

Senators LEAHY, TORRICELLI, SCHUMER, ROCKEFELLER, REED, and KENNEDY would be made part of the managers' amendment. Apparently, some further editorial work needs to be done to incorporate that language in the managers' amendment. I ask unanimous consent that we have an opportunity and the right to add the language that fulfills the obligation we made.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. This will tidy up the housekeeping regarding the managers' amendment.

I mention for the record, according to the Congressional Budget Office, the managers' amendment before us brings the crop insurance bill into compliance with the budget resolution in that spending in the bill is below \$6 billion.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Utah is recognized.

Mr. HATCH. I thank the Chair.

(The remarks of Mr. HATCH pertaining to the introduction of S. 2270 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RISK MANAGEMENT FOR THE 21ST CENTURY—Continued

Mr. KENNEDY. Mr. President, I support this legislation. The crop insurance bill before us today provides \$1.5 billion over each of the next 4 years to support the Nation's farmers, and they clearly deserve this assistance. Hard-working farmers across the Nation deserve to live with dignity. Federal assistance is justified to protect them when the harsh weather destroys their crops or volatile markets undervalue their produce.

I hope in the coming weeks the Senate will also have an opportunity to address a related urgent need. I am talking about hunger and the inadequacy of the current Food Stamp Program. The problem is that the program's reach in curbing hunger among working families has weakened over time. It is unacceptable for children and working families to go hungry in America today. The latest research is clear, and it calls for our urgent action.

The General Accounting Office reports that "children's participation in the Food Stamp Program has dropped more sharply than the number of children living in poverty, indicating a growing gap between need and assistance."

Census and state food stamp data show that between 1995 and 1998, while the number of poor people fell by almost 2 million, the number of food stamp beneficiaries fell by over 7 million, leaving millions more poor people without food stamps.

The Department of Agriculture reports that 10.5 million U.S. households experienced some degree of food insecurity in 1998, and 1 or more people went hungry in 3.7 million of these households.

The Tufts University Center on Hunger and Poverty in Massachusetts reports that a third of children living in immigrant households with food stamp cuts were experiencing moderate to severe hunger.

With Project Bread in Massachusetts, the Center on Hunger and Poverty also coauthored an extraordinary study of Child Hunger in Massachusetts about a year ago. It was cosponsored by Ralph Martin, who was a Republican district attorney in Suffolk County, and Congressman Joseph Kennedy. They did extensive studies in Massachusetts in a wide variety of communities—some of our older cities, some of our more prosperous cities with pockets of extraordinary poverty, and then in a number of the rural areas. It is an absolutely superb report. Rather than putting the whole report in the RECORD, I will raise it throughout the discussions of hunger to come. Dr. Larry Brown directs the Center on Hunger and Poverty, and as I think most of us who have worked on the hunger issue over the years know, he has had an extraordinary career, been an invaluable resource for this Nation in terms of finding hunger and being constructive and positive in helping us deal with that issue in a constructive way.

One in five American children is poor in today's America. The Center on Budget and Policy Priorities reports that while the total number of children who are poor has declined, the intensity of poverty among those children who are left behind has increased, and one of the reasons poor children are poorer is that their access to food stamps is diminishing.

The U.S. Conference of Mayors reports that demand for emergency food assistance increased 18 percent during 1999. This is the largest increase since 1992. Limited resources meant that 21 percent of requests for food were unmet. In addition, 67 percent of the adults requesting emergency food assistance in the Nation's cities were employed.

Especially in this time of recent economic prosperity and record budget surpluses, we must do more to protect working families across the Nation who need food. America's farmers have a long and proud tradition of service to the Nation, and their hard work produces an abundance of foodstuffs. Surely we can ensure that this abundance is used in a way that no one in America goes hungry.

I know the issue of hunger is of deep concern to the chairman and the rank-

ing member of the Agriculture Committee, who oversee the Nation's antihunger efforts. For \$500 million a year, we could provide modest hunger relief for low-income families. These additional resources should be allocated to the Food Stamp Program, as bipartisan coalitions in both the House and the Senate have proposed in the Hunger Relief Act that many of us support.

Our proposal makes four long overdue improvements in the Food Stamp Program. It authorizes States to use their own TANF rules to determine which vehicles families may own to get to work themselves and safely transport their children to school—enormously important, a very modest recommendation, but very important.

Second, for families forced to spend over 50 percent of income on shelter, it increases the present shelter deduction and indexes it to inflation—incredibly important. The cost of housing, particularly in the older communities, has gone right up through the roof and because the shelter deduction is capped, families who must pay high shelter costs are helped less and less by the Food Stamp Program. This is a very modest recommendation to increase the cap and index it to inflation.

Third, the bill restores eligibility to vulnerable legal immigrants. We all know the history in terms of the moving of immigrants off the Food Stamp Program as part of welfare reform. I never believed it made a great deal of sense at that time, nor do I think it still makes a great deal of sense. We have been trying to work for restoration of food stamp benefits to legal immigrants since they were imposed.

Legal immigrants are going to be American citizens. They are people who have abided by the rules in order to come here. The reason they have immigrated is primarily because they have members of their families who are here. That is the overwhelming reason for it. So they are going to be American citizens. To deprive people, particularly children—although we made limited progress in that in recent years—who are otherwise going to be American citizens never seemed, to me, to be a wise policy. We seek appropriate restoration in this legislation.

It also increases Federal support for emergency food pantries and soup kitchens. I think the excellent research from the Conference of Mayors is a powerful justification for those modest recommendations.

The Congressional Budget Office estimates together these steps will cost about \$2.5 billion over 5 years, benefiting over a million children and working adults. Nearly 1,200 national, State, and local organizations, representing concerned citizens in all 50 States, have urged Congress to pass the legislation.

I hope we can enact this important hunger relief measure this year. Families living in hunger across the country need and deserve our help. I am hopeful

that the Budget Committee will create a reserve fund dedicated to hunger relief. Next, I hope that the Agriculture Committee will apply its expertise to the work we have begun and report this legislation.

Again, I thank Senator LUGAR, who has been a leader in the Agriculture Committee, and has also been a leader on this concern, as well as working with us on this issue historically, and our good friend, Senator HARKIN from Iowa. Senator SPECTER has been a leader, as well. I thank Senator LEAHY and Senator JEFFORDS and Senator DASCHLE, all who are strong supporters. We have a number of our colleagues who are cosponsors. But all of them have had long careers on the issue of hunger in America. We are grateful for their continued interest and support.

I yield the floor.

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Indiana.

Mr. LUGAR. Mr. President, let me simply respond quickly to the very specific points the distinguished Senator has made. Hunger relief continues to be a top priority for the Agriculture Committee. That will always be the case.

One priority should be that States should have the flexibility they need to determine how vehicles are counted under the Food Stamp Program since States know best about the transportation needs of the families. The Senator has mentioned that is one of the points he has. We strongly commend that idea. We look forward to working with the Senator and with others.

I wish to take advantage of this opportunity simply to say that in my own State of Indiana I have been visiting food banks, four very substantial efforts in Indianapolis, Fort Wayne, Evansville, and in Lewisville, serving nine Indiana counties.

The reason for my doing that is that the demands for food from these food banks and from the food pantries that they serve have increased very substantially during the last year. This is counterintuitive to many Americans, but not to the Senator from Massachusetts who has highlighted that in his remarks today.

In part, it comes because of a transition from welfare to work. A number of individual Americans—and a 7-State survey pointed out—these individuals have, in fact, accepted jobs. A majority of those who were on welfare rolls in Indiana have moved into jobs. But for most of these people, the incomes, on an annual basis, are somewhere in the neighborhood of \$10,000 to \$15,000.

Many have substantial families. They have moved from welfare but not out of poverty. The survey found that 50 percent of these families had extended families. They went, as we would, to their kinfolk. They were able to gain food during desperate periods. The other half essentially went to food banks; thus the increased demand.

I have offered a modest piece of legislation, which the Finance Committee

is now considering—I hope they will consider it carefully—that further codifies the tax exemption given to companies that already are given an exemption for food contributed to food banks but extends that to partnerships or proprietorships, to individual entrepreneurs, restaurants and others, as well as to farmers and ranchers, many of whom make these generous contributions now. It is in recognition of a very substantial need. There has been great support, at least in my State, for meeting the needs of those who have them.

Clearly, reforms of the Food Stamp Program are very important in the same regard and for the same reason—the many Americans who face problems of hunger. The Senator is certainly correct; the distribution problem, the equity problems, are profound. But those are ones we must deal with, and I thank the Senator for taking the floor today for this important colloquy.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank the Senator for his comments and for his energy in visiting these distribution centers himself.

I will put in the RECORD some of the findings in a number of the distribution places in Massachusetts, with the increasing escalation of families who are receiving the benefits of these foods and increasing numbers of children, and that the total ages have gone down extensively as well. It is a very powerful and moving commentary about what is happening.

I agree with the Senator, at a time when we all remind ourselves every day about how strong this economy is and the significant economic progress we have made, all of that is very true, but there are a number of people in our country who are facing significant deprivation in the area of food. We want to see what can be done to try to provide some relief. We will work closely with the committee and with the chairman. I am grateful to him.

Mr. LUGAR. I fully agree with my friend from Massachusetts that hunger relief needs to be a top priority for the Agriculture Committee, and resources should be found to address the problem. I am especially concerned that states have the flexibility they need to determine how vehicles are counted under the Food Stamp Program, since states know best what transportation families need to work and to safely transport their children.

Mr. HARKIN. I look forward to working with my good friend from Indiana and Massachusetts to pass strong hunger relief legislation this year. In my work on the Agriculture Committee, the Agriculture Appropriations Subcommittee, and the Labor, HHS, and Education Appropriations Subcommittee, I have been dismayed not only to see the reports of increasing hunger among children and working families that Senator KENNEDY de-

scribes, but also to hear scientists explain how inadequate nutrition limits children's ability to learn at school and adults' ability to concentrate at work. I join my colleagues in urging the Budget Committee to report a resolution that includes a reserve fund of \$2.5 billion over five years to alleviate hunger in America.

Mr. SPECTER. I decided to join my friend from Massachusetts in introducing the Hunger Relief Act after carefully reviewing the evidence of persisting hunger in Pennsylvania and the U.S., and after extensive consultations with local leaders who are working under enormous strains to meet growing needs. As chairman of the appropriations subcommittee that covers education and labor programs, I share the concern expressed by my friend from Iowa that our education, health, and workforce improvement efforts are threatened by unmet needs for nutritional assistance. I too hope that the Budget Committee responds to the needs that our hunger relief legislation addresses, by including a reserve fund of \$2.5 billion over five years.

Mr. KENNEDY. My good friend from Pennsylvania makes an excellent point about investigating hunger in his state. He has shown impressive leadership throughout our deliberations on hunger during this Congress, and helped hone our proposal to target the most urgent needs. From my many discussions with Senator SPECTER, I know that he has carefully investigated the hardships faced by his constituents in Pennsylvania. I urge every Senator in this Chamber to follow his example. In Massachusetts:

An eleven-year-old child in Brighton reported to investigators last year that "Sometimes I'm really hungry. Sometimes I have nothing to eat but Cheerios and milk. . . . I wake up and I can't go back to sleep because I have stomach pain. Then I wake up in the morning and I feel sick. I wish that every time we need food, we just had it in the fridge."

A mother in Springfield worried, "Should my kids sit in the dark or should they go hungry? One of my kids has multiple handicaps, so I have to pay the utility bills to have heat and light. But, then we have no food."

A 12-year-old youngster in Dorchester reports, "When I'm hungry I feel like I'm dying. I eat ice because it fills me up with water. . . . When I don't eat, in school I get sleepy and bored."

When I looked at studies conducted throughout the Commonwealth of Massachusetts, I found that 35 percent of Massachusetts food bank and soup kitchen clients are under 18 years old. Moreover, 63 percent of Massachusetts community food providers have reported an increase in demand for food aid in the last year, with 49 percent of programs noting an increase in demand among families with children. This evidence of ongoing urgent needs is inconsistent with the fact that 118,000 people

in Massachusetts left food stamp roles in the three years preceding September 1998 even though during this time the number of people living in poverty increased by 50,000. I think that if any Senator conducts a similar review of the data, unfortunately a similar picture will emerge.

Mr. LEAHY. The needs described so well by my colleagues are pervasive, urgent, and fully within our means to address. Hunger has a cure. As ranking member of the Agriculture Subcommittee on Research, Nutrition, and General Legislation, I will do all I can to pass the Hunger Relief Act this year. I respectfully and insistently ask the Budget Committee to cooperate in creating a \$2.5 billion reserve for this purpose.

Mr. JEFFORDS. Hunger in this time of prosperity should not be tolerated by people of any party affiliation. The American people overwhelmingly support hunger relief efforts, and many of them volunteer their time and resources to help in their communities. I'm encouraged that the groundwork for modest hunger relief has been laid entirely in a bipartisan spirit, and should continue this way through passage of legislation that the experts on the Agriculture Committee have perfected. I join my colleagues from both sides of the aisle in inviting the Budget Committee to preserve this spirit as it reserves \$2.5 billion over five years for hunger relief legislation. This will produce a significant bipartisan, moderate accomplishment this session for people in obvious need.

Mr. DASCHLE. In this time of instant millionaires, it's easy to close our eyes to the fact that people, particularly children, go hungry in this country. But hunger is a fact and it's a national tragedy. It's particularly troubling that many working families find themselves short of food.

When Congress enacted welfare reform in 1996, we worked to ensure that families would have the support they need to get off welfare. Food stamps are a critical part of that support. Yet food stamp enrollment has declined more rapidly than the poverty data would suggest is warranted.

The policies we are talking about today are urgently needed to reduce hunger in this country, particularly in working families that need extra help as they work to become self-sufficient.

I commend the Senators who have spoken today for their efforts to address the serious problem of hunger in America. A number of us met recently with Secretary Glickman to discuss this issue. I look forward to working with them to enact hunger relief legislation this year and urge the Budget Committee to reserve \$2.5 billion for this effort.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from Massachusetts for that colloquy.

In completing at least the unanimous consent list of amendments, the distin-

guished Senator from Wisconsin, Mr. KOHL, has offered an amendment which is in the form of language he has presented to me. I ask unanimous consent that the Kohl amendment be made a part of the managers' amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. I further ask unanimous consent that Senator GRAMS of Minnesota be added as a cosponsor to the Kohl amendment which is now part of the managers' amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Managers' amendment (No. 2887), as modified, is as follows:

On page 2, strike the table of contents and insert the following:

Sec. 1. Short title; table of contents.

TITLE I—CROP INSURANCE COVERAGE

Sec. 101. Quality adjustment.

Sec. 102. Prevented planting.

Sec. 103. Payment of portion of premium by Corporation.

Sec. 104. Assigned yields.

Sec. 105. Multiyear disaster actual production history adjustment.

Sec. 106. Noninsured crop disaster assistance program.

Sec. 107. Crop insurance coverage for rice.

TITLE II—RESEARCH AND PILOT PROGRAMS

Sec. 201. Research and pilot programs.

Sec. 202. Research and development contracting authority.

Sec. 203. Choice of risk management options.

Sec. 204. Risk management innovation and competition pilot program.

Sec. 205. Education and research.

Sec. 206. Conforming amendments.

TITLE III—ADMINISTRATION

Sec. 301. Board of Directors of Corporation.

Sec. 302. Good farming practices.

Sec. 303. Sanctions for program noncompliance and fraud.

Sec. 304. Oversight of agents and loss adjusters.

Sec. 305. Adequate coverage for States.

Sec. 306. Records and reporting.

Sec. 307. Fees for plans of insurance.

Sec. 308. Limitation on double insurance.

Sec. 309. Specialty crops.

Sec. 310. Federal Crop Insurance Improvement Commission.

Sec. 311. Highly erodible land and wetland conservation.

Sec. 312. Projected loss ratio.

Sec. 313. Compliance with State licensing requirements.

TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Improved risk management education.

Sec. 402. Sense of the Senate regarding the Federal crop insurance program.

TITLE V—EFFECTIVE DATES; TERMINATION OF AUTHORITY

Sec. 501. Effective dates.

Sec. 502. Termination of authority.

On page 7, strike lines 13 through 15 and insert the following:

“(F) CROP YEARS.—This paragraph shall apply to each of the 2001 through 2004 crop years.”

On page 10, line 2, strike “or greater than 75 percent” and insert “75, 80, or 85 percent”.

On page 13, line 5, strike “or greater than”.

On page 13, strike lines 20 through 22 and insert the following:

“(F) In the case of additional coverage equal to 80 percent of the recorded or ap-

praised average yield indemnified at 100 percent of the expected market price, or a comparable coverage for a plan of insurance that is not based on yield, the amount shall be equal to the sum of—

“(i) 38 percent of the amount of the premium established for coverage at 80 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price under subsection (d)(2)(D)(i); and

“(ii) the amount of operating and administrative expenses determined under subsection (d)(2)(D)(ii).

“(G) In the case of additional coverage equal to 85 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price, or a comparable coverage for a plan of insurance that is not based on yield, the amount shall be equal to the sum of—

“(i) 28 percent of the amount of the premium established for coverage at 85 percent of the recorded or appraised average yield indemnified at 100 percent of the expected market price under subsection (d)(2)(D)(i); and

“(ii) the amount of operating and administrative expenses determined under subsection (d)(2)(D)(ii).

“(H) Subparagraphs (A) through (G) shall apply to each of fiscal years 2001 through 2004.”

On page 23, after line 25, add the following:
SEC. 107. CROP INSURANCE COVERAGE FOR RICE.

Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) (as amended by section 102(a)) is amended by adding at the end the following:

“(8) SPECIAL PROVISIONS FOR RICE.—Notwithstanding any other provision of this title, beginning with the 2001 crop of rice, the Corporation shall offer plans of insurance, including prevented planting coverage and replanting coverage, under this title that cover losses of rice resulting from failure of irrigation water supplies due to drought and saltwater intrusion.”

On page 25, line 13, strike “and”.

On page 25, line 15 after “livestock” insert “and livestock products”.

On page 25, line 15, strike the period at the end and insert a semicolon.

On page 25, between lines 15 and 16, insert the following:

“(H) subject to paragraph (7), after October 1, 2000, salmon; and

“(I) subject to paragraph (7), after October 1, 2000, loss of or damage to trees or fruit affected by plum pox virus (commonly known as ‘sharka’), including quarantined trees or fruit.

On page 27, line 2, strike “\$20,000,000” and insert “\$10,000,000”.

On page 27, line 4, strike “\$40,000,000” and insert “\$30,000,000”.

On page 27, line 6, strike “\$60,000,000” and insert “\$50,000,000”.

On page 27, line 8, strike “\$80,000,000” and insert “\$60,000,000”.

On page 27, line 10, insert “(3)(H),” after “(3)(G),”.

On page 32, line 17, strike “and”.

On page 32, line 20, strike the period and insert “; and”.

On page 32, between lines 20 and 21, insert the following:

“(IV) results in not less than 15 percent of payments being made to producers in States in which—

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

“(ii) the Secretary of Agriculture determines that the state is underserved by federal crop insurance.”

On page 41, line 17, strike “516(b)(2)(C)” and insert “516(a)(2)(C)”.

On page 44, strike line 19 and insert the following:

period at the end and inserting “; and”; and
 On page 45, strike line 2 and insert the following:
 fiscal year.”.

On page 45, strike line 3 and insert the following:

SEC. 204. RISK MANAGEMENT INNOVATION AND COMPETITION PILOT PROGRAM.

Section 522 of the Federal Crop Insurance Act (as amended by section 203(a)) is amended by adding at the end the following:

“(d) RISK MANAGEMENT INNOVATION AND COMPETITION.—

“(1) PURPOSE.—The purpose of the pilot program established under this subsection is to determine what incentives are necessary to encourage approved insurance providers to—

“(A) develop and offer innovative risk management products to producers;

“(B) rate premiums for risk management products; and

“(C) competitively market the risk management products.

“(2) ESTABLISHMENT.—

“(A) IN GENERAL.—The Corporation shall establish a pilot program under which approved insurance providers may propose for approval by the Board risk management products involving—

“(i) loss of yield or revenue insurance coverage for 1 or more commodities (including commodities that are not insurable under this title as of the date of enactment of this section, but excluding livestock);

“(ii) rates of premium for the risk management product; or

“(iii) underwriting systems for the risk management product.

“(B) SUBMISSION TO BOARD.—The Board shall review and approve a risk management product before the risk management product may be marketed under this subsection.

“(C) DETERMINATION BY BOARD.—The Board may approve a risk management product for subsidy and reinsurance under this title if the Board determines that—

“(i) the interests of producers of commodities are adequately protected by the risk management product;

“(ii) premium rates charged to producers are actuarially appropriate (within the meaning of section 508(h)(3)(E));

“(iii) the underwriting system of the risk management product is appropriate and adequate;

“(iv) the proposed risk management product is reinsured under this title, is reinsured through private reinsurance, or is self-insured;

“(v) the size of the proposed pilot area is adequate;

“(vi) insurance protection against the risk covered by the proposed risk management product is not generally available from private plans of insurance that are not covered by this title; and

“(vii) such other requirements of this title as the Board determines should apply to the risk management product are met.

“(D) CONFIDENTIALITY.—

“(i) IN GENERAL.—All information concerning a risk management product shall be considered to be confidential commercial or financial information for the purposes of section 552(b)(4) of title 5, United States Code.

“(ii) STANDARD.—If information concerning a risk management product of an approved insurance provider could be withheld by the Secretary under the standard for privileged or confidential information pertaining to trade secrets and commercial or financial information under section 552(b)(4) of title 5, United States Code, the information shall not be released to the public.

“(3) MARKETING OF RISK MANAGEMENT PRODUCTS.—

“(A) DEFINITION OF ORIGINAL PROVIDER.—In this paragraph, the term ‘original provider’ means an approved insurance provider that submits a risk management product to the Board for approval under paragraph (2).

“(B) AUTHORITY TO MARKET.—If the Board approves a risk management product under paragraph (2), subject to subparagraph (C), only the original provider may market the risk management product.

“(C) FEE.—

“(i) IN GENERAL.—An approved insurance provider (other than the original provider) that desires to market a risk management product shall pay a fee to the original provider for the right to market the risk management product.

“(ii) AMOUNT.—The original provider shall determine the amount of the fee under clause (i).”.

SEC. 205. EDUCATION AND RESEARCH.

Section 522 of the Federal Crop Insurance Act (as amended by section 204) is amended by adding at the end the following:

“(e) EDUCATION AND RESEARCH.—

“(1) IN GENERAL.—The Corporation shall establish the programs described in paragraphs (2) and (3), respectively, for the 2001-2004 fiscal years, not to exceed the funding limitations established in paragraph (4).

“(2) EDUCATION AND INFORMATION.—The Corporation shall establish a program of education and information for States in which—

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

“(ii) the Secretary of Agriculture determines that the state is underserved by federal crop insurance.

“(3) RESEARCH AND DEVELOPMENT.—The Corporation shall establish a program of research and development to develop new approaches to increasing participation in States in which—

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

“(ii) the Secretary of Agriculture determines that the state is underserved by federal crop insurance.

“(4) FUNDING.—The following amounts shall be transferred from funds made available in section 516(a)(2)(C) for the Choice of Risk Management Options pilot program—

“(A) for the Education, Information and Insurance Provider Recruitment program in paragraph (2), \$10,000,000 for each of fiscal years 2001 through 2004.

“(B) for the Research and Development program in paragraph (3) \$5,000,000 for each of fiscal years 2001-2004.”.

SEC. 206. CONFORMING AMENDMENTS.

On page 65, line 23, strike “section 102(a)” and insert “section 107”.

On page 65, line 25, strike “(8)” and insert “(9)”.

On page 72, lines 18 and 19, strike “section 204(a)(2)” and insert “section 206(a)(2)”.

On page 77, strike lines 1 through 7 and insert the following:

“(2) PURCHASE DURING INSURANCE PERIOD.—A producer of a specialty crop may purchase new coverage or increase coverage levels for the specialty crop at any time during the insurance period, subject to a 30-day waiting period and an inspection by the insurance provider to verify acceptability by the insurance provider, if the Corporation determines that the risk associated with the crop can be adequately rated.

On page 79, strike line 8 and all that follows through page 91, line 11, and insert the following:

SEC. 310. FEDERAL CROP INSURANCE IMPROVEMENT COMMISSION.

Section 515 of the Federal Crop Insurance Act (7 U.S.C. 1515) is amended to read as follows:

“SEC. 515. FEDERAL CROP INSURANCE IMPROVEMENT COMMISSION.

“(a) DEFINITIONS.—In this section:

“(1) COMMISSION.—The term ‘Commission’ means the Federal Crop Insurance Improvement Commission established by subsection (b).

“(b) ESTABLISHMENT OF COMMISSION.—There is established a Commission to be known as the ‘Federal Crop Insurance Improvement Commission’.

“(c) MEMBERSHIP.—

“(1) IN GENERAL.—The Commission shall be composed of the following 13 members:

“(A) The Under Secretary for Farm and Foreign Agricultural Services of the Department.

“(B) The manager of the Corporation.

“(C) The Chief Economist of the Department or a person appointed by the Chief Economist.

“(D) An employee of the Office of Management and Budget, appointed by the Director of the Office of Management and Budget.

“(E) A representative of the National Association of Insurance Commissioners, experienced in insurance regulation, appointed by the Secretary.

“(F) Representatives of 4 approved insurance providers or related organizations that provide advisory or analytical support to the crop insurance industry, appointed by the Secretary.

“(G) 2 agricultural economists from academia, appointed by the Secretary.

“(H) 2 representatives of major farm organizations and farmer-owned cooperatives, appointed by the Secretary.

“(2) TIME OF APPOINTMENT.—The members of the Commission shall be appointed not later than 60 days after the date of enactment of the Risk Management for the 21st Century Act.

“(3) TERM.—A member of the Commission shall serve for the life of the Commission.

“(d) DUTIES.—The Commission shall review and make recommendations concerning the following issues:

“(1) The extent to which approved insurance providers should bear the risk of loss for federally subsidized crop insurance.

“(2) Whether the Corporation should—

“(A) continue to provide financial assistance for the benefit of agricultural producers by reinsuring coverage written by approved insurance providers; or

“(B) provide assistance in another form, such as by acting as an excess insurer.

“(3) The extent to which development of new insurance products should be undertaken by the private sector, and how to encourage such development.

“(4) How to focus research and development of new insurance products to include the development of—

“(A) new types of products such as combined area and yield and whole farm revenue coverages; and

“(B) insurance products for specialty crops.

“(5) The use by the Corporation of private sector resources under section 507(c).

“(6) The progress of the Corporation in reducing administrative and operating costs of approved insurance providers under section 508(k)(5).

“(7) The identification of methods, and of organizational, statutory, and structural changes, to enhance and improve—

“(A) delivery of reasonably priced crop insurance products to agricultural producers;

“(B) loss adjustment procedures;

“(C) good farming practices;

“(D) the establishment of premiums; and

“(E) compliance with this title (including regulations issued under this title, the terms and conditions of insurance coverage, and adjustments of losses).

“(e) COMMISSION OPERATIONS.—

“(1) CHAIRPERSON; VOTING.—The Under Secretary for Farm and Foreign Agricultural Services of the Department of Agriculture shall—

“(A) serve as Chairperson of the Commission; and

“(B) vote in the case of a tie.

“(2) MEETINGS.—The Commission shall meet regularly, but not less than 6 times per year.

“(3) DISCLOSURE.—To the extent that the records, papers, or other documents received, prepared, or maintained by the Commission are subject to public disclosure, the documents shall be available for public inspection and copying at the Office of Risk Management.

“(f) FINAL REPORT.—

“(1) IN GENERAL.—Not later than 2 years after the date of enactment of the Risk Management for the 21st Century Act, the Commission shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a final report on the review under subsection (d).

“(2) COPIES.—The Commission shall provide copies of the final report to—

“(A) the Secretary; and

“(B) the Board.

“(3) INTERIM REPORTS.—To expedite completion of the work of the Commission, the Commission may submit 1 or more interim reports or reports on 1 or more of the issues to be reviewed.

“(g) TERMINATION.—The Commission shall terminate on the earlier of—

“(1) 60 days after the date on which the Commission submits the final report under subsection (f); or

“(2) September 30, 2004.

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

On page 92, strike lines 7 through 13 and insert the following:

SEC. 312. PROJECTED LOSS RATIO.

Section 506(o) of the Federal Crop Insurance Act (7 U.S.C. 1506(o)) is amended by striking paragraph (2) and inserting the following:

“(2) PROJECTED LOSS RATIO.—The Corporation shall take such actions, including the establishment of adequate premiums, as are necessary to improve the actuarial soundness of Federal multiperil crop insurance made available under this title to achieve—

“(A) during the period beginning on October 1, 1998, and ending with the 2001 crop year, an overall projected loss ratio of not greater than 1.075; and

“(B) beginning with the 2002 crop year, an overall projected loss ratio of not greater than 1.0.”.

SEC. 313. COMPLIANCE WITH STATE LICENSING REQUIREMENTS.

Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) (as amended by section 206(a)(1)) is amended by adding at the end the following:

“(n) COMPLIANCE WITH STATE LICENSING REQUIREMENTS.—Any person that sells or solicits the purchase of a policy or plan of insurance or adjusts losses under this title, including catastrophic risk protection, in any State shall be licensed and otherwise qualified to do business in that State, and shall comply with all State regulation of such sales and solicitation activities (including commission and anti-rebating regulations), as required by the appropriate insurance regulator of the State in accordance with the relevant insurance laws of the State.”.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. IMPROVED RISK MANAGEMENT EDUCATION.

Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is amended by adding at the end the following:

“SEC. 409. IMPROVED RISK MANAGEMENT EDUCATION FOR AGRICULTURAL PRODUCERS.

“(a) DEFINITIONS.—In this section:

“(1) CENTER.—The term ‘Center’ means a Risk Management Education Coordinating Center established under subsection (c)(1).

“(2) LAND-GRANT COLLEGE.—The term ‘land-grant college’ means any 1862 Institution, 1890 Institution, or 1994 Institution.

“(b) PROGRAM.—

“(1) IN GENERAL.—The Secretary shall carry out a program to improve the risk management skills of agricultural producers, including the owners and operators of small farms, limited resource producers, and other targeted audiences, to make informed risk management decisions.

“(2) PURPOSE.—The program shall be designed to assist a producer to develop the skills necessary—

“(A) to understand the financial health and capability of the producer’s operation to withstand price fluctuations, adverse weather, environmental impacts, diseases, family crises, and other risks;

“(B) to understand marketing alternatives, how various commodity markets work, the use of crop insurance products, and the price risk inherent in various markets; and

“(C) to understand legal, governmental, environmental, and human resource issues that impact the producer’s operation.

“(c) COORDINATING CENTERS.—

“(1) ESTABLISHMENT AND PURPOSE.—The Secretary shall establish a Risk Management Education Coordinating Center in each of 5 regions of the United States (as determined by the Secretary) to administer and coordinate the provision of risk management education to producers and their families under the program in that region.

“(2) SITE SELECTION.—

“(A) IN GENERAL.—The Secretary shall locate the Center for a region at—

“(i) a risk management education coordinating office of the Cooperative State Research, Education, and Extension Service that is in existence at a land-grant college on the date of enactment of this section; or

“(ii) an appropriate alternative land-grant college in the region approved by the Secretary.

“(B) LAND-GRANT COLLEGES.—To be selected as the location for a Center, a land-grant college must have the demonstrated capability and capacity to carry out the priorities, funding distribution requirements, and reporting requirements of the program.

“(d) COORDINATING COUNCIL.—

“(1) ESTABLISHMENT.—Each Center shall establish a coordinating council to assist in establishing the funding and program priorities for the region for which the Center was established.

“(2) MEMBERSHIP.—Each council shall consist of a minimum of 5 members, including representatives from—

“(A) public organizations;

“(B) private organizations;

“(C) agricultural producers; and

“(D) the Regional Service Offices of the Risk Management Agency in that region.

“(e) CENTER ACTIVITIES.—

“(1) INSTRUCTION FOR RISK MANAGEMENT PROFESSIONALS.—Each Center shall coordinate the offering of intensive risk management instructional programs, involving classroom learning, distant learning, and field training work, for professionals who

work with agricultural producers, including professionals who are—

“(A) extension specialists;

“(B) county extension faculty members;

“(C) private service providers; and

“(D) other individuals involved in providing risk management education.

“(2) EDUCATION PROGRAMS FOR PRODUCERS.—Each Center shall coordinate the provision of educational programs, including workshops, short courses, seminars, and distant-learning modules, to improve the risk management skills of agricultural producers and their families.

“(3) DEVELOPMENT AND DISSEMINATION OF MATERIALS.—Each Center shall coordinate the efforts to develop new risk management education materials and the dissemination of such materials.

“(4) COORDINATION OF RESOURCES.—

“(A) IN GENERAL.—Each Center shall make use of available and emerging risk management information, materials, and delivery systems, after careful evaluation of the content and suitability of the information, materials, and delivery systems for producers and their families.

“(B) USE OF AVAILABLE EXPERTISE.—To assist in conducting the evaluation under subparagraph (A), each Center shall use available expertise from land-grant colleges, non-governmental organizations, government agencies, and the private sector.

“(f) GRANTS.—

“(1) SPECIAL GRANTS.—Each Center shall reserve a portion of the funds provided under this section to make special grants to land-grant colleges and private entities in the region to conduct 1 or more of the activities described in subsection (e).

“(2) COMPETITIVE GRANTS.—Each Center shall reserve a portion of the funds provided under this section to conduct a competitive grant program to award grants to both public and private entities that have a demonstrated capability to conduct 1 or more of the activities described in subsection (e).

“(g) NATIONAL AGRICULTURE RISK EDUCATION LIBRARY.—The National Agriculture Risk Education Library shall—

“(1) serve as a central agency for the coordination and distribution of risk management educational materials; and

“(2) provide a means for the electronic delivery of risk management information and materials.

“(h) FUNDING PROVISIONS.—

“(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$30,000,000 for fiscal year 2001 and each subsequent fiscal year.

“(2) DISTRIBUTION.—

“(A) NATIONAL AGRICULTURE RISK EDUCATION LIBRARY.—For each fiscal year, of the funds made available to carry out this section, 2.5 percent shall be distributed to the National Agriculture Risk Education Library.

“(B) CENTERS.—For each fiscal year, the remainder of the funds made available to carry out this section shall be distributed equally among the Centers.

“(C) ADMINISTRATION BY LAND-GRANT COLLEGES.—The land-grant college at which a Center is located shall be responsible for administering and disbursing funds described in subparagraph (B), in accordance with applicable State and Federal financial guidelines, for activities authorized by this section.

“(3) PROHIBITION ON CONSTRUCTION.—

“(A) LOCATION OF CENTERS.—Each Center shall be located in a facility in existence on the date of enactment of this section.

“(B) PROHIBITION.—Funds provided under this section shall not be used to carry out construction of any facility.

“(i) EVALUATION.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall evaluate the activities of each Center to determine whether the risk management skills of agricultural producers and their families are improved as a result of their participation in educational activities financed using funds made available under subsection (h).”

SEC. 402. SENSE OF THE SENATE REGARDING THE FEDERAL CROP INSURANCE PROGRAM.

It is the sense of the Senate that—

(1) farmer-owned cooperatives play a valuable role in achieving the purposes of the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) by—

(A) encouraging producer participation in the Federal crop insurance program;

(B) improving the delivery system for crop insurance; and

(C) helping to develop new and improved insurance products;

(2) the Risk Management Agency, through its regulatory activities, should encourage efforts by farmer-owned cooperatives to promote appropriate risk management strategies among their membership;

(3) partnerships between approved insurance providers and farmer-owned cooperatives provide opportunity for agricultural producers to obtain needed insurance coverage on a more competitive basis and at a lower cost;

(4) the Risk Management Agency is following an appropriate regulatory process to ensure the continued participation by farmer-owned cooperatives in the delivery of crop insurance;

(5) efforts by the Risk Management Agency to finalize regulations that would incorporate the currently approved business practices of cooperatives participating in the Federal crop insurance program should be commended; and

(6) not later than 180 days after the date of enactment of this Act, the Federal Crop Insurance Corporation should complete promulgation of the proposed rule entitled “General Administrative Regulations; Premium Reductions; Payment of Rebates, Dividends, and Patronage Refunds; and Payments to Insured-Owned and Record-Controlling Entities”, published by the Federal Crop Insurance Corporation on May 12, 1999 (64 Fed. Reg. 25464), in a manner that—

(A) effectively responds to comments received from the public during the rule-making process;

(B) provides an effective opportunity for farmer-owned cooperatives to assist the members of the cooperatives to obtain crop insurance and participate most effectively in the Federal crop insurance program;

(C) incorporates the currently approved business practices of farmer-owned cooperatives participating in the Federal crop insurance program; and

(D) protects the interests of agricultural producers.

TITLE V—EFFECTIVE DATES; TERMINATION OF AUTHORITY

SEC. 501. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsections (b) and (c)(2) and section 502(a), this Act and the amendments made by this Act take effect on the date of enactment of this Act.

On page 92, line 15, insert “subsection (c)(2) and” after “carry out”.

On page 92, line 17, strike “204” and insert “206”.

Beginning on page 92, strike line 23 and all that follows through page 93, line 9, and insert the following:

(2) INDEMNITY PAYMENTS FOR CERTAIN PRODUCERS OF DURUM WHEAT.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, notwithstanding section 508(c)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)(5)), a producer of durum wheat that purchased a 1999 Crop Revenue Coverage wheat policy by the sales closing date prescribed in the actuarial documents in the county where the policy was sold shall receive an indemnity payment in accordance with the policy.

(B) BASE AND HARVEST PRICES.—The base price and harvest price under the policy shall be determined in accordance with the Commodity Exchange Endorsement for wheat published by the Federal Crop Insurance Corporation on July 14, 1998 (63 Fed. Reg. 37829).

(C) REINSURANCE.—Subject to subparagraph (B), notwithstanding section 508(c)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)(5)), the Corporation shall provide reinsurance with respect to the policy in accordance with the Standard Reinsurance Agreement.

(D) VOIDING OF BULLETIN.—Bulletin MGR-99-004, issued by the Administrator of the Risk Management Agency of the Department of Agriculture, is void.

(E) EFFECTIVE DATE.—This paragraph takes effect on October 1, 2000.

On page 93, line 10, strike “SEC. 402.” and insert “SEC. 502.”.

On page 94, strike lines 1 and 2 and insert the following:

1508(a) is amended by redesignating paragraph (8) (as added by section 107) and paragraph (9) (as added by section 305) as paragraph (7) and paragraph (8), respectively.

On page 94, line 5, strike “203” and insert “205”.

On page 94, line 24, strike “subsection (c)” and insert “subsections (c), (d), and (e)”.

On page 45, between lines 2 and 3, insert the following:

SEC. 204. OPTIONS PILOT PROGRAM.

(a) IN GENERAL.—Section 191 of the Agricultural Market Transition Act (7 U.S.C. 7331) is amended—

(1) in the first sentence of subsection (a), by striking “2002” and inserting “2004”;

(2) in subsection (b)—

(A) in the first sentence, by striking “100 counties, except that not more than 6” and inserting “300 counties, except that not more than 25”;

(B) in the second sentence, by striking “2002” and inserting “2004”; and

(3) in subsection (c)(2), by inserting before the semicolon the following: “during any calendar year in which a county in which the farm of the producer is located is authorized to operate the pilot program”.

(b) FUNDING.—From amounts made available under section 516(a)(2)(C) of the Federal Crop Insurance Act (7 U.S.C. 1516(a)(2)(C)) (as added by section 203(b)(2)(C)) for the choice of risk management options pilot program, the Federal Crop Insurance Corporation shall transfer to the Secretary of Agriculture to carry out the amendments made by subsection (a) \$27,000,000 for each of fiscal years 2002 through 2004.

On page 45, line 3, strike “SEC. 204.” and insert “SEC. 205.”.

On page 72, line 19, strike “204(a)(2)” and insert “205(a)(2)”.

On page 92, line 17, strike “204” and insert “205”.

Mr. LUGAR. Mr. President, this completes the amendments list. At this point, I yield the floor to Senators who wish to speak on the bill.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. I thank the Chair.

I am very pleased to support a crop insurance reform bill that has been a

long while in the making. I compliment the chairman of the Senate Agriculture Committee for his diligence in this. He has certainly worked hard and put forth a great effort in working with all of us to come up with a final product. I appreciate his diligence and patience and all his hard work and wisdom that have gone into it.

As we all know, the Budget Committee included funds to reform our ailing Crop Insurance Program last year. I have been working diligently with the Senate Agriculture Committee to develop a bill that will improve the current program because for us in the South, the current program doesn't work. What we are considering today is the result of the efforts and hard work of all of us.

I believe this bill makes fundamental changes to the existing Federal Crop Insurance Program that are necessary to make crop insurance more workable and affordable for producers across the country, and I urge its passage. Congress has been attempting to eliminate the ad hoc disaster program for years because it is not the most effective way of helping our farmers who suffer yield losses.

Last year, Senator COCHRAN and I introduced a comprehensive bill that addressed what we saw as the various reforms necessary in the Crop Insurance Program. I am pleased that many of those provisions are included in the bill we are considering today.

As we all know, the Government's role in farm programs has changed. The 1996 farm bill phased out our traditional support for our farmers, and the current farm programs require producers to assume more risk than ever before.

Due to the agricultural economic crisis we are experiencing, there has been much discussion lately on the issues of the safety net for our Nation's producers. On that point, I will be perfectly clear. Crop insurance is a risk management tool to help producers guard against yield loss. It was not created and was never intended to be, and will never be, the end-all, be-all solution for the income needs of our Nation's producers.

As the crop insurance reform debate proceeds, I am hopeful my colleagues will be cognizant of the various needs in the agricultural community and recognize that while crop insurance is an important part of the safety net, it is not and should not be the only income guard for our Nation's farmers.

In Arkansas, the last estimates I heard indicated that fewer than 2 percent of our cotton producers were participating in the buy-up program. Buy-up coverage for all commodities in Arkansas historically is below 20 percent. That tells me the producers in my home State don't think crop insurance is currently providing the kind of help they need.

In the South, we traditionally grow capital-intensive crops. As we have

grown these crops in the past, and certainly as we will in the future, the way the current Crop Insurance Program is structured, the rating program has never suited our needs or made it a good business decision for southern farmers to purchase crop insurance. This bill establishes a process for re-evaluating crop insurance rates for all crops and for lowering those rates if warranted.

It was only after pressure from Congress last year that the risk management agency reduced rates by as much as 50 percent for cotton in Arkansas and the Midsouth. The provision included in today's bill will require further review of all southern commodities in the rating structure. By making the Crop Insurance Program more affordable, additional producers will be encouraged to participate in the program and protect themselves against the unforeseeable factors that will be working against them once they put a crop into the ground. This is the ultimate goal, to get more participation in our insurance program.

The bill also provides for an enhanced subsidy structure so producers are encouraged to buy up from their current level of coverage. The structure included in this bill will make the step from catastrophic to buy-up easier for producers and will make obtaining the highest level of coverage easier for those who are already participating in the Crop Insurance Program.

In an attempt to improve the record-keeping process within USDA, this legislation also requires that FSA and RMA coordinate their recordkeeping activities. Current USDA recordkeeping, split between FSA and the RMA, is redundant and insufficient. By including both Crop Insurance Program participants and nonprogram participants in the process, we hope to enhance the agricultural data held by the agency and make acreage and yield reporting less of a hassle for already overburdened producers.

In addition, this bill establishes a role for consultation with State FSA committees in the introduction of new coverage to a State. The need for this provision was made abundantly clear to Arkansas' rice producers last spring.

A private insurance policy was offered to farmers at one rate, only to have the company reduce the rate once the amount of potential exposure was realized.

In my discussions with various executives from the company on this issue it became apparent that their knowledge of the rice industry was fairly minimal. Had they consulted with local FSA committees who had a working knowledge of the rice industry before introduction of the policy, the train wreck that occurred might have been stopped in its tracks.

I am pleased that another reform measure that I worked on has been included to help rice producers suffering losses caused by drought.

Recent droughts have left many Arkansas farmers with low reservoirs and

depleting aquifers. If rains do not replenish them, an adequate irrigation supply may not exist by summer.

In addition, drought conditions in Louisiana have caused salt to intrude into the water supply used for irrigation on many farms. Current law states that rice is excluded from drought policies because it is irrigated. This is not equitable since rice producers do suffer losses due to drought.

I have worked with Senators BREAUX and LANDRIEU to provide these policies for our rice producers who are experiencing reduced irrigation opportunities due to the severe drought conditions that have plagued the South for the last two years. I am pleased that this provision has been included in the bill. I thank Senators LANDRIEU and BREAUX for their hard work on it.

Many of the problems associated with the crop insurance program have been addressed in previous reform measures. However, fraud and abuses are still present to some degree.

This bill strengthens the monitoring of agents and adjusters to combat fraud and enhances the penalties available to USDA for companies, agents and producers who engage in fraudulent activities.

There is simply no room for bad actors that recklessly cost the taxpayers money.

In closing, Mr. President, I was prepared during our committee markup earlier this month to offer an amendment related to a cooperative's role in the delivery of crop insurance.

I held off at that time due to concerns from the committee related to possible "rebating" ramifications and preemption of state law.

I am pleased that Senators KERREY and GRASSLEY, as well as the Risk Management Agency, were willing to work with me to include my amendment in this bill.

This amendment does nothing to preempt state law or even change current federal law. It simply provides that current approved business practices be maintained.

With the inclusion of my amendment Congress is recognizing the valuable role cooperatives play in the crop insurance program, specifically, encouraging producer participation in the crop insurance program, improving the delivery system for crop insurance, and helping to develop new and improved insurance products.

My amendment requires the Risk Management Agency to finalize regulations that would incorporate the currently approved business practices of cooperatives participating in the crop insurance program and to do so within 180 days of enactment of this act.

If farmer owned entities are not allowed to sell crop insurance, then anyone can sell crop insurance in America except an American farmer. Such a legal result would give the appearance that crop insurance is designed for a closed club to exploit farmers.

In my opinion, that appearance would inhibit broader use of crop insur-

ance, which is the overall objective we have been trying to reach. I don't believe that such a result is the intent of those who have put so much effort into improving the Crop Insurance Program, and I am pleased our amendment has been worked in.

Mr. President, I personally want to thank all of the staff members of the committee and the industry representatives who have helped in this effort. It certainly doesn't happen without their long hours of work, diligence, and perseverance in making all of this come together.

Arkansas farmers have told me time and time again that crop insurance isn't affordable for the amount of coverage they receive. As the program currently exists, it does not make sound business sense to purchase crop insurance in our State. Since this reform process began, I have been working to correct this inequity. I hope the changes we make today will lead to a Crop Insurance Program that is equitable, affordable, and effective.

I yield the floor.

Mr. LUGAR. Mr. President, the Senator from Alaska has asked the Senate to consider adding wild salmon to the list of crops for a pilot study is to be conducted as a basis for making federally-sponsored crop insurance available to fishermen. My understanding is that this is not the first time that the Department of Agriculture would be reviewing fish stocks for crop insurance. In the past, there was concern that wild fish can be too hard to track, and that fisheries managers don't really know when the stocks have failed. However, fisheries managers track fish stocks, especially wild salmon, very closely.

Mr. STEVENS. My good friend, the chairman of the Agriculture Committee, is correct. The State of Alaska has been managing wild salmon since statehood more than 40 years ago. In fact, one of the driving forces behind our statehood movement was to gain management control over our resources, particularly the salmon fisheries. I see my friend, the Senator from Kansas, may have a question on fisheries management.

Mr. ROBERTS. And is it true that fisheries managers can accurately predict how much fish can be caught from year-to-year?

Mr. STEVENS. The chairman of the Agriculture Committee is correct. Fisheries managers try to ensure that salmon returning to spawn reach their escapement goal, which is the number of spawners needed to return a healthy population of juveniles to the streams and oceans. Historically, managers can accurately estimate how many fish are expected to return based on the lifespan of the salmon and the escapement numbers from previous years. Fisheries managers also track historical trends, which are often linked to long term weather cycles, and their relationship to escapement numbers. The State of Alaska in particular uses in-season

management to ensure its pre-season escapement goals.

However, occasionally the fish do not return. For example, chum salmon runs in areas of western Alaska were at all time lows in 1997 and 1998. The low chum runs have had a devastating effect on the western Alaska economy. This exactly the type of crisis that could be alleviated by making crop insurance available to salmon fishermen. Fishermen are the farmers of the sea, and they deserve the same protections we afford to our farmers in the inland states.

Mr. LUGAR. I thank the Senator from Alaska for informing us of these aspects of fish harvests.

Mr. STEVENS. I thank the Senator from Indiana and the Senator from Kansas for their hard work on this important legislation and for addressing my request.

Mr. DASCHLE. Mr. President, the farmers and ranchers of this country have been struggling with terrible economic conditions over the past three years. They have seen their prices collapse and remain at, or in many cases below, the cost of production. Not only have farmers in my state and across the country endured these low prices, they have also been subject to the unpredictable forces of droughts, floods and crop disease.

We have before us a bill that will help farmers and ranchers survive these bad times and manage production risks. S. 2251, the Risk Management for the 21st Century Act, is a comprehensive approach to reforming and improving crop insurance for producers across the country. It will make the federal crop insurance program more affordable and effective.

Currently, the government provides subsidies for multi-peril crop insurance, but subsidies are progressively less at higher levels of coverage. This aspect of the crop insurance program often has the effect of restricting farmers from investing in the most efficient levels of coverage for their farms. This bill inverts this subsidy, so the higher levels of coverage are subsidized at the highest levels. This makes meaningful and comprehensive coverage much more affordable to farmers in this country who rely on the program to manage their production risks.

This bill also addresses another issue of critical importance to farmers in South Dakota and nationwide. Many parts of the country have suffered devastating crop losses for several years in a row. As disastrous conditions persist, farmers' eligibility under the current crop insurance program decreases—the opposite of what common sense would dictate. This bill enables producers to protect and sustain their crop insurance eligibility so that crop insurance remains an economically viable option for them for the long term.

This legislation also authorizes the Risk Management Agency (RMA) to develop insurance products on a pilot basis for livestock producers. For too

long, we have excluded our cattle ranchers, hog producers, and other livestock producers from federal agriculture programs, including crop—or perhaps we should say “commodity”—insurance. This bill expands the flexibility of the program in this way so that more producers can benefit from this important investment.

This legislation also provides great benefits for producers of specialty crops. It improves catastrophic loss insurance coverage by increasing the access specialty crop farmers have to quality crop insurance policies. Current crop insurance policies do not cover the unique characteristics associated with the planting, growing, and harvesting of specialty crops. This bill will promote specialty crop producer participation in the federal crop insurance program, encourage higher levels of coverage than provided by catastrophic insurance, and enable those producers to make better planning and marketing decisions. Furthermore, the bill requires that at least fifty percent of the funds dedicated to research and development for new crop insurance products are focused on specialty crop product development. This legislation also specifically provides funds to the RMA to enter into public and private partnerships to develop specialty crop insurance policies, and authorizes funds for pilot programs that would be conducted at the state, regional, and national levels.

Finally, this bill eliminates the area trigger for the non-insured assistance program, making any grower whose crop is uninsurable and who experiences a federally-declared disaster eligible for disaster funds.

Some have shared a concern that this crop insurance plan does not adequately address the range of problems across the country. They should be assured that this bill was written with the input and support of lawmakers, farmers, and agricultural organizations from all regions of the country.

The crop insurance program has grown in popularity over the last several years. This bill will significantly improve an already important and successful program. Effective and affordable crop insurance is a vital part of an improved safety net that farmers and ranchers need to protect themselves from production risks, and to survive and succeed this year and in years to come.

But make no mistake. Passage of this bill is only one part of our overall effort to improve farm policy. We must consider the many other ways in which our current policies have contributed to the poor economic conditions plaguing our farmers and ranchers. I look forward to that debate.

Mr. COCHRAN. Mr. President, I commend the distinguished chairman of the committee, Mr. LUGAR, for his work on the legislation before the Senate today. The Senators from Kansas and Nebraska deserve commendation also because of their active influence in shaping this bill.

I wish I could support this effort to reform crop insurance, but it has a built in bias against Southern agriculture. I supported the measure that was put before the Committee by the Chairman and I voted against the substitute amendment that was offered during the committee markup by the Senators from Kansas and Nebraska. Their amendment prevailed, and it is now the pending business before the Senate. The Chairman's mark offered farmers a choice between higher government contributions to their crop insurance premium or a new risk management payment that they could use for eligible activities which lower the financial risk of their farming operation.

Farmers in Mississippi preferred the Lugar bill. Mississippi has the third lowest crop insurance participation rate in the country. This bill will not increase the participation rate in my state and I don't think it will eliminate the need for Congress to provide disaster assistance in the future.

The bill now before the Senate, while including some of the programmatic changes that I have advocated and introduced in a bill with the distinguished Senator from Arkansas, Mrs. LINCOLN, falls short of the reform that we have promised agriculture producers.

Here are two specific examples. First, it contains a subsidy structure which heavily favors regions of the country which already have high crop insurance participation rates and low premiums. This bill will make premiums even lower for those producers, while at the same time, effectively raising rates for producers that purchase coverage in the middle levels. The effect of this subsidy structure is that farmers who currently purchase catastrophic coverage and want to move into higher levels of coverage will only benefit from this legislation if they buy at the lowest and highest levels of coverage. Otherwise, they would be better off under current law.

Second, farming is not a “one-size-fits-all” enterprise, but some believe that crop insurance should be. This bill fails to provide benefits for those producers that find crop insurance to be uneconomical. Certainly many of the changes that are incorporated in this bill will result in lower premiums, but for some producers in Mississippi, that will not be enough.

I am encouraged that the Committee has provided \$500 million in a pilot program that may address the needs of those who find that crop insurance is not a good business decision. However, the funds provided are significantly less than those that were included in the Lugar bill and will likely not produce a program that will be meaningful. I hope that this amount will be increased in conference so that it can provide meaningful assistance while not setting dangerous precedents for future farm bill debates. I'm hopeful this legislation can be improved in conference with the other body.

Mr. President, I will vote no on this bill, I will work with the Chairman and other committee members to resolve these concerns in conference.

Mr. KOHL. Mr. President, I am pleased that my amendment to include dairy in this \$6 billion crop insurance bill has been accepted by the bill managers and I thank them for their cooperation. In particular, I want to thank Senators LUGAR, KERREY, ROBERTS, and DASCHLE for their assistance. I look forward to working with them prior to and during conference to ensure my amendment is part of the final bill reported by the conference committee.

Dairy farmers have for too long been without any risk management tools to help them manage the risk of milk price volatility. The Dairy Options Pilot Program, authorized by the 1996 farm bill, was set to expire in 2002 and would have reached its 100 county cap at the end this year. If we had allowed that to happen, we would have taken from dairy farmers this important educational risk management program at a time when milk prices have hit their lowest levels in more than two decades. The DOPP program helps farmers pay for the out-of-pocket costs of buying "put" options on the commodity exchanges while the pilot is in effect in their county. Equally important, the program requires that farmers participate in an education and training program on the use of the futures market for risk management purposes.

My amendment extends the Dairy Options Pilot Program until 2004 and raises the number of counties that can participate to 300. Moreover, the amendment raises the number of counties in each state that can participate from six to 25. This is important to Wisconsin since, at the end of this year, Wisconsin would have hit its county cap as well.

The DOPP, on top of forward contracting through their cooperatives or other milk buyers, provides dairy farmers with an additional risk management tool. It is a tool that will be available, under my amendment, to dairy farmers throughout the nation. It is a national program, not a regional program. And I hope my colleagues from other regions will join me in looking for every possible national tool we have to help dairy farmers across the United States.

This is, Mr. President—and I cannot stress this enough—only one of the many things we need to do to help dairy farmers struggle through increased dairy market volatility. Dairy farmers in my state are hurting right now. The DOPP, while important, is not the answer to the unacceptably low milk prices. We must do more—much, much more. DOPP, even with my amendment, will still be available to farmers in only 300 counties.

That is why I am also seeking \$500 million in additional dairy market loss payments to put more money in the pockets of dairy farmers. Farmers na-

tionwide need that help right now and I hope to work to provide that assistance through my role as ranking Democrat on the Agricultural Appropriations subcommittee.

I also want to work with my colleagues to craft a national dairy policy that will provide dairy farmers with a meaningful safety net that does not distort markets or provide unfair regional advantages.

But I am pleased that S. 2251 bill will make this one tool—the DOPP—available to more farmers. It is, Mr. President, the very least we can do. And I thank the managers for working with me to include this amendment in the bill.

Mr. MACK. Mr. President, I rise to make a few remarks regarding the Risk Management for the 21st Century Act.

Floridians know all too well the impact of natural disasters on the agriculture community. While I am proud of the ability of our growers to rebuild their farms after such devastating losses, enormous disaster aid bills only serve as a band-aid fix to the problem. We must work harder to ensure that all farmers have access to the necessary risk-management tools. This bill encourages growers to purchase appropriate levels of crop insurance, hopefully avoiding the band-aid fix in future appropriation measures.

Florida is the ninth leading agricultural state in the nation, with annual farm receipts totaling \$6 billion. The industry employs over 80,000 people and generates more than \$18 billion in related economic activity. In 1998, hard working Floridians produced more than 25 billion pounds of food, and more than 2 million tons of livestock feed. I am proud to say that Florida leads the nation in production of 18 major agricultural commodities including oranges, sugarcane and fresh tomatoes. With these statistics in mind, it is imperative to ensure that federal programs work with, not against, Florida's farmers.

As an original co-sponsor of S. 1401, the Specialty Crop Insurance Act of 1999, I support the effort to reduce the dependence of the specialty crop industry on catastrophic loss insurance coverage by improving its access to quality crop insurance policies. By failing to account for the unique characteristics associated with farming specialty crops, current crop insurance policies do not include many specialty crop producers.

Through promotion of affordable crop insurance policies, S. 1401 would increase specialty crop producer participation in the Federal Crop Insurance Program. Today's legislation, S. 2251, the Risk Management for the 21st Century Act, includes many of these specialty crop provisions.

This legislation requires that 50% of the funds dedicated to research and development for the new crop insurance products are focused on specialty crop product development. At a level of \$20 million per year, the legislation au-

thorizes the Risk Management Agency to enter into partnerships with private and public entities to increase the availability of risk management tools for specialty crops. The expertise of outside agencies will most certainly help the Risk Management Agency develop sound specialty crop insurance policies.

The Risk Management for the 21st Century Act also includes an expansion of Risk Management Agency pilot authority, removal of the Non-insured Assistance Program (NAP) area trigger, incentives for growers who purchase "buy-up" coverage, and it proposes a premium refund for low-risk producers. These reforms will ease our nation's growers dependence on short sighted disaster relief bills.

This bill is the product of countless hours of negotiation, and I believe it represents an incredible opportunity to improve our Federal Crop Insurance Program. The Agriculture Committee has been extremely helpful in including the interests of specialty crop producers, and I thank them for their time and effort. I urge my colleagues to support the Risk Management for the 21st Century Act.

Thank you, Mr. President. I yield the floor.

Mr. COVERDELL. Mr. President, I commend the Chairman for moving this issue forward today. One of Georgia farmers' biggest complaints has been the inadequacies of the crop insurance program. The current program does not work and needs to be substantially reformed. Georgia farmers and ranchers continue to experience severe financial difficulties as a result of the lowest commodity prices in a decade, the devastating loss of international markets, and back to back disasters. They need a crop insurance program that provides the most economic benefits possible. While Congress helped stave off disaster in rural America by providing economic and weather related loss assistance in the fiscal year 1999 and 2000, it is evident that more needs to be done. Farmers need risk management programs that provide some protection against weather related and economic losses beyond their control. As it currently stands, crop insurance is too expensive for most farmers and has resulted in a low participation rate by many Georgia farmers.

The legislation before us today, while not perfect by any means, is a step in the right direction. I am reluctantly supporting this measure in an effort to move the debate forward. I would like to thank the Chairman for all his efforts on this important issue. While we are disappointed, of course, that the Chairman's mark did not prevail in committee. The Chairman's bill would have allowed Georgia farmers to choose whether or not traditional crop insurance was a viable risk management tool for their farms. There is \$6 billion at stake though, and we need it to reform the program. The House has passed a bill with favorable provisions

for the Southeast. We intend to fight for perfections to the bill we pass today, so our region of the country is treated fairly.

The Roberts/Kerry bill has many important reform provisions that were included in the Cochran/Lincoln bill, of which I was proud to be a cosponsor. Some of these provisions included are increased subsidy rates for farmers, affordable specialty crop insurance policies, multi-year APH adjustments, equal prevented planting for all crops, and rating methodology reform. This bill also includes over \$400 million for a risk management pilot program which we hope to tailor to the Georgia farmers' needs. All in all, this bill needs to go forward. We will ultimately arrive at a program that will be much better for our farmers than the status quo.

Mr. GRAHAM. Mr. President, members of the Senate, I am proud to offer my support for the legislation. As many before me have said, this bill is the product of extended debate and compromise on all sides of this debate.

CROP INSURANCE IS A TOOL TO REDUCE
DISASTER AID

Over the last 3 years, we have passed large disaster aid packages to farmers. Over the last 2 years, we have spent billions of dollars in disaster relief for farmers.

Mr. President, Benjamin Franklin said it best: a stitch in time saves nine. If we invest in crop insurance, it will significantly lower the costs associated with agricultural disasters. The choice is simple: give farmers the tools they need to plan for catastrophic weather, or risk emergency, after-the-fact spending that impedes our ability to preserve social security.

Of particular interest to my state of Florida are the provisions in this legislation dealing with the needs of specialty crop producers. Agriculture in Florida has many different faces. There are 40,000 commercial farmers in the state.

In 1997, Florida farmers utilized a little more than 10 million of the state's nearly 35 million acres to produce more than 25 billion pounds of food and more than 2 million tons of livestock feed.

Florida ranks number nine nationally in the value of its farm products and number two in the value of its vegetable crops. Florida agriculture is not only valuable, but also diverse. Florida ranks number two nationally in horticulture production with annual sales of over \$1 billion. Florida grows 77 percent of U.S. grapefruits and 47 percent of the world supply. The state produces 75 percent of the nation's oranges and 20 percent of the world supply.

Florida's farmers led the Nation in the production of 18 major agriculture commodities in 1997 ranging from oranges and grapefruits, to a wide variety of vegetables, to tropical fish. Florida livestock and products sales were \$1.1 billion in 1997. Florida is the largest milk-producing State in the southeast. The bottom line for Florida agriculture is that our State has a wide variety of non-traditional crops.

On July 29, 1999 I introduced S. 1401, the Specialty Crop Insurance Act of 1999, with my colleagues Senators MACK, FEINSTEIN, BOXER, and BINGAMAN. This legislation sought to reduce the dependence of the specialty crop industry on catastrophic loss insurance coverage by improving its access to quality crop insurance policies.

Current crop insurance policies available for specialty crops do not cover the unique characteristics associated with the planting, growing, and harvesting of specialty crops. We need a different approach for this unique sector of U.S. agriculture.

Our legislation sought to promote the development and use of affordable specialty crop insurance policies. This action is intended to increase specialty crop producer participation in the Federal Crop Insurance Program, encourage higher levels of coverage than provided by catastrophic insurance, and encourage better planning and marketing decisions.

I am extremely pleased that the legislation we are considering today incorporates the provisions in my legislation.

(1) The biggest problem for specialty crop growers is availability of affordable policies. According to a 1999 GAO Report on USDA's progress in expanding crop insurance coverage for specialty crops, even after an expansion in policies available to specialty crops planned through 2001, the existing crop insurance program will fail to cover approximately 300 specialty crops that make up 15 percent of the market share.

To increase the availability of affordable crop insurance products, I proposed that we give the Risk Management Agency the resources and the ability to tap into expertise in the private sector during product development. S. 2251 accomplishes this goal.

The bill before us today requires that at least 50 percent of the funds dedicated to research and development for new crop insurance products are focused on specialty crop product development. Fifty percent of these funds are to be spent on outside contractors, giving those with expertise on specialty crops the opportunity to develop policies.

The legislation specifically authorizes \$20 million per year for RMA to enter into public and private partnerships to develop specialty crop insurance policies.

It also establishes a process to review new product development and ensure that crop insurance products are available to all agricultural commodities, including specialty crops.

I believe the actions taken by S. 2251 will give RMA the authority and resources it needs to use the expertise of the private sector to develop good crop insurance products for specialty crops.

(2) To further encourage development of new policies, I proposed expansion of the RMA pilot authority. This legislation authorizes funds for pilot pro-

grams. It allows pilots to be conducted on state, regional, and national basis for a period of four years to be extended if desired by RMA. S. 2251 also includes the authority for RMA to conduct a pilot program on crop insurance for timber, a provision I originally introduced on April 22 of last year in S. 868, the Forestry Initiative to Restore the Environment.

(3) Growers who do not have access to crop insurance policies depend on the Non-Insured Assistance Program (NAP). To ensure that aid from this program actually reaches farmers in need, I proposed elimination of the area trigger for non-insured assistance program, making any grower whose crop is uninsurable and experiences a federally-declared disaster, eligible for these funds. This bill does the same.

(4) My legislation took action to encourage growers to purchase buy-up coverage. The Risk Management for the 21st Century Act increases the rate for 50/100 coverage, the initial buy-up level after catastrophic coverage to 60 percent.

(5) To encourage farmers to take proactive risk management action, both my legislation and S. 2251 propose a premium refund for low-risk producers.

I believe that the provisions in the Risk Management for the 21st Century Act will ensure that specialty crop producers have access to high-quality insurance products designed to meet their needs.

I am pleased that the goals of my legislation, S. 1401, the Specialty Crop Insurance Act of 1999, are met by the legislation before us today. I commend my colleagues for their efforts to ensure that crop insurance reform passed by the 106th Congress will take into account the needs of all agriculture producers, not just one sector. I offer my support for this legislation and urge my colleagues to do the same.

Mr. BAUCUS. Mr. President, this is an important day. Today we are finally bringing to bear over eighteen months of hard work toward reforming the Federal Crop Insurance Program. This is an issue of vital importance to Montana.

First, however, I urge my colleagues in the Senate to join me in applauding Senators ROBERTS and KERREY for their hard work in bringing a comprehensive solution to the table as well as Chairman LUGAR for helping us work quickly to pass this important legislation. We can all be proud of a job well done.

The bill before you today, the Risk Management for the Twenty First Century Act, is a fine example of what can be done when we work on a bipartisan basis to solve a difficult problem. I am pleased that Montana producers and crop insurance providers also contributed largely to this effort.

Last spring, I held a crop insurance community hearing in Shelby, MT. Ken

Ackerman, director of the Risk Management Agency, flew out for that hearing and got quite an earful. Montana farmers told us they wanted a program they could count on. A risk management tool that would be more efficient, more cost effective, more responsible, and more accountable. A program that encourages farmers to try new and innovative crops. And a reliable system that moves us away from the annual ad hoc disaster band-aids. I would like to extend a personal thank you to Ken Ackerman and his agency for listening to our concerns and helping draft them into this legislation.

Today, I am optimistic that we in the Senate are soon to make those goals a reality. The \$6 billion legislative package before us today will amend the Federal Crop Insurance program in several specific ways. The measure will:

Make crop insurance more affordable and broaden coverage to encourage producers to purchase the highest levels of coverage;

Create more realistic production history so that producers won't be penalized for losses over several years;

Encourage producers to plant new specialty crops;

Require producer input on the federal crop insurance program board of directors to ensure that the program works for the people who are buying the insurance product; and

Make it easier for producers to get disaster assistance for crops that have no production history.

I would like to highlight one particular section in this bill—that is the provision that at long last addresses the fact that during previous farm programs, Montana specialty crop producers have had little or no safety net. This is important since traditional crop prices have collapsed and farmers have ventured into specialty markets to survive. But because they have little or no production history, they are not eligible for traditional crop insurance coverage. Instead they are subject to the Non-Insured Agriculture Program.

Unfortunately, the NAP program does not work. I have been told that in order for a farmer to be indemnified, she must be a "very lucky person." A loss suffered per se does not trigger payments. Instead, at least five other producers in a defined 320,000 acre area must also suffer severe losses in order to trigger NAP coverage. Clearly, unless all the pieces fall together in a perfect puzzle, it is likely that the producer will not be paid.

Last year, I offered legislation that will help Montana farmers try new and innovative crops by streamlining the NAP. Among other provisions, our proposal eliminates the area trigger. That way if disaster strikes, the producer will be covered. Plain and simple. Senator LARRY CRAIG joined me in that effort, and I am pleased that our legislation is included in the Senate bill that we are currently considering.

Folks at home want to farm. They can not control the weather, but they

should be able to invest in a program that helps them manage nature's unpredictable whims. With an improved crop insurance program, Montana farmers will be able to diversify, take risks and move beyond our traditional way of thinking.

We have before us the perfect opportunity to do what is right for Montana and rest of rural America—pass comprehensive crop insurance reform. I thank everyone who contributed to this effort and look forward to passage in the Senate, a successful conference and President signing the bill into law in the very near future.

Mr. JOHNSON. Mr. President, I am extremely pleased to support legislation on the Senate floor today that improves and expands the crop insurance and risk management tools available to farmers in the United States. After months of uncertainty on this issue it is my hope that farmers desiring enhanced crop insurance and risk management options will be reassured that Congress will take a positive step and enact reform this year.

Beyond the day-to-day uncertainties facing family farmers and ranchers, matters are complicated today by current economic conditions in rural America. Collapsed crop and livestock prices, weak export demand, and agribusiness concentration continue to threaten the viability of our independent family farmers and ranchers. Crop insurance provides many agricultural producers with a risk management tool, but Congress needs to reform the current program at this time to avoid allowing both low prices and an inadequate safety net to force farmers out of business.

Nonetheless, I must caution that no matter how well crop insurance is improved, it is not a substitute for a sound farm policy or safety net. Instead, crop insurance is an important part of that farm safety net. It is my desire to also participate in a farm bill debate this year so Congress can reform the underlying farm bill. But, we must take advantage of this day to act on crop insurance.

In 1994, I chaired the House of Representatives subcommittee charged with reforming crop insurance. At the time one of our goals was to improve insurance to a point where the government would not need to develop ad hoc disaster programs. Ad hoc disaster programs are difficult to create, difficult to administer, and are politically unpopular. While I am pleased with many of the reforms we made in 1994, action in Congress to pass crop loss disaster programs in the last two years reminds us that crop insurance has not fully replaced the need for ad hoc disasters.

Crop insurance is critical to the farmers of South Dakota. Nearly twenty South Dakota grown crops are currently eligible for crop insurance, and among our major commodities, participation in the crop insurance program is high. Ninety-five percent of our corn acreage is enrolled in crop insurance

while 92 percent of our soybean acres are in this program. Wheat producers in South Dakota place 76 percent of their acreage in crop insurance. After the reforms made to the program in 1994, over 10 million acres of farmland in my state have been enrolled in crop insurance.

I am pleased to co-sponsor a bipartisan reform bill that is a modification of S. 1580, the Kerrey-Roberts Crop Insurance for the 21st Century Act. Our bill clearly recognizes improved crop insurance is absolutely necessary for farmers in the future. Our underlying bill closely mirrors the crop insurance reform bill enacted in the House of Representatives last year. Finally, our bill addresses some of the most serious concerns of the current crop insurance program; affordability, dependability, and flexibility.

The major reform proposed in our bill ensures greater affordability for farmers, especially for higher levels of protection. Nearly every farmer I talk to wants the opportunity to purchase higher levels of coverage, but most have found that a threshold exists were buy-up coverage becomes cost prohibitive. The Kerrey/Roberts bill makes coverage more affordable by providing higher subsidies for higher levels of coverage. South Dakota farmers support this provision of our bill because affordability seems to be the most pressing issue facing crop insurance today.

In recent years, the issue of coverage dependability has come into serious question. Farmers in South Dakota and elsewhere have suffered under multiple years of weather related disasters.

The bill I support ensures greater coverage dependability by providing relief for producers suffering from insurance coverage decreases and premium increases due to multi-year crop losses resulting from natural disasters. The bill adjusts actual production yield history—APH—for farmers by allowing producers who have suffered under three natural disasters in five years to drop their lowest APH. It also provides APH credit to assist beginning farmers and those who are diversifying with new crop rotations.

Finally, the proposal I support authorizes the development of cost of production crop insurance policies. This should eventually be a new, useful tool for producers. It also provides livestock producers hope that the development of some type of livestock coverage is a priority. Livestock producers are the major contributor to South Dakota's agricultural economy, and risk management options are essential for these producers.

However, our proposal, S. 2251, differs somewhat from our underlying bill, S. 1580, as well. Months of debate between members of the Senate Agriculture Committee has resulted in a certain degree of compromise on the overall issue of crop insurance and risk management. Some in our Committee believe a lump sum risk management payment

is preferred by farmers in parts of the United States. While I am very concerned that a de-coupled, lump sum payment is the wrong approach to take for several reasons, I understand the need to have comity and reasonable compromise in the Senate. Therefore, our proposal includes a pilot project to give farmers a choice between either crop insurance coverage or a risk management payment on a commodity by commodity basis. Yet, there are differences between the two risk management pilot programs offered by our coalition and those supporting large direct lump sum payments.

I am concerned the de-coupled payment alternative offered by others of the Committee is flawed. First, dividing a limited amount of money among many producers with a risk management payment fails to ensure the need for ad hoc disaster programs is eliminated. These direct lump sum payments will also be capitalized in land values and make it difficult for small and beginning farmers to compete for land.

Moreover, the alternative bill pushed by others in the Committee allows "double dipping" of benefits which I oppose. Those who choose a risk management payment are then also eligible for crop insurance under the current premium subsidy structure in the alternative supported by others today. This leads to a problem of complexity in terms of administration because crop insurance agents would be required to be able to quote two sets of premium rates available for farmers.

Nonetheless, members of the Senate have every right to propose risk management alternatives that they believe suit the interests of the farmers they represent. So with caution, I understand the need to offer a compromise bill with my colleagues on the floor today that offers some degree of "choice" and compromise. So, while the bill I support today also includes a risk management payment choice, it requires a more rigorous set of conditions through certification and random auditing to ensure program compliance. Therefore I believe the risk management payment in our approach is more responsible. That said, I would be remiss if I did not state, unequivocally, that I deeply appreciate the chairman's leadership in the Senate Agriculture Committee, and I respect the fashion in which he allowed the mark-up hearing to take place on March 2.

I want to mention one final issue very critical to the overall acceptance and viability of a taxpayer funded program like crop insurance. The issue of potential abuse in the insurance program was discussed in Congressional hearings on crop insurance reform last year. I do not believe fraud or abuse is of epidemic proportion in the crop insurance program. In fact, I believe the lion's share of interests (farmers, agents, loss adjusters, industry, and government) working in and around federal crop insurance are doing so

with the highest degree of integrity. However, I am cognizant that questionable claims and potential abuse were of great concern last year. That said, unless steps are taken to bolster compliance and oversight the public support for this vital program may diminish.

I am pleased to learn that earlier this month the risk Management Agency announced a major commitment to work with the private insurance industry to strengthen the integrity of crop insurance. I am hopeful this joint effort begins to end the concerns of this important program. I commend those involved in taking this positive step.

Mr. LUGAR. Mr. President, I ask unanimous consent that the vote in relation to the pending amendment No. 2888 occur at 11 a.m. Thursday morning, with 2 minutes equally divided for closing remarks prior to the vote. I further ask consent that following that vote the bill be read the third time, under the previous consent, and the Senate proceed to vote on passage of H.R. 2559, the crop insurance risk management bill, as amended, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. LUGAR. Mr. President, I note the presence of two distinguished Senators and perhaps more will come to the floor to offer comments on this bill or other bills.

On behalf of the majority leader, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR. Mr. President, Senators may then speak on crop insurance or other subjects. The unanimous consent request I have stated on behalf of the leader will permit that debate to continue.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

CROP INSURANCE

Mr. GRAMS. Mr. President, I want to address the crop insurance reform proposal. I thank you for the opportunity to address this legislation that I think is so crucial to the economic health of farmers in Minnesota and across the country. I have appreciated the hard work and effort put into this bill, and I believe it is one of the key reform issues the Congress must address this year to create an economic climate that will enable America's farmers to thrive.

As a sponsor of crop insurance legislation in both the 105th and 106th Congress, I am certainly no stranger to this issue. Working with producers, rural lenders, economists, and other stakeholders, I think we have fash-

ioned a bill that would encourage more participation in the program, help encourage producers to buy higher levels of coverage, and will also reduce the instances of "moral hazard" to keep everybody's premiums lower, and also help maintain the integrity of the program.

Mr. President, I first introduced my crop insurance bill in the 105th Congress, and I am pleased that much of my own legislation has now been incorporated into the Roberts-Kerrey measure, including pilot programs that would offer farmers premium discounts for using whole farm units or one crop units of insurance, and allowing producers to cross State and county boundaries to form insurable units, plus a pilot program permitting producers to ensure their crops are based upon a future price. Also, I am pleased that this bill will now also include an expansion of the dairy options pilot program. I think this is also a very important tool for producers who are attempting to weather the ups and downs in the dairy market. So I think it is great that we have included this provision that is going to help dairy farmers in the Midwest and across the country as well.

Participation in the Federal Crop Insurance Program has increased from 10 percent of the eligible acres in 1980 to about 70 percent of eligible acres last year, 1999. I think that is encouraging, but we still need higher levels of participation if our farm is to successfully manage its risk in the face of ever-changing global markets. Like almost no other form of employment, producers are subject to a host of variables that impact their bottom line, including weather, disease, production levels in other countries, foreign trade, increasing production costs, and changing consumer demand. All are out of the control of the producer.

As most of you know, America's farmers are fiercely independent and ever optimistic and were glad to get the freedom to make their own production decisions that came with the 1996 farm bill. However, part of the promise of Freedom to Farm was that there would be accompanying efforts to bring about trade negotiations to reduce barriers, regulatory reform, and improvements to the Crop Insurance Program to help producers manage the risk in open markets. Unfortunately, the administration has not eased the regulatory burden on farmers, and we have not initiated new WTO talks or negotiations. I am confident this crop insurance reform legislation remains one of the most important pieces of the farm prosperity puzzle. Tax relief and tax reform for our farmers across the board is also very important because it directly impacts the bottom line, the net income of our farmers and the ability of our farmers to pass farms from one generation to another.

Again, I am proud to be one of the early advocates for reform and that the basic concepts of my proposal again were carried into this reform bill.