERS.—Section 2501 of the Food,
10 Agriculture, Conservation, and Trade Act of 1990 (7
11 U.S.C. 2279) is amended—

12 (1) in the section heading, by inserting “**AND**
13 **VETERAN FARMERS AND RANCHERS**” after
14 “**RANCHERS**”;

15 (2) in subsection (a)—

16 (A) in paragraph (1), by inserting “and
17 veteran farmers or ranchers” after “ranchers”;

18 (B) in paragraph (2)(B)(i), by inserting
19 “and veteran farmers or ranchers” after
20 “ranchers”; and

21 (C) in paragraph (4)—

22 (i) in subparagraph (A)—

23 (I) in clause (i), by striking
24 “and” at the end;

1 (II) in clause (ii), by striking the
2 period at the end and inserting “;
3 and”; and

4 (III) by adding at the end the
5 following new clause:

6 “(iii) \$10,000,000 for each of fiscal
7 years 2013 through 2017.”; and

8 (ii) by adding at the end the following
9 new subparagraph:

10 “(D) AUTHORIZATION OF APPROPRIA-
11 TIONS.—There is authorized to be appropriated
12 to carry out this section \$20,000,000 for each
13 of fiscal years 2013 through 2017.”;

14 (3) in subsection (b)(2), by inserting “or vet-
15 eran farmers and ranchers” after “socially disadvan-
16 tagged farmers and ranchers”;

17 (4) in subsection (c)—

18 (A) in paragraph (1)(A), by inserting “vet-
19 eran farmers or ranchers and” before “mem-
20 bers”; and

21 (B) in paragraph (2)(A), by inserting “vet-
22 eran farmers or ranchers and” before “mem-
23 bers”; and

24 (5) in subsection (e)(5)(A)—

1 (A) in clause (i), by inserting “and veteran
2 farmers or ranchers” after “ranchers”; and

3 (B) in clause (ii), by inserting “and vet-
4 eran farmers or ranchers” after “ranchers”.

5 (b) DEFINITION OF VETERAN FARMER OR RANCH-
6 ER.—Section 2501(e) of the Food, Agriculture, Conserva-
7 tion, and Trade Act of 1990 (7 U.S.C. 2279(e)) is amend-
8 ed by adding at the end the following new paragraph:

9 “(7) VETERAN FARMER OR RANCHER.—The
10 term ‘veteran farmer or rancher’ means a farmer or
11 rancher who served in the active military, naval, or
12 air service, and who was discharged or released from
13 the service under conditions other than dishonor-
14 able.”.

15 **SEC. 12202. OFFICE OF ADVOCACY AND OUTREACH.**

16 Paragraph (3) of section 226B(f) of the Department
17 of Agriculture Reorganization Act of 1994 (7 U.S.C.
18 6934(f)) is amended to read as follows:

19 “(3) AUTHORIZATION OF APPROPRIATIONS.—
20 There are authorized to be appropriated to carry out
21 this subsection—

22 “(A) such sums as are necessary for each
23 of fiscal years 2009 through 2012; and

24 “(B) \$2,000,000 for each of fiscal years
25 2013 through 2017.”.

1 **Subtitle C—Other Miscellaneous**
2 **Provisions**

3 **SEC. 12301. GRANTS TO IMPROVE SUPPLY, STABILITY,**
4 **SAFETY, AND TRAINING OF AGRICULTURAL**
5 **LABOR FORCE.**

6 Subsection (d) of section 14204 of the Food, Con-
7 servation, and Energy Act of 2008 (7 U.S.C. 2008q-1)
8 is amended to read as follows:

9 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated to carry out this sec-
11 tion—

12 “(1) such sums as are necessary for each of fis-
13 cal years 2008 through 2012; and

14 “(2) \$10,000,000 for each of fiscal years 2013
15 through 2017.”.

○