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110TH CONGRESS
1ST SESSION

H. R. 2419

AN ACT

To provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes.

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

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SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Farm, Nutrition, and Bioenergy Act of 2007".

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

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SEC. 1001. DEFINITIONS.

In this title:

(1) AGRICULTURAL ACT OF 1949.—The term ''Agricultural Act of 1949'' means the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), as in effect prior to the suspensions under section 171 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301), section 1602(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7992(b)), and section 1502(b) of this Act.

(2) BASE ACRES.—The term ''base acres'', with respect to a covered commodity on a farm, means the number of acres established under sections 1101 and 1302 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7911, 7952), as in effect on the day before the date of the enactment of this Act, subject to any adjustment under section 1101 of this Act.

(3) COMPARABLE UNITED STATES QUALITY.—The term ''Comparable United States Quality'', with

respect to upland cotton, means upland cotton classified as Middling (M) 1 3/32-inch cotton with a micronaire of 3.7 to 4.2, strength 30 grams per tex, and uniformity of 83.

(4) COUNTER-CYCLICAL PAYMENT.—The term ''counter-cyclical payment'' means a payment made to producers on a farm under section 1103 or 1104.

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

(6) DIRECT PAYMENT.—The term ''direct payment'' means a payment made to producers on a farm under section 1102.

(7) EFFECTIVE PRICE.—The term ''effective price'', with respect to a covered commodity for a crop year, means the price calculated by the Secretary under section 1103 to determine whether counter-cyclical payments are required to be made for that crop year under that section.

(8) EXTRA LONG STAPLE COTTON.—The term ''extra long staple cotton'' means cotton that—

(A) is produced from pure strain varieties of the Barbadense species or any hybrid of the species, or other similar types of extra long sta-

ple cotton, designated by the Secretary, having characteristics needed for various end uses for which United States upland cotton is not suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and

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

(9) FAR EAST PRICE.—The term ''Far East price'' means the Friday through Thursday average price quotation for the three lowest-priced growths of upland cotton, as quoted for Middling (M) 1 3/32-inch cotton, delivered C/F Far East.

(10) LOAN COMMODITY.—The term ''loan commodity'' means wheat, corn, grain sorghum, feed barley, malt barley, oats, upland cotton, extra long staple cotton, long grain rice, medium grain rice, short grain rice, soybeans, peanuts, other oilseeds, wool, mohair, honey, dry peas, lentils, and small chickpeas.

(11) OTHER OILSEED.—The term ''other oilseed'' means a crop of sunflower seed, rapeseed,

canola, safflower, flaxseed, mustard seed, crambe, sesame seed, or, if designated by the Secretary, another oilseed.

(12) PAYMENT ACRES.—The term ''payment acres'', with respect to a covered commodity on a farm, means 85 percent of the base acres for the covered commodity, on which direct payments and counter-cyclical payments are made.

(13) PAYMENT YIELD.—The term ''payment yield'' means the yield established for direct payments and counter-cyclical payments under section 1102 or 1302 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7912; 7952), as in effect on the day before the date of the enactment of this Act, for a farm for a covered commodity.

(14) PRODUCER.—

(A) IN GENERAL.—The term ''producer'' means an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing a crop and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

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

(i) not take into consideration the existence of a hybrid seed contract; and

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

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

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

(17) TARGET PRICE.—The term ''target price'' means the price per bushel (or other appropriate unit in the case of upland cotton, rice, peanuts, and other oilseeds) of a covered commodity used to determine the payment rate for counter-cyclical payments under section 1103.

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

(19) UNITED STATES PREMIUM FACTOR.—The term ''United States Premium Factor'' means the percentage by which the difference in the United

States loan schedule premiums for Strict Middling (SM) 1⅛-inch cotton and for M 1³⁄₃₂-inch exceeds the difference in the applicable premiums for comparable international qualities delivered C/F Far East.

Subtitle A—Direct Payments and Counter-Cyclical Payments

SEC. 1101. ADJUSTMENTS TO BASE ACRES.

(a) TREATMENT OF CONSERVATION RESERVE CONTRACT ACREAGE.—

(1) IN GENERAL.—The Secretary shall provide for an adjustment, as appropriate, in the base acres for covered commodities for a farm whenever either of the following circumstances occurs:

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

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

(2) SPECIAL PAYMENT RULES.—For the crop year in which a base acres adjustment under paragraph (1) is first made, the owner of the farm shall elect to receive either direct payments and counter-

cyclical payments with respect to the acreage added to the farm under this subsection or a prorated payment under the conservation reserve contract, but not both.

(b) PREVENTION OF EXCESS BASE ACRES.—

(1) REQUIRED REDUCTION.—If the sum of the base acres for a farm, together with the acreage described in paragraph (2), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the base acres for 1 or more covered commodities for the farm so that the sum of the base acres and acreage described in paragraph (2) does not exceed the actual cropland acreage of the farm.

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

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

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

(3) SELECTION OF ACRES.—The Secretary shall give the owner of the farm the opportunity to select the base acres against which the reduction required by paragraph (1) will be made.

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

(c) PERMANENT REDUCTION IN BASE ACRES.—

(1) IN GENERAL.—The owner of a farm may reduce, at any time, the base acres for any covered commodity for the farm.

(2) ADMINISTRATION.—The reduction shall be permanent and made in the manner prescribed by the Secretary.

SEC. 1102. AVAILABILITY OF DIRECT PAYMENTS.

(a) PAYMENT REQUIRED.—For each of the 2008 through 2012 crop years of each covered commodity, the Secretary shall make direct payments to producers on farms for which payment yields and base acres are established.

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

(1) Wheat, $0.52 per bushel.

(2) Corn, $0.28 per bushel.

(3) Grain sorghum, $0.35 per bushel.

(4) Barley, $0.24 per bushel.

(5) Oats, $0.024 per bushel.

(6) Upland cotton, $0.0667 per pound.

(7) Rice, $2.35 per hundredweight.

(8) Soybeans, $0.44 per bushel.

(9) Other oilseeds, $0.0080 per pound.

(10) Peanuts, $36.00 per ton.

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

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

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

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

(d) TIME FOR PAYMENT.—

(1) IN GENERAL.—In the case of each of the 2008 through 2012 crop years, the Secretary may not make direct payments before October 1 of the calendar year in which the crop of the covered commodity is harvested.

(2) ADVANCE PAYMENTS.—

(A) OPTION.—At the option of the producers on a farm, up to 22 percent of the direct payment for a covered commodity for any of the 2008 through 2011 crop years shall be paid to the producers in advance.

(B) MONTH.—

(i) SELECTION.—The producers shall select the month within which the advance payment for a crop year will be made.

(ii) OPTIONS.—The month selected may be any month during the period beginning on December 1 of the calendar year before the calendar year in which the crop of the covered commodity is harvested through the month within which the direct payment would otherwise be made.

(iii) CHANGE.—The producers may change the selected month for a subsequent advance payment by providing advance notice to the Secretary.

(3) REPAYMENT OF ADVANCE PAYMENTS.—If a producer on a farm that receives an advance direct payment for a crop year ceases to be a producer on that farm, or the extent to which the producer

shares in the risk of producing a crop changes, before the date the remainder of the direct payment is made, the producer shall be responsible for repaying the Secretary the applicable amount of the advance payment, as determined by the Secretary.

(e) PROHIBITION ON DE MINIMIS PAYMENTS.—If the total direct payment to be paid to a producer on a farm for all covered commodities is less than $25.00, the Secretary shall not tender the direct payment to the producer.

SEC. 1103. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS.

(a) PAYMENT REQUIRED.—For each of the 2008 through 2012 crop years for each covered commodity, the Secretary shall make counter-cyclical payments to producers on farms for which payment yields and base acres are established with respect to the covered commodity if the Secretary determines that the effective price for the covered commodity is less than the target price for the covered commodity.

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

(1) The higher of the following:

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

(B) The national average loan rate for a marketing assistance loan for the covered commodity in effect for the applicable period under subtitle B, except that, for the purpose of calculating counter-cyclical payments under this section for rice and barley, the Secretary shall establish national average all rice and all barley loan rates.

(2) The payment rate in effect for the covered commodity under section 1102 for the purpose of making direct payments with respect to the covered commodity.

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

(1) Wheat, $4.15 per bushel.

(2) Corn, $2.63 per bushel.

(3) Grain sorghum, $2.57 per bushel.

(4) Barley, $2.73 per bushel.

(5) Oats, $1.50 per bushel.

(6) Upland cotton, $0.70 per pound.

(7) Rice, $10.50 per hundredweight.

(8) Soybeans, $6.10 per bushel.

(9) Other oilseeds, $0.1150 per pound.

(10) Peanuts, $495.00 per ton.

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

(1) the target price for the covered commodity; and

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

(e) PAYMENT AMOUNT.—If counter-cyclical payments are required to be paid under this section for any of the 2008 through 2012 crop years of a covered commodity, the amount of the counter-cyclical payment to be paid to the producers on a farm for that crop year shall be equal to the product of the following:

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

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

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

(f) TIME FOR PAYMENTS.—

(1) GENERAL RULE.—If the Secretary determines under subsection (a) that counter-cyclical payments are required to be made under this section for the crop of a covered commodity, the Secretary shall make the counter-cyclical payments for the crop as soon as practicable after the end of the 12-month marketing year for the covered commodity.

(2) AVAILABILITY OF PARTIAL PAYMENTS.—If, before the end of the 12-month marketing year for a covered commodity, the Secretary estimates that counter-cyclical payments will be required for the crop of the covered commodity, the Secretary shall give producers on a farm the option to receive partial payments of the counter-cyclical payment projected to be made for that crop of the covered commodity.

(3) TIME FOR PARTIAL PAYMENTS FOR 2008 THROUGH 2010 CROP YEARS.—If the Secretary is required to make partial payments available under paragraph (2) for a covered commodity for any of the 2008 through 2010 crop years—

(A) the first partial payment shall be made after completion of the first 6 months of the marketing year for the covered commodity; and

(B) the final partial payment shall be made the later of the following:

(i) As soon as practicable after the end of the 12-month marketing year for the covered commodity.

(ii) October 1 of the fiscal year starting in the same calendar year as the end of the marketing year.

(4) AMOUNT OF PARTIAL PAYMENTS.—

(A) FIRST PARTIAL PAYMENT.—For each of the 2008 through 2010 crop years, the first partial payment under paragraph (3) to the producers on a farm may not exceed 40 percent of the projected counter-cyclical payment for the covered commodity for the crop year, as determined by the Secretary.

(B) FINAL PAYMENT.—The final payment for each of the 2008 through 2010 crop years shall be equal to the difference between—

(i) the actual counter-cyclical payment to be made to the producers for the covered commodity for that crop year; and

(ii) the amount of the partial payment made to the producers under subparagraph (A).

(5) REPAYMENT.—The producers on a farm that receive a partial payment under this subsection for a crop year shall repay to the Secretary the amount, if any, by which the total of the partial payments exceed the actual counter-cyclical payment to be made for the covered commodity for that crop year.

(g) PROHIBITION ON DE MINIMIS PAYMENTS.—If the total counter-cyclical payment to be paid to a producer on a farm for all covered commodities is less than $25.00, the Secretary shall not tender the counter-cyclical payment to the producer.

SEC. 1104. AVAILABILITY OF REVENUE-BASED COUNTER-CYCLICAL PAYMENTS.

(a) AVAILABILITY AND ELECTION OF ALTERNATIVE APPROACH.—

(1) AVAILABILITY OF REVENUE-BASED COUNTER-CYCLICAL PAYMENTS.—As an alternative to receiving counter-cyclical payments under section 1103 with respect to each covered commodity on a farm, the Secretary shall give the producers on the farm an opportunity to elect to instead receive revenue-based counter-cyclical payments under this section for the 2008 through 2012 crop years.

(2) SINGLE ELECTION; TIME FOR ELECTION.—As soon as practicable after the date of enactment of this Act, the Secretary shall provide notice to producers regarding their opportunity to make the election described in paragraph (1). The notice shall include the following:

(A) Notice that the opportunity of the producers on a farm to make the election is being provided only once.

(B) Information regarding the manner in which the election must be made and the time periods and manner in which notice of the election must be submitted to the Secretary.

(3) ELECTION DEADLINE.—Within the time period and in the manner prescribed pursuant to paragraph (2), the producers on a farm shall submit to the Secretary notice of the election made under paragraph (1).

(4) EFFECT OF FAILURE TO MAKE ELECTION.—If the producers on a farm fail to make the election under paragraph (1) or fail to timely notify the Secretary of the election made, as required by paragraph (3), the producers shall be deemed to have made the election to receive counter-cyclical

payments under section 1103 for all covered commodities on the farm.

(b) PAYMENT REQUIRED.—In the case of producers on a farm who make the election under subsection (a) to receive revenue-based counter-cyclical payments, the Secretary shall make revenue-based counter-cyclical payments to such producers with respect to a covered commodity on the farm, if the Secretary determines that the national actual revenue per acre for the covered commodity is less than the national target revenue per acre for the covered commodity, as determined pursuant to this section.

(c) NATIONAL ACTUAL REVENUE PER ACRE.—For each covered commodity for each of the 2008 through 2012 crop years, the Secretary shall establish a national actual revenue per acre by multiplying the national average yield for the given year by the higher of—

(1) the national average market price received by producers of the covered commodity during the 12-month marketing year established by the Secretary; or

(2) the loan rate for the covered commodity under section 1202, except that, for the purpose of calculating national actual revenue per acre for rice and barley, the Secretary shall establish national average all rice and all barley loan rates.

(d) NATIONAL TARGET REVENUE PER ACRE.—The national target revenue per acre shall be, on a per acre basis, as follows:

(1) Wheat, $149.92.

(2) Corn, $344.12.

(3) Grain Sorghum, $131.28.

(4) Barley, $153.30.

(5) Oats, $92.10

(6) Upland cotton, $496.93.

(7) Rice, $548.06.

(8) Soybeans, $231.87.

(9) Other oilseeds, $129.18.

(10) Peanuts, $683.83.

(e) NATIONAL PAYMENT YIELD.—The national payment yield shall be as follows:

(1) Wheat, 36.1 bushels per acre.

(2) Corn, 114.4 bushels per acre.

(3) Grain Sorghum, 58.2 bushels per acre.

(4) Barley, 48.6 bushels per acre.

(5) Oats, 49.8 bushels per acre.

(6) Upland cotton, 634 pounds per acre.

(7) Rice, 51.28 hundredweight per acre.

(8) Soybeans, 34.1 bushels per acre.

(9) Other oilseeds, 1167.6 pounds per acre.

(10) Peanuts, 1.496 tons per acre.

(f) NATIONAL PAYMENT RATE.—The national payment rate used to make revenue-based counter-cyclical payments for a crop year shall be the result of—

(1) the difference between the national target revenue per acre for the covered commodity and the national actual revenue per acre for the covered commodity; divided by

(2) the national payment yield for the covered commodity.

(g) PAYMENT AMOUNT.—If revenue-based counter-cyclical payments are required to be paid for any of the 2008 through 2012 crop years of a covered commodity, the amount of the counter-cyclical payment to be paid to the producers on a farm for that crop year for the covered commodity shall be equal to the product of—

(1) the national payment rate for the covered commodity;

(2) the payment acres of the covered commodity on the farm; and

(3) the payment yield for counter-cyclical payments for the covered commodity.

(h) TIME FOR PAYMENTS.—

(1) GENERAL RULE.—If the Secretary determines that revenue-based counter-cyclical payments are required to be made under this section for the

crop of a covered commodity, the Secretary shall make the counter-cyclical payments for the crop as soon as practicable after the end of the 12-month marketing year for the covered commodity.

(2) AVAILABILITY OF PARTIAL PAYMENTS.—If, before the end of the 12-month marketing year for a covered commodity, the Secretary estimates that revenue-based counter-cyclical payments will be required for the crop of the covered commodity, the Secretary shall give producers on a farm the option to receive partial payments of the revenue-based counter-cyclical payments projected to be made for that crop of the covered commodity.

(3) TIME FOR PARTIAL PAYMENTS FOR 2008 THROUGH 2010 CROP YEARS.—If the Secretary is required to make partial payments available under paragraph (2) for a covered commodity for any of the 2008 through 2010 crop years—

(A) the first partial payment shall be made after completion of the first 6 months of the marketing year for the covered commodity; and

(B) the final partial payment shall be made the later of the following:

(i) As soon as practicable after the end of the 12-month marketing year for the covered commodity.

(ii) October 1 of the fiscal year starting in the same calendar year as the end of the marketing year.

(4) AMOUNT OF PARTIAL PAYMENTS.—

(A) FIRST PARTIAL PAYMENT.—For each of the 2008 through 2010 crop years, the first partial payment under paragraph (3) to the producers on a farm may not exceed 40 percent of the projected revenue-based counter-cyclical payment for the covered commodity for the crop year, as determined by the Secretary.

(B) FINAL PAYMENT.—The final payment for each of the 2008 through 2010 crop years shall be equal to the difference between—

(i) the actual revenue-based counter-cyclical payments to be made to the producers for the covered commodity for that crop year; and

(ii) the amount of the partial payment made to the producers on a farm under subparagraph (A) for that crop year.

(5) REPAYMENT.—Producers on a farm that receive a partial payment under this subsection for a crop year shall repay to the Secretary the amount, if any, by which the total of the partial payments exceed the actual revenue-based counter-cyclical payments to be made for the covered commodity for that crop year.

(i) PROHIBITION ON DE MINIMIS PAYMENTS.—If the total revenue-based counter-cyclical payment to be paid to a producer on a farm for all covered commodities is less than $25.00, the Secretary shall not tender the revenue-based counter-cyclical payment to the producer.

SEC. 1105. PRODUCER AGREEMENT REQUIRED AS CONDITION OF PROVISION OF DIRECT PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

(1) REQUIREMENTS.—Before the producers on a farm may receive direct payments or counter-cyclical payments with respect to the farm, the producers shall agree, during the crop year for which the payments are made and in exchange for the payments—

(A) to comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

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

(C) to comply with the planting flexibility requirements of section 1106;

(D) to use the land on the farm, in a quantity equal to the attributable base acres for the farm for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary; and

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

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

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

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

(1) TERMINATION.—

(A) IN GENERAL.—Except as provided in paragraph (2), a transfer of (or change in) the interest of the producers on a farm in base acres for which direct payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the base acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a).

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

(2) EXCEPTION.—If a producer entitled to a direct payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with rules issued by the Secretary.

(c) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this subtitle or subtitle B, the Secretary shall require producers on a farm to submit to the Secretary annual acreage reports with respect to all cropland on the farm.

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

(e) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of direct payments and countercyclical payments among the producers on a farm on a fair and equitable basis.

SEC. 1106. PLANTING FLEXIBILITY.

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

(b) LIMITATIONS REGARDING CERTAIN COMMODITIES.—

(1) GENERAL LIMITATION.—The planting of an agricultural commodity specified in paragraph (3) shall be prohibited on base acres unless the commodity, if planted, is destroyed before harvest.

(2) TREATMENT OF TREES AND OTHER PERENNIALS.—The planting of an agricultural commodity specified in paragraph (3) that is produced on a tree or other perennial plant shall be prohibited on base acres.

(3) COVERED AGRICULTURAL COMMODITIES.—Paragraphs (1) and (2) apply to the following agricultural commodities:

(A) Fruits.

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

(C) Wild rice.

(c) EXCEPTIONS.—Paragraphs (1) and (2) of subsection (b) shall not limit the planting of an agricultural commodity specified in paragraph (3) of that subsection—

(1) in any region in which there is a history of double-cropping of covered commodities with agricultural commodities specified in subsection (b)(3), as determined by the Secretary, in which case the double-cropping shall be permitted;

(2) on a farm that the Secretary determines has a history of planting agricultural commodities specified in subsection (b)(3) on base acres, except that direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such an agricultural commodity; or

(3) by the producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in subsection (b)(3), except that—

(A) the quantity planted may not exceed the average annual planting history of such agricultural commodity by the producers on the farm in the 1991 through 1995 or 1998 through 2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(B) direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such agricultural commodity.

(d) PLANTING TRANSFERABILITY PILOT PROJECT.—

(1) PILOT PROJECT AUTHORIZED.—In addition to the exceptions provided in subsection (c), the Secretary shall carry out a pilot project in the State of Indiana under which paragraphs (1) and (2) of subsection (b) shall not limit the planting of tomatoes grown for processing on up to 10,000 base acres during each of the 2008 through 2012 crop years.

(2) CONTRACT AND MANAGEMENT REQUIREMENTS.— To be eligible for selection to participate in the pilot project, a producer must—

(A) have a contract to grow tomatoes for processing; and

(B) agree to produce the tomatoes as part of a program of crop rotation on the farm to

achieve agronomic and pest and disease management benefits.

(3) TEMPORARY REDUCTION IN BASE ACRES.—The base acres on a farm for a crop year shall be reduced by an acre for each acre planted to tomatoes under the pilot program.

(4) DURATION OF REDUCTIONS.—The reduction in the base acres of a farm for a crop year under paragraph (3) shall expire at the end of the crop year, unless the producers on the farm elect to continue to participate in the pilot project for the subsequent crop year.

(5) RECALCULATION OF BASE ACRES.—If the Secretary recalculates base acres for a farm while the farm is included in the pilot project, the planting and production of tomatoes under the pilot project shall be considered to be the same as the planting, prevented planting, or production of a covered commodity. Nothing in this paragraph provides authority for the Secretary to recalculate base acres for a farm.

SEC. 1107. PERIOD OF EFFECTIVENESS.

This subtitle shall be effective beginning with the 2008 crop year of each covered commodity through the 2012 crop year.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

SEC. 1201. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR LOAN COMMODITIES.

(a) NONRECOURSE LOANS AVAILABLE.—

(1) AVAILABILITY.—For each of the 2008 through 2012 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm.

(2) TERMS AND CONDITIONS.—The marketing assistance loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under section 1202 for the loan commodity.

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

(c) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this subtitle, the Secretary shall make loans to producers on a farm that would be eligible to obtain a marketing assistance loan, but for the

fact the loan commodity owned by the producers on the farm commingled with loan commodities of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producers obtaining the loan agree to immediately redeem the loan collateral in accordance with section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286).

(d) COMPLIANCE WITH CONSERVATION AND WETLANDS REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.) during the term of the loan.

(e) PEANUT-RELATED LOAN PROVISIONS.—

(1) OPTIONS FOR OBTAINING LOANS.—A marketing assistance loan for peanuts under this section and loan deficiency payments for peanuts under section 1205 may be obtained at option of the producers on a farm through—

(A) a designated marketing association or marketing cooperative of producers that is approved by the Secretary; or

(B) the Farm Service Agency.

(2) STORAGE OF LOAN PEANUTS.—As a condition on the Secretary's approval of an individual or entity to provide storage for peanuts for which a marketing assistance loan is made under this section, the individual or entity shall agree—

(A) to provide such storage on a nondiscriminatory basis; and

(B) to comply with such additional requirements as the Secretary considers appropriate to accomplish the purposes of this section and promote fairness in the administration of the benefits of this section.

(3) MARKETING.—A marketing association or cooperative may market peanuts for which a loan is made under this section in any manner that conforms to consumer needs, including the separation of peanuts by type and quality.

SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.

(a) LOAN RATES.—The loan rate for a marketing assistance loan under section 1201 for a loan commodity shall be equal to the following:

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

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

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

(4) In the case of malt barley, $2.50 per bushel.

(5) In the case of feed barley, $1.90 per bushel.

(6) In the case of oats, $1.46 per bushel.

(7) In the case of the base quality of upland cotton, $0.52 per pound.

(8) In the case of extra long staple cotton, $0.7977 per pound.

(9) In the case of long grain rice, $6.50 per hundredweight.

(10) In the case of medium grain rice and short grain rice, $6.50 per hundredweight.

(11) In the case of soybeans, $5.00 per bushel.

(12) In the case of other oilseeds, $0.1070 per pound for each of the following kinds of oilseeds:

(A) Sunflower seed.

(B) Rapeseed.

(C) Canola.

(D) Safflower.

(E) Flaxseed.

(F) Mustard seed.

(G) Crambe.

(H) Sesame seed.

(I) Other oilseeds designated by the Secretary.

(13) In the case of dry peas, $5.40 per hundredweight.

(14) In the case of lentils, $11.28 per hundredweight.

(15) In the case of small chickpeas, $8.54 per hundredweight.

(16) In the case of peanuts, $355.00 per ton.

(17) In the case of graded wool, $1.10 per pound.

(18) In the case of nongraded wool, $0.40 per pound.

(19) In the case of honey, $0.60 per pound.

(20) In the case of mohair, $4.20 per pound.

(b) SINGLE COUNTY LOAN RATE FOR OTHER OILSEEDS.—The Secretary shall establish a single loan rate in each county for each kind of other oilseeds described in subsection (a)(12).

(c) SPECIAL RULES FOR CORN AND GRAIN SORGHUM.—

(1) SINGLE COUNTY AND NATIONAL AVERAGE LOAN RATE.—The Secretary shall—

(A) establish a single county loan rate for corn and grain sorghum in each county;

(B) establish a single national average loan rate for corn and grain sorghum; and

(C) determine each county loan rate and the national average loan rate for corn and grain sorghum and any and all other program loan rates applicable to corn and grain sorghum from a data set that includes prices for both commodities.

(2) ADMINISTRATION.—With respect to corn and grain sorghum, the Secretary—

(A) shall administer the applicable loan, marketing loan, counter-cyclical payment, and related programs from a single loan rate for corn and grain sorghum that is identical in each individual county;

(B) shall provide that any adjustment in the loan rate for location shall be determined and applied on the basis of the combined data set such that any transportation adjustment

shall be the same for corn and grain sorghum in each individual county; and

(C) may provide for adjustments for grade, type, and quality as appropriate for the corn or grain sorghum involved in each specific transaction.

SEC. 1203. TERM OF LOANS.

(a) TERM OF LOAN.—In the case of each loan commodity, a marketing assistance loan under section 1201 shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

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

SEC. 1204. REPAYMENT OF LOANS.

(a) GENERAL RULE.—The Secretary shall permit the producers on a farm to repay a marketing assistance loan under section 1201 for a loan commodity (other than upland cotton, long grain rice, medium grain rice, short grain rice, extra long staple cotton, and confectionery and each other kind of sunflower seed (other than oil sunflower seed)) at the lesser of the following:

(1) The loan rate established for the commodity under section 1202, plus interest (determined in ac-

cordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)).

(2) A rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

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

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

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

(E) minimize discrepancies in marketing loan benefits across State boundaries and across county boundaries, if applicable.

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

(1) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture

Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or

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

(c) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)).

(d) PREVAILING WORLD MARKET PRICE.—For purposes of this section and section 1207, the Secretary shall prescribe by regulation—

(1) a formula to determine the prevailing world market price for upland cotton, which shall be based on the Far East price of upland cotton;

(2) a formula to determine the prevailing world market price for—

(A) long grain rice; and

(B) medium and short grain rice;

(3) a mechanism by which the Secretary will announce periodically the prevailing world market

price for upland cotton, long grain rice, and medium and short grain rice; and

(4) a mechanism by which the Secretary will make the adjustments, required by subsection (e), to the prevailing world market price for upland cotton, long grain rice, and medium and short grain rice.

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

(1) RICE.—The prevailing world market price for long grain, medium grain, and short grain rice determined in subsection (d) shall be adjusted to United States quality and location.

(2) COTTON.—The prevailing world market price for upland cotton, determined in subsection (d) shall be—

(A) adjusted to United States quality and location, with such quality adjustment to include—

(i) any existing United States loan schedule premiums for Comparable United States Quality; and

(ii) a reduction equal to any United States Premium Factor to upland cotton of a quality higher than Middling (M) 1 3/32-inch; and

(B) adjusted to take into account average costs to market the commodity, including average transportation costs, as determined by the Secretary.

(f) ADDITIONAL ADJUSTMENT AUTHORITY REGARDING PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—

(1) IN GENERAL.—During the period beginning on the date of the enactment of this Act through July 31, 2013, the Secretary may further adjust the prevailing world market price for upland cotton (adjusted under subsection (d)) if the Secretary determines such adjustment necessary—

(A) to minimize potential loan forfeitures;

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

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

(D) to ensure that United States cotton is competitive in world markets; and

(E) to ensure an appropriate transition between current-crop and forward-crop price quotations, except that the Secretary may use

forward-crop price quotations prior to July 31 of the current marketing year only if there are less than three current-crop price quotations and only if such forward-crop price quotation is the lowest such quotation available.

(2) GUIDELINES FOR ADDITIONAL ADJUSTMENT.—In further adjusting the prevailing world market price for upland cotton under this subsection, the Secretary shall establish a mechanism for determining and announcing such adjustments in order to avoid undue disruption in the United States market.

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

(1) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or

(2) the repayment rate established for oil sunflower seed.

(h) QUALITY GRADES FOR DRY PEAS, LENTILS, AND SMALL CHICKPEAS.—The loan repayment rate for dry peas, lentils, and small chickpeas shall be based on the quality grades for the applicable commodity.

SEC. 1205. LOAN DEFICIENCY PAYMENTS.

(a) AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.—

(1) IN GENERAL.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to producers on a farm that, although eligible to obtain a marketing assistance loan under section 1201 with respect to a loan commodity, agree to forgo obtaining the loan for the commodity in return for loan deficiency payments under this section.

(2) UNSHORN PELTS, HAY, AND SILAGE.—

(A) MARKETING ASSISTANCE LOANS.—Subject to subparagraph (B), nongraded wool in the form of unshorn pelts and hay and silage derived from a loan commodity are not eligible for a marketing assistance loan under section 1201.

(B) LOAN DEFICIENCY PAYMENT.—Effective for the 2008 through 2012 crop years, the Secretary may make loan deficiency payments

available under this section to producers on a farm that produce unshorn pelts or hay and silage derived from a loan commodity.

(b) COMPUTATION.—A loan deficiency payment for a loan commodity or commodity referred to in subsection (a)(2) shall be computed by multiplying—

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

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

(c) PAYMENT RATE.—

(1) IN GENERAL.—In the case of a loan commodity, the payment rate shall be the amount by which—

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

(B) the rate at which a marketing assistance loan for the loan commodity may be repaid under section 1204.

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

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

(B) the rate at which a marketing assistance loan for ungraded wool may be repaid under section 1204.

(3) HAY AND SILAGE.—In the case of hay or silage derived from a loan commodity, the payment rate shall be the amount by which—

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

(B) the rate at which a marketing assistance loan for the loan commodity may be repaid under section 1204.

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

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

SEC. 1206. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

(a) ELIGIBLE PRODUCERS.—

(1) IN GENERAL.—Effective for the 2008 through 2012 crop years, in the case of a producer that would be eligible for a loan deficiency payment under section 1205 for wheat, barley, or oats, but that elects to use acreage planted to the wheat, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, or oats on that acreage.

(2) GRAZING OF TRITICALE ACREAGE.—Effective for the 2008 through 2012 crop years, with respect to a producer on a farm that uses acreage planted to triticale for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of triticale on that acreage.

(b) PAYMENT AMOUNT.—

(1) IN GENERAL.—The amount of a payment made under this section to a producer on a farm described in subsection (a)(1) shall be equal to the amount determined by multiplying—

(A) the loan deficiency payment rate determined under section 1205(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

(B) the payment quantity determined by multiplying—

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

(ii) the payment yield in effect for the calculation of direct payments under subtitle A with respect to that loan commodity on the farm or, in the case of a farm without a payment yield for that loan commodity, an appropriate yield established by the Secretary in a manner consistent with section 1102 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7912).

(2) GRAZING OF TRITICALE ACREAGE.—The amount of a payment made under this section to a producer on a farm described in subsection (a)(2) shall be equal to the amount determined by multiplying—

(A) the loan deficiency payment rate determined under section 1205(c) in effect for wheat, as of the date of the agreement, for the county in which the farm is located; by

(B) the payment quantity determined by multiplying—

(i) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of triticale; and

(ii) the payment yield in effect for the calculation of direct payments under subtitle A with respect to wheat on the farm or, in the case of a farm without a payment yield for wheat, an appropriate yield established by the Secretary in a manner consistent with section 1102 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7912).

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

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

(2) AVAILABILITY.—

(A) IN GENERAL.—The Secretary shall establish an availability period for the payments authorized by this section.

(B) CERTAIN COMMODITIES.—In the case of wheat, barley, and oats, the availability period shall be consistent with the availability period for the commodity established by the Secretary for marketing assistance loans authorized by this subtitle.

(d) PROHIBITION ON CROP INSURANCE INDEMNITY OR NONINSURED CROP ASSISTANCE.—A 2008 through 2012 crop of wheat, barley, oats, or triticale planted on acreage that a producer elects, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for an indemnity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

SEC. 1207. SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.

(a) SPECIAL IMPORT QUOTA.—

(1) DEFINITION OF SPECIAL IMPORT QUOTA.—In this subsection, the term ''special import quota''

means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(2) ESTABLISHMENT.—

(A) IN GENERAL.—The President shall carry out an import quota program during the period beginning on the date of the enactment of this Act through July 31, 2013, as provided in this subsection.

(B) PROGRAM REQUIREMENTS.—Whenever the Secretary determines and announces that for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C/F Far East, exceeds the Far East price there shall immediately be in effect a special import quota.

(3) QUANTITY.—The quota shall be equal to 1 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(4) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement

under paragraph (1) and entered into the United States not later than 180 days after that date.

(5) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by paragraph (2), except that a special quota period may not be established under this subsection if a quota period has been established under subsection (b).

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

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

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

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

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

(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of 10 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate

of the 3 months immediately preceding the first special import quota established in any marketing year.

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

(1) DEFINITIONS.—In this subsection:

(A) SUPPLY.—The term ''supply'' means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(i) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(ii) production of the current crop; and

(iii) imports to the latest date available during the marketing year.

(B) DEMAND.—The term ''demand'' means—

(i) the average seasonally adjusted annual rate of domestic mill consumption during the most recent 3 months for which data are available; and

(ii) the larger of—

(I) average exports of upland cotton during the preceding 6 marketing years; or

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

(C) LIMITED GLOBAL IMPORT QUOTA.—The term ''limited global import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

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

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally ad-

justed average rate of the most recent 3 months for which data are available.

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

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

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

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

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

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

(D) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(3) NO OVERLAP.—Notwithstanding paragraph (2), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (a).

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

(1) ISSUANCE OF MARKETING CERTIFICATES OR CASH PAYMENTS.—During the period beginning on the date of the enactment of this Act through July 31, 2013, the Secretary shall issue, on a monthly basis, marketing certificates or cash payments, at the option of the recipient, to domestic users of upland cotton for all documented use of upland cotton during the previous monthly period regardless of the origin of the upland cotton.

(2) VALUE OF CERTIFICATES OR PAYMENTS.—The value of the marketing certificates or cash payments shall be 4 cents per pound.

(3) ALLOWABLE PURPOSES.—Economic adjustment assistance under this subsection shall be made

available only to domestic users of upland cotton that certify that such funds shall be used only for acquisition, construction, installation, modernization, development, conversion, or expansion of land, plant, buildings, equipment, facilities, or machinery.

(4) REVIEW OR AUDIT.—The Secretary may conduct such review or audit of the records of a domestic user under this subsection as determined necessary to carry out the provisions of this subsection.

(5) IMPROPER USE OF ASSISTANCE.—If the Secretary determines, after a review or audit of the records of the domestic user, that economic adjustment assistance under this subsection was not used for the purposes specified in paragraph (3), the domestic user shall be liable to repay such assistance to the Secretary, plus interest, as determined by the Secretary, and shall be ineligible to participate in the program established by this subsection for a period of 12 months following the determination of the Secretary.

SEC. 1208. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.

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

on the date of the enactment of this Act through July 31, 2013, the Secretary shall carry out a program—

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

(2) to increase exports of extra long staple cotton produced in the United States; and

(3) to ensure that extra long staple cotton produced in the United States remains competitive in world markets.

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

(1) for a consecutive 4-week period, the world market price for the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is below the prevailing United States price for a competing growth of extra long staple cotton; and

(2) the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the

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

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

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

(e) FORM OF PAYMENT.—Payments under this section shall be made through the issuance of cash or marketing certificates, at the option of eligible recipients of the payments.

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

(a) HIGH MOISTURE FEED GRAINS.—

(1) DEFINITION OF HIGH MOISTURE STATE.—In this subsection, the term ''high moisture state''

means corn or grain sorghum having a moisture content in excess of Commodity Credit Corporation standards for marketing assistance loans made by the Secretary under section 1201.

(2) RECOURSE LOANS AVAILABLE.—For each of the 2008 through 2012 crops of corn and grain sorghum, the Secretary shall make available recourse loans, as determined by the Secretary, to producers on a farm that—

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

(B) present—

(i) certified scale tickets from an inspected, certified commercial scale, including a licensed warehouse, feedlot, feed mill, distillery, or other similar entity approved by the Secretary, pursuant to regulations issued by the Secretary; or

(ii) field or other physical measurements of the standing or stored crop in regions of the United States, as determined by the Secretary, that do not have certified commercial scales from which certified

scale tickets may be obtained within reasonable proximity of harvest operation;

(C) certify that they were the owners of the feed grain at the time of delivery to, and that the quantity to be placed under loan under this subsection was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to a facility maintained by the users of corn and grain sorghum in a high moisture state; and

(D) comply with deadlines established by the Secretary for harvesting the corn or grain sorghum and submit applications for loans under this subsection within deadlines established by the Secretary.

(3) ELIGIBILITY OF ACQUIRED FEED GRAINS.—A loan under this subsection shall be made on a quantity of corn or grain sorghum of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(A) the acreage of the corn or grain sorghum in a high moisture state harvested on the producer's farm; by

(B) the lower of the farm program payment yield used to make counter-cyclical payments under subtitle A or the actual yield on a field, as determined by the Secretary, that is similar to the field from which the corn or grain sorghum was obtained.

(b) RECOURSE LOANS AVAILABLE FOR SEED COTTON.—For each of the 2008 through 2012 crops of upland cotton and extra long staple cotton, the Secretary shall make available recourse seed cotton loans, as determined by the Secretary, on any production.

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

SEC. 1210. DEADLINE FOR REPAYMENT OF MARKETING ASSISTANCE LOAN FOR PEANUTS.

(a) JUNE 30 REDEMPTION DEADLINE.—Notwithstanding any other provision of law, a marketing assistance loan for peanuts may not be redeemed after June 30 of the year subsequent to the year in which the peanuts were harvested.

(b) EFFECT OF FAILURE TO REDEEM.—A marketing assistance loan for peanuts that is not redeemed before the deadline imposed by subsection (a) shall be deemed to be forfeited to the Commodity Credit Corporation.

SEC. 1211. COMMODITY QUALITY INCENTIVE PAYMENTS FOR HEALTHY OILSEEDS.

(a) INCENTIVE PAYMENTS REQUIRED.—Subject to the availability of funds for this purpose, the Secretary shall provide commodity quality incentive payments during the 2009 through 2013 crop years for the production of oilseeds with specialized traits that enhance human health, as determined by the Secretary.

(b) COVERED OILSEEDS.—The Secretary shall make payments under this section only for the production of an oilseed that has, as determined by the Secretary—

(1) been demonstrated to reduce or eliminate the need to partially hydrogenate the oil derived from the oilseed for use in human consumption; and

(2) 1 or more traits for which compelling impediments to commercialization have been identified.

(c) REQUEST FOR PROPOSALS.—

(1) ISSUANCE.—If funds are available to carry out this section for a crop year, the Secretary shall issue a request for proposals for payments under this section.

(2) MULTIYEAR PROPOSALS.—An entity may submit a multiyear proposal for payments under this section.

(3) CONTENT OF PROPOSALS.—A proposal for payments under this section shall include a description of—

(A) each trait of the oilseed described in subsection (b)(2) and the value of the trait as a matter of public policy;

(B) the projected market size and value of the trait;

(C) the projected impact of the proposal on—

(i) the future price of loan commodities; and

(ii) if appropriate, on Federal Government farm program outlays to support loan commodities;

(D) a range for the amount of total per bushel premiums to be paid to producers;

(E) a per bushel amount of incentive payments requested for each year under this section that—

(i) does not exceed ⅓ of the total premium offered for any year; and

(ii) declines over time;

(F) the period of time, of not to exceed 4 years, during which incentive payments are to be provided to producers; and

(G) the targeted total quantity of production and estimated acres needed to produce the targeted quantity for each year under this section.

(d) CONTRACTS FOR PRODUCTION.—

(1) IN GENERAL.—The Secretary shall approve successful proposals submitted under subsection (c) on a timely basis so as to allow successful applicants to offer production contracts to producers beginning in advance of the spring planting season for the 2009 crop year.

(2) MULTIYEAR CONTRACTS.—A successful applicant may enter into a multiyear contract with—

(A) a specific group of producers; or

(B) various groups of producers.

(3) TIMING OF PAYMENTS.—The Secretary shall make payments under this section after the Secretary receives documentation that the total premium offered for crops produced under a contract (including the amount of incentive payments) has been made to covered producers.

(e) ADMINISTRATION.—If funding provided for a crop year is not fully allocated under the initial request for proposals under subsection (c), the Secretary shall issue additional requests for proposals for subsequent years under this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2009 through 2013.

Subtitle C—Sugar

SEC. 1301. SUGAR PROGRAM.

(a) IN GENERAL.—Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is amended to read as follows:

"SEC. 156. SUGAR PROGRAM.

"(a) SUGARCANE.—The Secretary shall make loans for raw cane sugar available to processors of domestically grown sugarcane at a rate equal to 18.5 cents per pound for each of the 2008 through 2012 crop years.

"(b) SUGAR BEETS.—The Secretary shall make loans for refined beet sugar available to processors of domestically grown sugar beets at a rate equal to 23.5 cents per pound for each of the 2008 through 2012 crop years.

"(c) TERM OF LOANS.—

"(1) IN GENERAL.—A loan under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the earlier of—

"(A) the end of the 9-month period beginning on the first day of the first month after the month in which the loan is made; or

"(B) the end of the fiscal year in which the loan is made.

"(2) SUPPLEMENTAL LOANS.—In the case of a loan made under this section in the last 3 months of a fiscal year, the processor may repledge the sugar as collateral for a second loan in the subsequent fiscal year, except that the second loan shall—

"(A) be made at the loan rate in effect at the time the first loan was made; and

"(B) mature in 9 months less the quantity of time that the first loan was in effect.

"(d) LOAN TYPE; PROCESSOR ASSURANCES.—

"(1) NONRECOURSE LOANS.—The Secretary shall carry out this section through the use of nonrecourse loans.

"(2) PROCESSOR ASSURANCES.—

"(A) IN GENERAL.—The Secretary shall obtain from each processor that receives a loan

under this section such assurances as the Secretary considers adequate to ensure that the processor will provide payments to producers that are proportional to the value of the loan received by the processor for the sugar beets and sugarcane delivered by producers to the processor.

"(B) MINIMUM PAYMENTS.—

"(i) IN GENERAL.—Subject to clause (ii), the Secretary may establish appropriate minimum payments for purposes of this paragraph.

"(ii) LIMITATION.—In the case of sugar beets, the minimum payment established under clause (i) shall not exceed the rate of payment provided for under the applicable contract between a sugar beet producer and a sugar beet processor.

"(3) ADMINISTRATION.—The Secretary may not impose or enforce any prenotification requirement, or similar administrative requirement not otherwise in effect on May 13, 2002, that has the effect of preventing a processor from electing to forfeit the loan collateral (of an acceptable grade and quality) on the maturity of the loan.

"(e) LOANS FOR IN-PROCESS SUGAR.—

"(1) DEFINITION OF IN-PROCESS SUGARS AND SYRUPS.—In this subsection, the term 'in-process sugars and syrups' does not include raw sugar, liquid sugar, invert sugar, invert syrup, or other finished product that is otherwise eligible for a loan under subsection (a) or (b).

"(2) AVAILABILITY.—The Secretary shall make nonrecourse loans available to processors of a crop of domestically grown sugarcane and sugar beets for in-process sugars and syrups derived from the crop.

"(3) LOAN RATE.—The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar, as determined by the Secretary on the basis of the source material for the in-process sugars and syrups.

"(4) FURTHER PROCESSING ON FORFEITURE.—

"(A) IN GENERAL.—As a condition of the forfeiture of in-process sugars and syrups serving as collateral for a loan under paragraph (2), the processor shall, within such reasonable time period as the Secretary may prescribe and at no cost to the Commodity Credit Corporation, convert the in-process sugars and syrups into raw cane sugar or refined beet sugar of acceptable

grade and quality for sugars eligible for loans under subsection (a) or (b).

"(B) TRANSFER TO CORPORATION.—Once the in-process sugars and syrups are fully processed into raw cane sugar or refined beet sugar, the processor shall transfer the sugar to the Commodity Credit Corporation.

"(C) PAYMENT TO PROCESSOR.—On transfer of the sugar, the Secretary shall make a payment to the processor in an amount equal to the amount obtained by multiplying—

"(i) the difference between—

"(I) the loan rate for raw cane sugar or refined beet sugar, as appropriate; and

"(II) the loan rate the processor received under paragraph (3); by

"(ii) the quantity of sugar transferred to the Secretary.

"(5) LOAN CONVERSION.—If the processor does not forfeit the collateral as described in paragraph (4), but instead further processes the in-process sugars and syrups into raw cane sugar or refined beet sugar and repays the loan on the in-process sugars and syrups, the processor may obtain a loan under

subsection (a) or (b) for the raw cane sugar or refined beet sugar, as appropriate.

"(6) TERM OF LOAN.—The term of a loan made under this subsection for a quantity of in-process sugars and syrups, when combined with the term of a loan made with respect to the raw cane sugar or refined beet sugar derived from the in-process sugars and syrups, may not exceed 9 months, consistent with subsection (c).

"(f) AVOIDING FORFEITURES; CORPORATION INVENTORY DISPOSITION.—

"(1) IN GENERAL.—Subject to subsection (d)(3), to the maximum extent practicable, the Secretary shall operate the program established under this section at no cost to the Federal Government by avoiding the forfeiture of sugar to the Commodity Credit Corporation.

"(2) INVENTORY DISPOSITION.—

"(A) IN GENERAL.—To carry out paragraph (1), the Commodity Credit Corporation may accept bids to obtain raw cane sugar or refined beet sugar in the inventory of the Commodity Credit Corporation from (or otherwise make available such commodities, on appropriate terms and conditions, to) processors of

sugarcane and processors of sugar beets (acting in conjunction with the producers of the sugarcane or sugar beets processed by the processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate.

"(B) BIOENERGY FEEDSTOCK.—If a reduction in the quantity of production accepted under subparagraph (A) involves sugar beets or sugarcane that has already been planted, the sugar beets or sugarcane so planted may not be used for any commercial purpose other than as a bioenergy feedstock.

"(C) ADDITIONAL AUTHORITY.—The authority provided under this paragraph is in addition to any authority of the Commodity Credit Corporation under any other law.

"(g) INFORMATION REPORTING.—

"(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugar-

cane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

"(2) DUTY OF PRODUCERS TO REPORT.—

"(A) PROPORTIONATE SHARE STATES.—As a condition of a loan made to a processor for the benefit of a producer, the Secretary shall require each producer of sugarcane located in a State (other than the Commonwealth of Puerto Rico) in which there are in excess of 250 producers of sugarcane to report, in the manner prescribed by the Secretary, the sugarcane yields and acres planted to sugarcane of the producer.

"(B) OTHER STATES.—The Secretary may require each producer of sugarcane or sugar beets not covered by subparagraph (A) to report, in a manner prescribed by the Secretary, the yields of, and acres planted to, sugarcane or sugar beets, respectively, of the producer.

"(3) DUTY OF IMPORTERS TO REPORT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall require an importer of sugars, syrups, or molasses to be used for human consumption or to be used for the extraction of sugar for human consumption

to report, in the manner prescribed by the Secretary, the quantities of the products imported by the importer and the sugar content or equivalent of the products.

"(B) TARIFF-RATE QUOTAS.—Subparagraph (A) shall not apply to sugars, syrups, or molasses that are within the quantities of tariff-rate quotas that are subject to the lower rate of duties.

"(4) COLLECTION OF INFORMATION ON MEXICO.—

"(A) COLLECTION.—The Secretary shall collect—

"(i) information on the production, consumption, stocks and trade of sugar in Mexico, including United States exports of sugar to Mexico; and

"(ii) publicly available information on Mexican production, consumption, and trade of high fructose corn syrups, including United States exports of high fructose corn syrups to Mexico.

"(B) PUBLICATION.—The data collected under subparagraph (A) shall be published in

each edition of the World Agricultural Supply and Demand Estimates.

"(5) PENALTY.—Any person willfully failing or refusing to furnish the information required to be reported by paragraph (1), (2), or (3), or furnishing willfully false information, shall be subject to a civil penalty of not more than $10,000 for each such violation.

"(6) MONTHLY REPORTS.—Taking into consideration the information received under this subsection, the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

"(h) SUBSTITUTION OF REFINED SUGAR.—For purposes of Additional U.S. Note 6 to chapter 17 of the Harmonized Tariff Schedule of the United States and the re-export programs and polyhydric alcohol program administered by the Secretary, all refined sugars (whether derived from sugar beets or sugarcane) produced by cane sugar refineries and beet sugar processors shall be fully substitutable for the export of sugar and sugar-containing products under those programs.

"(i) EFFECTIVE PERIOD.—This section shall be effective only for the 2008 through 2012 crops of sugar beets and sugarcane.".

(b) TRANSITION.—The Secretary of Agriculture shall make loans for raw cane sugar and refined beet sugar available for the 2007 crop year on the terms and conditions provided in section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272), as in effect on the day before the date of the enactment of this Act.

SEC. 1302. UNITED STATES MEMBERSHIP IN THE INTERNATIONAL SUGAR ORGANIZATION.

The Secretary of Agriculture shall work with the Secretary of State to restore United States membership in the International Sugar Organization within one year after the date of enactment of this Act.

SEC. 1303. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.

(a) DEFINITION OF HUMAN CONSUMPTION.—Section 359a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa) is amended—

(1) by redesignating paragraphs (1) through (4) as paragraphs (2) through (5), respectively; and

(2) by inserting before paragraph (2), as so redesignated, the following new paragraph (1):

"(1) HUMAN CONSUMPTION.—The term 'human consumption', when used in the context of a reference to sugar (whether in the form of sugar, in-

process sugar, syrup, molasses, or in some other form) for human consumption, includes sugar for use in human food, beverages, or similar products.''.

(b) SUGAR ALLOTMENTS.—Section 359b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb) is amended to read as follows:

''SEC. 359b. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.

''(a) SUGAR ESTIMATES.—

''(1) IN GENERAL.—Not later than August 1 before the beginning of each of the 2008 through 2012 crop years for sugarcane and sugar beets, the Secretary shall estimate—

''(A) the quantity of sugar that will be subject to human consumption in the United States during the crop year;

''(B) the quantity of sugar that would provide for reasonable carryover stocks;

''(C) the quantity of sugar that will be available from carry-in stocks for human consumption in the United States during the crop year;

''(D) the quantity of sugar that will be available from the domestic processing of sugar-

cane, sugar beets, and in-process beet sugar; and

"(E) the quantity of sugars, syrups, and molasses that will be imported for human consumption or to be used for the extraction of sugar for human consumption in the United States during the crop year, whether such articles are under a tariff-rate quota or are in excess or outside of a tariff-rate quota.

"(2) EXCLUSION.—The estimates under this subsection shall not apply to sugar imported for the production of polyhydric alcohol or to any sugar refined and reexported in refined form or in products containing sugar.

"(3) REESTIMATES.—The Secretary shall make reestimates of sugar consumption, stocks, production, and imports for a crop year as necessary, but no later than the beginning of each of the second through fourth quarters of the crop year.

"(b) SUGAR ALLOTMENTS.—

"(1) ESTABLISHMENT.—By the beginning of each crop year, the Secretary shall establish for that crop year appropriate allotments under section 359c for the marketing by processors of sugar processed from sugar cane or sugar beets or in-process beet

sugar (whether such sugar beets or in-process beet sugar was produced domestically or imported) at a level sufficient to maintain raw and refined sugar prices above forfeiture levels so that there will be no forfeitures of sugar to the Commodity Credit Corporation under the loan program for sugar established under section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272).

"(2) MINIMUM.—The level of allotments established under paragraph (1) may not be less than 85 percent of the estimated quantity of sugar for domestic human consumption for the crop year.

"(3) PRODUCTS.—The Secretary may include sugar products, whose majority content is sucrose, in the allotments established under paragraph (1) if the Secretary determines that the inclusion of such sugar products is appropriate for controlling the supply of sugar for human consumption.

"(c) COVERAGE OF ALLOTMENTS.—

"(1) IN GENERAL.—The marketing allotments provided for in this part shall apply to the marketing by processors of sugar intended for domestic human consumption that has been processed from sugar cane or sugar beets or in-process beet sugar

(whether such sugar beets or in-process beet sugar was produced domestically or imported).

"(2) EXCEPTIONS.—Consistent with the administration of marketing allotments during crop years 2002 through 2007, the marketing allotments shall not apply to sugar sold—

"(A) to facilitate the exportation of such sugar to a foreign country, except that such exports of sugar shall not be eligible to receive credits under re-export programs for refined sugar or sugar containing products administered by the Secretary;

"(B) to enable another processor to fulfill an allocation established for such other processor, except that such sales must be made before May 1 and must be reported to the Secretary; or

"(C) for uses other than domestic human consumption.

"(d) PROHIBITIONS.—

"(1) IN GENERAL.—During any crop year or portion thereof for which marketing allotments have been established, no processor of sugar beets or sugarcane shall market for domestic human consumption a quantity of sugar in excess of the allocation

established for such processor, except to enable another processor to fulfill an allocation established for such other processor or to facilitate the exportation of such sugar.

"(2) CIVIL PENALTY.—Any processor who knowingly violates paragraph (1) shall be liable to the Commodity Credit Corporation for a civil penalty in an amount equal to 3 times the United States market value, at the time of the commission of the violation, of that quantity of sugar involved in the violation.

"(3) DEFINITION OF MARKET.—For purposes of this part, the term 'market' shall mean to sell or otherwise dispose of in commerce in the United States, including—

"(A) the forfeiture of sugar under the loan program for sugar under section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) and such forfeited sugar shall be deemed to have been marketed during the crop year in which the loan was made;

"(B) with respect to any integrated processor and refiner, the movement of raw cane sugar into the refining process; and

"(C) the sale of sugar for the production of ethanol or other bioenergy product, if such ethanol or bioenergy product is the subject of a payment under the feedstock flexibility program for bioenergy producers.".

(c) ESTABLISHMENT.—Section 359c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359cc) is amended—

(1) by striking subsection (b) and inserting the following new subsection:

"(b) OVERALL ALLOTMENT QUANTITY.—

"(1) IN GENERAL.—The Secretary shall establish the overall quantity of sugar to be allotted for the crop year (in this part referred to as the 'overall allotment quantity') at a level sufficient to maintain raw and refined sugar prices above forfeiture levels to avoid the forfeiture of sugar to the Commodity Credit Corporation.

"(2) MINIMUM.—The overall allotment quantity established under paragraph (1) may not be less than 85 percent of the estimated quantity of sugar for domestic human consumption for the crop year.

"(3) ADJUSTMENT.—Subject to paragraphs (1) and (2), the Secretary shall adjust the overall allotment quantity—

"(A) to maintain raw and refined sugar prices above forfeiture levels to avoid the forfeiture of sugar to the Commodity Credit Corporation; and

"(B) to maintain adequate supplies of raw and refined sugar in the domestic market.";

(2) in subsection (d)(2), by inserting before the period the following: "or in-process beet sugar";

(3) in subsection (g)(1), by inserting at the end the following new sentence: "However, the overall allotment quantity may not be reduced to a quantity less than 85 percent of the estimated quantity of sugar for domestic human consumption for the crop year."; and

(4) by striking subsection (h).

(d) ALLOCATION OF MARKETING ALLOTMENTS.—Section 359d(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359dd(b)) is amended—

(1) in paragraph (1)(F), by striking "Except as otherwise provided in section 359f(c)(8), if" and inserting "If"; and

(2) in paragraph (2), by striking subparagraphs (H) and (I) and inserting the following new subparagraph:

"(H) NEW ENTRANTS STARTING PRODUCTION, REOPENING, OR ACQUIRING AN EXISTING FACTORY WITH PRODUCTION HISTORY.—

"(i) ALLOCATION FOR A NEW ENTRANT THAT HAS CONSTRUCTED A NEW FACTORY OR REOPENED A FACTORY THAT WAS NOT OPERATING SINCE BEFORE 1998.—If a New Entrant constructs a new sugar beet processing factory, or acquires and reopens a sugar beet processing factory that last processed sugar beets prior to the 1998 crop year and there is no allocation currently associated with the factory, the Secretary shall—

"(I) assign an allocation for beet sugar to the New Entrant that provides a fair and equitable distribution of the allocations for beet sugar in order to enable the New Entrant to achieve a factory utilization rate comparable to the factory utilization rates of other similarly situated processors; and

"(II) reduce the allocations for beet sugar of all other processors on

a pro rata basis to reflect the allocation to the New Entrant.

"(ii) ALLOCATION FOR A NEW ENTRANT THAT HAS ACQUIRED AN EXISTING FACTORY WITH A PRODUCTION HISTORY.—If a New Entrant acquires an existing factory that has processed sugar beets from the 1998 or later crop years and has a production history, then, upon the mutual agreement of the New Entrant and the company currently holding the allocation associated with the factory, the Secretary shall transfer to the New Entrant a portion of allocation of the current allocation holder to reflect the historical contribution of the production of the acquired factory to the total allocation of the current allocation holder. In the absence of mutual agreement, the new entrant shall be ineligible for a beet sugar allocation.

"(iii) APPEALS.—Any decision made under this subsection may be appealed to the Secretary pursuant to section 359i.

"(iv) DEFINITION.—In this subparagraph, the term 'New Entrant' means an

individual, corporation, or other entity that does not have an allocation of the beet sugar allotment under this part, is not affiliated with any other individual, corporation, or entity that has an allocation of beet sugar under this part (known as a 'third party'), and will process sugar beets produced by sugar beet growers under contract with the New Entrant for the production of sugar at the new or re-opened factory that is the basis for the New Entrant allocation.

''(v) AFFILIATION.—For purposes of this subparagraph, a New Entrant and a third party shall be deemed to be 'affiliated' if—

''(I) the third party has an ownership interest in the New Entrant;

''(II) the New Entrant and the third party have owners in common;

''(III) the third party has the ability to exercise control over the New Entrant by organizational rights, contractual rights, or any other means;

"(IV) the third party has a contractual relationship with the New Entrant by which the New Entrant will make use of the facilities or assets of such third party; or

"(V) any other similar circumstance exists by which the Secretary determines that the New Entrant and the third party are affiliated.".

(e) REASSIGNMENT OF DEFICITS.—Section 359e(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is amended in both paragraphs (1)(D) and (2)(C) by inserting "of raw cane sugar" after "imports".

(f) PROVISIONS APPLICABLE TO PRODUCERS.—Section 359f(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ff(c)) is amended—

(1) in paragraph (2), by striking "quantity of sugarcane" and inserting "quantity of sugar produced from sugarcane";

(2) in paragraph (5)(C), by inserting "for sugar" before "in excess of the farm's proportionate share";

(3) in paragraph (7), by striking ''amount of sugarcane'' and inserting ''amount of sugar from sugarcane''; and

(4) by striking paragraph (8) and inserting the following new paragraph:

''(8) SEED DEFINITION.—In this subsection, the term 'seed' includes only varieties of seed dedicated to the production of sugarcane from which is produced sugar for human consumption, and excludes seed of high-fiber cane varieties dedicated to other uses, as determined by the Secretary.''.

(g) SPECIAL RULES.—Section 359g of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359gg) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) TRANSFER OF ACREAGE BASE HISTORY.—

''(1) TRANSFER AUTHORIZED.—For the purpose of establishing proportionate shares for sugarcane farms under section 359f(c), the Secretary, on application of any producer, with the written consent of all owners of a farm, may transfer the acreage base history of the farm to any other parcels of land of the applicant.

''(2) CONVERTED ACREAGE BASE.—

"(A) IN GENERAL.—Sugarcane base acreage established under section 359f(c) that has been or is converted to non-agricultural use on or after May 13, 2002, may be transferred to other land suitable for the production of sugarcane that can be delivered to a processor in a proportionate share State in accordance with this paragraph.

"(B) NOTIFICATION.—Not later than 90 days after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007, or the subsequent conversion of sugarcane base acreage to a non-agricultural use, the Secretary, acting through the Farm Service Agency, shall notify the affected landowner (or landowners) of the transferability of the applicable sugarcane base acreage.

"(C) INITIAL TRANSFER PERIOD.—The owner of the base attributable to the acreage at the time of the conversion shall be afforded 90 days from the date of the receipt of the notification under subparagraph (B) to transfer the base to one or more farms owned by the owner.

"(D) GROWER OF RECORD.—If the transfer under subparagraph (C) cannot be accom-

plished within the time period prescribed in such subparagraph, then the grower of record with regard to the base acreage on the date on which the acreage was converted to non-agricultural use shall be so notified, and shall be afforded 90 days from the date of the receipt of such notification to transfer the base to one or more farms operated by the grower.

"(E) POOL DISTRIBUTION.—If the transfers under subparagraphs (B) and (C) cannot be accomplished within the time periods prescribed therein, then the county committee for the applicable parish shall place the acreage base in a pool for possible assignment to other farms. After providing reasonable notice to farm owners, operators, and growers of record in the parish, the county committee shall accept requests from owners, operators, and growers of record in the parish. The county committee shall assign the base to other farms in the parish that are eligible and capable of accepting such base, based on a random drawing from among the requests received from owners, operators, and growers of record with eligible farms.

"(F) STATEWIDE REALLOCATION.—Any base remaining unassigned after the processes in subparagraphs (A) through (E) shall be made available to the State committee for allocation among the remaining county committees in the State representing parishes with farms eligible for assignment of the base. The remaining base shall be reallocated to requesting county committees based on a random drawing. Any county committee receiving base under this subparagraph shall allocate the base to eligible farms using the process described in subparagraph (E).

"(G) STATUS OF REASSIGNED BASE.—Once reassigned pursuant to this paragraph, the acreage base shall remain on the farm, and will be subject to the transfer provisions of paragraph (1).";

(2) by striking subsection (d) and inserting the following new subsection:

"(d) TRANSFERS OF MILL ALLOCATIONS.—

"(1) TRANSFER AUTHORIZED.—A producer in a proportionate share State, upon written consent from all affected crop-share owners (or the representative of the crop-share owners) of a farm may

deliver sugarcane to another processing company if the additional delivery, when combined with such other processing company's existing deliveries, does not exceed the processing capacity of the company.

"(2) ALLOCATION ADJUSTMENT.—Notwithstanding section 359d, the Secretary shall adjust the allocations of each of such processing companies affected by a transfer under paragraph (1) to reflect the change in deliveries, based on—

"(A) the number of acres of sugarcane base being transferred; and

"(B) the pro-rata amount of allocation at the processing company holding the applicable allocation that equals the grower's contribution to the processing company's allocation for the sugarcane base acres being transferred.".

(h) APPEALS.—Section 359i of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ii) is amended—

(1) in subsection (a), by inserting "or 359g(d)" after "359f"; and

(2) by striking subsection (c).

(i) ADMINISTRATION OF TARIFF RATE QUOTAS.—The Agricultural Adjustment Act of 1938 is amended by striking section 359k (7 U.S.C. 1359kk) and inserting the following new section:

"SEC. 359k. ADMINISTRATION OF TARIFF RATE QUOTAS.

"(a) ESTABLISHMENT.—Notwithstanding any other provision of law, at the beginning of the quota year, the Secretary shall establish the tariff-rate quotas for raw cane sugar and refined sugars at the minimum necessary to comply with obligations under international trade agreements that have been approved by the Congress. This subsection shall not apply to specialty sugar.

"(b) ADJUSTMENT.—

"(1) BEFORE APRIL 1.—

"(A) INITIAL ADJUSTMENT REQUIRED.—Before April 1 of a fiscal year, in the event that there is an emergency shortage of sugar in the United States market that is caused by war, floods, hurricanes, or other natural disaster, or other similar event, the Secretary shall take action to increase supply as provided under sections 359c(b)(2) and 359e(b), including an increase in the tariff-rate quota for raw cane sugar to accommodate the reassignment to imports.

"(B) ADDITIONAL ADJUSTMENT.—If, after adjustment under subparagraph (A), there is still a shortage of sugar in the United States market, and marketings of domestic sugar have been maximized, the Secretary may increase the

tariff-rate quota for refined sugars sufficient to accommodate the supply increase, if such further increase will not threaten to result in the forfeiture of sugar pledged as collateral for a loan under section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272).

"(2) ON OR AFTER APRIL 1.—

"(A) INITIAL ADJUSTMENT AUTHORIZED.—On or after April 1 of a fiscal year, the Secretary may take action to increase supply as provided under sections 359c(b)(2) and 359e(b), including an increase in the tariff-rate quota for raw cane sugar to accommodate the reassignment to imports.

"(B) ADDITIONAL ADJUSTMENT.—If, after adjustment under subparagraph (A), there is still a shortage of sugar in the United States market, and marketings of domestic sugar have been maximized, the Secretary may increase the tariff-rate quota for raw cane sugar if such further increase will not threaten to result in the forfeiture of sugar pledged as collateral for a loan under section 156 of the Federal Agri-

culture Improvement and Reform Act of 1996 (7 U.S.C. 7272).

"(c) ORDERLY SHIPPING PATTERNS FOR MAJOR SUPPLIERS.—

"(1) IN GENERAL.—The Secretary of Agriculture shall establish orderly shipping patterns for major suppliers of sugar to the United States under the tariff rate quotas in accordance with this subsection.

"(2) VERY LARGE MAJOR SUPPLIERS.—If a country holds quota allocations of at least 100,000 metric tons of sugar, the Secretary shall allow the country to export up to 25 percent of the country's quota allocation to the United States in each calendar quarter. Sugar permitted to enter into the United States in a calendar quarter, but not actually entered in that quarter, may be entered into the United States at any time during the remainder of the fiscal year.

"(3) LARGE MAJOR SUPPLIERS.—For countries holding quota allocations of more than 45,000 metric tons of sugar, but less than 100,000 metric tons of sugar, the Secretary shall require that the country may ship not more than 50 percent of the coun-

try's quota sugar to the United States in the first six months of the year.''.

(j) EFFECTIVE DATE.—The Agricultural Adjustment Act of 1938 is amended by inserting after section 359k (7 U.S.C. 1359kk) the following new section:

''SEC. 359l. EFFECTIVE PERIOD.

''This part shall be effective only for the 2008 through 2012 crop years for sugar.''.

(k) TRANSITION.—The Secretary of Agriculture shall administer flexible marketing allotments for sugar for the 2007 crop year for sugar on the terms and conditions provided in part VII of title III of the Agricultural Adjustment Act of 1938, as in effect on the day before the date of the enactment of this Act.

Subtitle D—Dairy-Related Provisions

SEC. 1401. DAIRY PRODUCT PRICE SUPPORT PROGRAM.

(a) SUPPORT ACTIVITIES.—During the period beginning on January 1, 2008, through December 31, 2012, the Secretary of Agriculture shall support the price of cheddar cheese, butter, and nonfat dry milk through the purchase of such products made from milk produced in the United States.

(b) PURCHASE PRICE.—To carry out subsection (a) during the period specified in such subsection, the Secretary shall purchase—

(1) cheddar cheese in blocks at not less than $1.13 per pound;

(2) cheddar cheese in barrels at not less than $1.10 per pound;

(3) butter at not less than $1.05 per pound; and

(4) nonfat dry milk at not less than $0.80 per pound.

(c) TEMPORARY PRICE ADJUSTMENT TO AVOID EXCESS INVENTORIES.—

(1) ADJUSTMENTS AUTHORIZED.—The Secretary may adjust the minimum purchase prices established under subsection (b) only as permitted under this subsection.

(2) CHEESE INVENTORIES IN EXCESS OF 200 MILLION POUNDS.—If net removals for a period of 12 consecutive months exceed 200 million pounds of cheese, but do not exceed 400 million pounds, the Secretary may reduce the purchase prices under paragraphs (1) and (2) of subsection (b) during the immediately following month by not more than 10 cents per pound.

(3) CHEESE INVENTORIES IN EXCESS OF 400 MILLION POUNDS.—If net removals for a period of 12 consecutive months exceed 400 million pounds of cheese, the Secretary may reduce the purchase prices under paragraphs (1) and (2) of subsection (b) during the immediately following month by not more than 20 cents per pound.

(4) BUTTER INVENTORIES IN EXCESS OF 450 MILLION POUNDS.—If net removals for a period of 12 consecutive months exceed 450 million pounds of butter, but do not exceed 650 million pounds, the Secretary may reduce the purchase price under subsection (b)(3) during the immediately following month by not more than 10 cents per pound.

(5) BUTTER INVENTORIES IN EXCESS OF 650 MILLION POUNDS.—If net removals for a period of 12 consecutive months exceed 650 million pounds of butter, the Secretary may reduce the purchase price under subsection (b)(3) during the immediately following month by not more than 20 cents per pound.

(6) NONFAT DRY MILK INVENTORIES IN EXCESS OF 600 MILLION POUNDS.—If net removals for a period of 12 consecutive months exceed 600 million pounds of nonfat dry milk, but do not exceed 800 million pounds, the Secretary may reduce the

purchase price under subsection (b)(4) during the immediately following month by not more than 5 cents per pound.

(7) NONFAT DRY MILK INVENTORIES IN EXCESS OF 800 MILLION POUNDS.—If net removals for a period of 12 consecutive months exceed 800 million pounds of nonfat dry milk, the Secretary may reduce the purchase price under subsection (b)(4) during the immediately following month by not more than 10 cents per pound.

(d) UNIFORM PURCHASE PRICE.—The prices that the Secretary pays for cheese, butter, or nonfat dry milk, respectively, under subsection (a) shall be uniform for all regions of the United States.

(e) SALES FROM INVENTORIES.—In the case of each commodity specified in subsection (b) that is available for unrestricted use in inventories of the Commodity Credit Corporation, the Secretary may sell the commodity at the market prices prevailing for that commodity at the time of sale, except that the sale price may not be less than 110 percent of the minimum purchase price specified in subsection (b) for that commodity.

(f) NET REMOVALS DEFINED.—In this section, the term ''net removals'' means—

(1) the sum of the quantity of a product described in subsection (a) purchased by the Commodity Credit Corporation under this section and the quantity of such product exported under section 153 of the Food Security Act of 1985 (15 U.S.C. 713a–14); less

(2) the amount of such product sold for unrestricted use by the Commodity Credit Corporation.

(g) COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds of the Commodity Credit Corporation to carry out this section.

SEC. 1402. DAIRY FORWARD PRICING PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of Agriculture shall establish a program under which milk producers and cooperative associations of producers are authorized to voluntarily enter into forward price contracts with milk handlers.

(b) MINIMUM MILK PRICE REQUIREMENTS.—Payments made by milk handlers to milk producers and cooperative associations of producers, and prices received by milk producers and cooperative associations, in accordance with the terms of a forward price contract authorized by subsection (a), shall be deemed to satisfy—

(1) all uniform and minimum milk price requirements of paragraphs (B) and (F) of subsection

(5) of section 8c of the Agricultural Adjustment Act (7 U.S.C. 627), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937; and

(2) the total payment requirement of paragraph (C) of such subsection.

(c) MILK COVERED BY PROGRAM.—

(1) COVERED MILK.—The program shall apply only with respect to the marketing of federally regulated milk that—

(A) is not classified as Class I milk or otherwise intended for fluid use; and

(B) is in the current of interstate or foreign commerce or directly burdens, obstructs, or affects interstate or foreign commerce in federally regulated milk.

(2) RELATION TO CLASS I MILK.—To assist milk handlers in complying with the limitation in paragraph (1)(A) without having to segregate or otherwise individually track the source and disposition of milk, a milk handler may allocate milk receipts from producers, cooperatives, and other sources that are not subject to a forward contract to satisfy the handler's obligations with regard to Class I milk usage.

(d) VOLUNTARY PROGRAM.—A milk handler may not require participation in a forward pricing contract as a condition of the handler receiving milk from a producer or cooperative association of producers, and such producer or cooperative association may continue to have their milk priced under the order's minimum payment provisions. The Secretary shall investigate complaints made by producers or cooperative associations of coercion by handlers to enter into forward contracts, and if the Secretary finds evidence of such coercion, the Secretary shall take appropriate action.

(e) DURATION.—No forward price contract may be entered into under this program after September 30, 2012, and no forward contract entered into under the program may extend beyond September 30, 2015.

SEC. 1403. DAIRY EXPORT INCENTIVE PROGRAM.

(a) EXTENSION.—Subsection (a) of section 153 of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking "2007" and inserting "2012".

(b) COMPLIANCE WITH TRADE AGREEMENTS.—Section 153 of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended—

(1) in subsection (c), by striking paragraph (3) and inserting the following new paragraph:

"(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States under the Uruguay Round Agreements approved under section 101 of the Uruguay Round Agreements Act (19 U.S.C. 3511) is exported under the program each year (minus the volume sold under section 1163 of this Act (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and"; and.

(2) in subsection (f), by striking paragraph (1) and inserting the following new paragraph:

"(1) FUNDS AND COMMODITIES.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States under the Uruguay Round Agreements approved under section 101 of the Uruguay Round Agreements Act (19 U.S.C. 3511), minus the amount expended under section 1163 of this Act (Public Law 99–198; 7 U.S.C. 1731 note) during that year.".

SEC. 1404. REVISION OF FEDERAL MARKETING ORDER AMENDMENT PROCEDURES.

Subsection (17) of section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended to read as follows:

''(17) PROVISIONS APPLICABLE TO AMENDMENTS.—

''(A) APPLICABILITY TO AMENDMENTS.—The provisions of this section and section 8d, applicable to orders shall be applicable to amendments to orders.

''(B) ADVANCE NOTICE OF HEARING.—Notice of a hearing upon a proposed amendment to any order issued pursuant to this section shall be given not less than 3 days before the date fixed for the hearing, and such notice shall be deemed to be due notice of the hearing.

''(C) PROMPT RESPONSE TO REQUESTS FOR AMENDMENT HEARINGS.—Not more than 30 days after receipt of a written request for an amendment hearing regarding a milk marketing order, the Secretary shall—

''(i) issue a denial of the request; or

''(ii) issue notice of the hearing, which shall begin no more than 60 days, and conclude

no more than 90 days, after receipt of the request.

"(D) SUBMISSION AND USE OF EVIDENCE.—The proponents of any amendment proposed to be made to a milk marketing order shall file with the Secretary all testimony and other evidence in support of the amendment, in written form, at least 7 business days before the date fixed for the hearing. The Secretary shall make such written testimony and other evidence available to interested members of the public. Subject to any evidentiary objections and cross examination of submitting witness, the written testimony and evidence shall be entered into evidence without being read at the hearing.

"(E) ISSUANCE OF DECISION.—The Secretary shall issue a recommended decision on a proposed amendment to a milk marketing order not later than 90 days after the date set by the Administrative Law Judge for the submission of post-hearing proposed findings and conclusions and written arguments or briefs. The final decision shall be issued not later than 60 days after the date on which the recommended decision was issued.

"(F) AVOIDING DUPLICATION.—The Secretary shall not be required to call a hearing on any

amendment proposed to be made to a milk marketing order in response to an application for a hearing on such proposed amendment if the application requesting the hearing is received by the Secretary within 90 days after the date on which the Secretary has announced the decision on a previously proposed amendment to that order and the two proposed amendments are essentially the same.''.

SEC. 1405. DAIRY INDEMNITY PROGRAM.

Section 3 of Public Law 90–484 (7 U.S.C. 450l) is amended by striking ''2007'' and inserting ''2012''.

SEC. 1406. EXTENSION OF MILK INCOME LOSS CONTRACT PROGRAM.

Section 1502(c)(3)(B) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7982(c)(3)(B)), as amended by section 9006(a) of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (Public Law 110–28, 121 Stat. 217), is amended by striking ''2007'' and inserting ''2012''.

SEC. 1407. DAIRY PROMOTION AND RESEARCH PROGRAM.

(a) EXTENSION OF PROMOTION AUTHORITY.—Section 113(e)(2) of the Dairy Production Stabilization Act

of 1983 (7 U.S.C. 4504(e)(2)) is amended by striking "2007" and inserting "2012".

(b) DEFINITION OF UNITED STATES FOR PROMOTION PROGRAM.—Section 111 of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4502) is amended—

(1) by striking subsection (l) and inserting the following new subsection:

"(l) the term 'United States', when used in a geographical sense, means all of the States, the District of Columbia, and the Commonwealth of Puerto Rico;"; and

(2) in subsection (m), by striking "(as defined in subsection (l))".

(c) DEFINITION OF UNITED STATES FOR RESEARCH PROGRAM.—Section 130 of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4531)) is amended by striking paragraph (12) and inserting the following new paragraph:

"(12) the term 'United States', when used in a geographical sense, means all of the States, the District of Columbia, and the Commonwealth of Puerto Rico.".

(d) REFUND OF ASSESSMENTS ON IMPORTED DAIRY PRODUCTS.—Section 113(g) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(g)) is amended by adding at the end the following:

"(7) REFUND OF ASSESSMENTS ON CERTAIN IMPORTED PRODUCTS.—

"(A) IN GENERAL.—An importer is entitled to a refund of any assessment paid under this subsection on imported dairy products imported under a contract entered into prior to July 26, 2007.

"(B) EXPIRATION.—Refunds under paragraph (A) shall expire one year after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007.".

SEC. 1408. REPORT ON DEPARTMENT OF AGRICULTURE REPORTING PROCEDURES FOR NONFAT DRY MILK.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Agriculture shall submit to Congress a report regarding Department of Agriculture reporting procedures for nonfat dry milk and the impact of these procedures on Federal milk marketing order minimum prices during the period beginning on July 1, 2006, and ending on the date of the enactment of this Act.

SEC. 1409. FEDERAL MILK MARKETING ORDER REVIEW COMMISSION.

(a) ESTABLISHMENT.—Subject to the availability of appropriations to carry out this section, the Secretary of

1 Agriculture shall establish a commission to be known as
2 the ''Federal Milk Marketing Order Review Commission'',
3 in this section referred to as the ''commission'', which
4 shall conduct a comprehensive review and evaluation of—
5 (1) the current Federal milk marketing order
6 system; and
7 (2) non-Federal milk marketing order systems.
8 (b) ELEMENTS OF REVIEW AND EVALUATION.—As
9 part of the review and evaluation under subsection (a),
10 the commission shall consider legislative and regulatory
11 options for—
12 (1) ensuring that the competitiveness of dairy
13 products with other competing products in the mar-
14 ketplace is preserved and enhanced;
15 (2) enhancing the competitiveness of American
16 dairy producers in world markets;
17 (3) increasing the responsiveness of the Federal
18 milk marketing order system to market forces;
19 (4) streamlining and expediting the process by
20 which amendments to Federal milk market orders
21 are adopted;
22 (5) simplifying the Federal milk marketing
23 order system;
24 (6) evaluating whether the Federal milk mar-
25 keting order system, established during the Great

Depression, continues to serve the interests of the public, dairy processors, and dairy farmers;

(7) evaluating whether Federal milk marketing orders are operating in a manner to minimize costs to taxpayers and consumers; and

(8) evaluating the nutritional composition of milk, including the potential benefits and costs of adjusting the milk content standards.

(c) MEMBERSHIP.—

(1) COMPOSITION.—The commission shall consist of 18 members.

(2) MEMBERS.—As soon as practicable after the date on which funds are first made available to carry out this section, commission members shall be appointed as follows:

(A) Two members appointed by the Chairman of the Committee on Agriculture of the House of Representatives, in consultation with the ranking member of the Committee on Agriculture of the House of Representatives.

(B) Two members appointed by the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate, in consultation with the ranking member of the Committee

on Agriculture, Nutrition and Forestry of the Senate.

(C) Fourteen members appointed by the Secretary of Agriculture.

(3) SPECIAL APPOINTMENT REQUIREMENTS.—In the case of the members to be appointed under paragraph (2)(C), the Secretary shall comply with the following requirements:

(A) At least one member shall represent a national consumer organization.

(B) At least four members shall represent land-grant universities or ASCARR institutions with accredited dairy economic programs, with two of these members being experts in the field of economics.

(C) At least one member shall represent the food and beverage retail sector.

(D) Four dairy producer and four dairy processors, appointed so as to balance geographical distribution of milk production and dairy processing, reflect all segments of dairy processing, and represent all regions of the United States equitably, including States that operate outside of a Federal milk marketing order.

(4) CHAIR.—The commission shall elect one of its appointed members to serve as chairperson for the duration of the commission's proceedings.

(5) VACANCY.—Any vacancy occurring before the termination of the commission shall be filled in the same manner as the original appointment.

(6) COMPENSATION.—Members of the commission shall serve without compensation, but shall be reimbursed by the Secretary of Agriculture from existing budget authority for necessary and reasonable expenses incurred in the performance of the duties of the commission.

(d) REPORT.—Not later than two years after the date of the first meeting of the commission, the commission shall submit to the Secretary of Agriculture and Congress a report setting forth the results of the review and evaluation conducted under this section, including such recommendations regarding the legislative and regulatory options considered under subsection (b) as the commission considers to be appropriate. The report findings shall reflect, to the extent practicable, a consensus opinion of the commission members, but the report may include majority and minority findings regarding those matters for which consensus was not reached.

(e) ADVISORY NATURE.—The commission is wholly advisory in nature, and the recommendations of the commission are non-binding.

(f) NO EFFECT ON EXISTING PROGRAMS.—The Secretary shall not allow the existence of the commission to impede, delay, or otherwise affect any decision making process of the Department of Agriculture, including any rulemaking procedures planned, proposed, or near completion.

(g) ADMINISTRATIVE ASSISTANCE.—The Secretary shall provide administrative support to the commission, and expend such funds as necessary from existing budget authority to carry out this responsibility.

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

(i) TERMINATION.—The commission shall terminate immediately after submission of the report under subsection (d).

Subtitle E—Administration

SEC. 1501. ADMINISTRATION GENERALLY.

(a) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this title.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title shall be final and conclusive.

(c) REGULATIONS.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall promulgate such regulations as are necessary to implement this title.

(2) PROCEDURE.—The promulgation of the regulations and administration of this title shall be made without regard to—

(A) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act'');

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

(C) the notice and comment provisions of section 553 of title 5, United States Code.

(3) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this subsection, the Sec-

retary shall use the authority provided under section 808 of title 5, United States Code.

(d) ADJUSTMENT AUTHORITY RELATED TO TRADE AGREEMENTS COMPLIANCE.—

(1) REQUIRED DETERMINATION; ADJUSTMENT.—If the Secretary determines that expenditures under subtitles A through E that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501)), as in effect on the date of enactment of this Act, will exceed such allowable levels for any applicable reporting period, the Secretary shall, to the maximum extent practicable, make adjustments in the amount of such expenditures during that period to ensure that such expenditures do not exceed such allowable levels.

(2) CONGRESSIONAL NOTIFICATION.—Before making any adjustment under paragraph (1), the Secretary shall submit to the Committee on Agriculture of the House of Representatives or the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the determination made under that paragraph and the extent of the adjustment to be made.

SEC. 1502. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 2008 through 2012 crops of covered commodities, peanuts, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act through December 31, 2012:

(1) Parts II through V of subtitle B of title III (7 U.S.C. 1326 et seq.).

(2) In the case of upland cotton, section 377 (7 U.S.C. 1377).

(3) Subtitle D of title III (7 U.S.C. 1379a et seq.).

(4) Title IV (7 U.S.C. 1401 et seq.).

(b) AGRICULTURAL ACT OF 1949.—The following provisions of the Agricultural Act of 1949 shall not be applicable to the 2008 through 2012 crops of covered commodities, peanuts, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act and through December 31, 2012:

(1) Section 101 (7 U.S.C. 1441).

(2) Section 103(a) (7 U.S.C. 1444(a)).

(3) Section 105 (7 U.S.C. 1444b).

(4) Section 107 (7 U.S.C. 1445a).

(5) Section 110 (7 U.S.C. 1445e).

(6) Section 112 (7 U.S.C. 1445g).

(7) Section 115 (7 U.S.C. 1445k).

(8) Section 201 (7 U.S.C. 1446).

(9) Title III (7 U.S.C. 1447 et seq.).

(10) Title IV (7 U.S.C. 1421 et seq.), other than sections 404, 412, and 416 (7 U.S.C. 1424, 1429, and 1431).

(11) Title V (7 U.S.C. 1461 et seq.).

(12) Title VI (7 U.S.C. 1471 et seq.).

(c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled ''A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended'', approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 2008 through 2012.

SEC. 1503. PAYMENT LIMITATIONS.

(a) EXTENSION AND REVISION OF LIMITATIONS.—

(1) EXTENSION.—Sections 1001 and 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308, 1308–3(a)) are amended by striking ''Farm Security and Rural Investment Act of 2002'' each place it appears (other than in subsection (d)(1) of section

1001 of such Act) and inserting "Farm, Nutrition, and Bioenergy Act of 2007".

(2) COMBINATION OF LIMITS.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking subsections (b) and (c) and inserting the following new subsections:

"(b) LIMITATION ON DIRECT AND COUNTER-CYCLICAL PAYMENTS FOR COVERED COMMODITIES (OTHER THAN PEANUTS).—

"(1) DIRECT PAYMENTS.—The total amount of direct payments received, directly or indirectly, by a person or any legal entity (except a joint venture or a general partnership) in any crop year under subtitle A of title I of the Farm, Nutrition, and Bioenergy Act of 2007 for 1 or more covered commodities (except for peanuts) may not exceed $60,000.

"(2) COUNTER-CYCLICAL PAYMENTS.—The total amount of counter-cyclical payments received, directly or indirectly, by a person or any legal entity (except a joint venture or a general partnership in any crop year under subtitle A of title I of the Farm, Nutrition, and Bioenergy Act of 2007 for one or more covered commodities (except for peanuts) may not exceed $65,000.

"(c) LIMITATION ON DIRECT AND COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.—

"(1) DIRECT PAYMENTS.—The total amount of direct payments received, directly or indirectly, by a person or any legal entity (except a joint venture or a general partnership) in any crop year under subtitle A of title I of the Farm, Nutrition, and Bioenergy Act of 2007 for peanuts may not exceed $60,000.

"(2) COUNTER-CYCLICAL PAYMENTS.—The total amount of counter-cyclical payments received, directly or indirectly, by a person or any legal entity (except a joint venture or a general partnership in any crop year under subtitle A of title I of the Farm, Nutrition, and Bioenergy Act of 2007 for peanuts may not exceed $65,000.".

(b) DIRECT ATTRIBUTION.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively; and

(B) by inserting after paragraph (1) the following new paragraphs:

"(2) LEGAL ENTITY.—The term 'legal entity' means an entity that is created under Federal or State law and that—

"(A) owns land or an agricultural commodity; or

"(B) produces an agricultural commodity.

"(3) PERSON.—The term 'person' means a natural person, and does not include a legal entity.";

(2) by striking subsections (d) through (e) and inserting the following new subsections:

"(d) ATTRIBUTION OF PAYMENTS.—

"(1) IN GENERAL.—In implementing subsections (b) and (c), the Secretary shall issue such regulations as are necessary to ensure that the total amount of payments are attributed to a person by taking into account the direct and indirect ownership interests of the person in a legal entity that is eligible to receive such payments.

"(2) PAYMENTS TO A PERSON.—Every payment made directly to a person shall be combined with the person's pro rata interest in payments received by a legal entity in which the person has a direct or indirect ownership interest.

"(3) PAYMENTS TO A LEGAL ENTITY.—

"(A) IN GENERAL.—Every payment made to a legal entity shall be attributed to those persons who have a direct or indirect ownership interest in the legal entity.

"(B) ATTRIBUTION OF PAYMENTS.—

"(i) PAYMENT LIMITS.—Except as provided in clause (ii), payments made to a legal entity shall not exceed the amounts specified in subsections (b) and (c).

"(ii) EXCEPTION.—Payments made to a joint venture or a general partnership shall not exceed, for each payment specified in subsections (b) and (c), the amount determined by multiplying the maximum payment amount specified in subsections (b) and (c) by the number of persons and legal entities (other than joint ventures and general partnerships) that comprise the ownership of the joint venture or general partnership.

"(4) FOUR LEVELS OF ATTRIBUTION FOR EMBEDDED ENTITIES.—

"(A) IN GENERAL.—Attribution of payments made to legal entities shall be traced through four levels of ownership in entities.

"(B) FIRST LEVEL.—Any payments made to a legal entity (a first-tier entity) that is owned in whole or in part by a person shall be attributed to the person in an amount that represents the direct ownership in the first-tier entity by the person.

"(C) SECOND LEVEL.—Any payments made to a first-tier entity that is owned in whole or in part by another legal entity (a second-tier entity) shall be attributed to the second-tier entity in proportion to the second-tier entity's ownership in the first-tier entity. If the second-tier entity is owned in whole or in part by a person, the amount of the payment made to the first-tier entity shall be attributed to the person in the amount that represents the indirect ownership in the first-tier entity by the person.

"(D) THIRD AND FOURTH LEVELS.—The Secretary shall attribute payments at the third and fourth tiers of ownership in the same manner as specified in subparagraph (C) unless the fourth-tier of ownership is that of a fourth-tier entity and not that of a person, in which case the Secretary shall reduce the amount of the

payment to be made to the first-tier entity in the amount that represents the indirect ownership in the first-tier entity by the fourth-tier entity.

"(e) SPECIAL RULES.—

"(1) MINOR CHILDREN.—Payments received by a child under the age of 18 shall be attributed to the child's parents, except that the Secretary shall issue regulations which provide the conditions under which payments received by a child under the age of 18 will not be attributed to the child's parents.

"(2) MARKETING COOPERATIVES.—Subsections (b) and (c) shall not apply to a cooperative association of producers with respect to commodities produced by its members which are marketed by such association on behalf of its members but shall apply to such producers as persons.

"(3) TRUSTS AND ESTATES.—

"(A) IN GENERAL.—With respect to irrevocable trusts and estates, the Secretary shall administer the provisions of this subtitle in such manner as the Secretary determines will ensure that fair and equitable treatment of the beneficiaries of such trusts and estates.

"(B) IRREVOCABLE TRUST.—In order for a trust to be considered an irrevocable trust, the terms of the trust agreement must not allow for modification or termination of the trust by the grantor, allow for the grantor to have any future, contingent, or remainder interest in the corpus of the trust, or provide for the transfer of the corpus of the trust to the remainder beneficiary in less than 20 years from the date the trust is established except in cases where the transfer is contingent on the remainder beneficiary achieving at least the age of majority or is contingent on the death of the grantor or income beneficiary.

"(C) REVOCABLE TRUST.—A revocable trust shall be considered to be the same person as the grantor of the trust.

"(4) CASH RENT TENANTS.—

"(A) DEFINITION.—In this paragraph, the term 'cash rent tenant' means a person or legal entity that rents land—

"(i) for cash; or

"(ii) for a crop share guaranteed as to the amount of the commodity to be paid in rent.

"(B) RESTRICTION.—A cash rent tenant who makes a significant contribution of active personal management, but not of personal labor, with respect to a farming operation is eligible to receive a payment described in subsection (b) only if the tenant makes a significant contribution of equipment used in the farming operation.

"(5) FEDERAL AGENCIES.—

"(A) IN GENERAL.—Federal agencies shall not be eligible to receive any payment described in subsection (b) or (c).

"(B) RENTS LAND.—A person or legal entity that rents land owned by a Federal agency may receive such payments.

"(6) STATE AND LOCAL GOVERNMENTS.—

"(A) GOVERNMENTS INELIGIBLE.—

"(i) IN GENERAL.—Except as provided in subparagraphs (B) and (C), State and local governments and political subdivisions and agencies of such governments, shall not be eligible to receive payments described in subsections (b) and (c).

"(ii) TENANTS.—A person or legal entity that rents land owned by a State or

local government or a political subdivision or agency of such government, may receive payments described in subsections (b) and (c) if they otherwise meet all applicable criteria.

"(B) EXCEPTION.—

"(i) IN GENERAL.—Within the limitation described in clause (ii), a State and the political subdivisions and agencies of such governments, may receive payments described in subsections (b) and (c), if the State or a political subdivision or agency of such government—

"(I) is the producer of all crops produced on a farm; and

"(II) the proceeds from the crop production are used to maintain a public school.

"(ii) LIMITATION.—For each State, the total amount of payments described in subsections (b) and (c) that are received collectively by the State and all political subdivisions or agencies of such governments shall not exceed the amounts that

one legal entity may receive in one year as specified in subsections (b) and (c).

"(C) SHARE LEASES.—A State and the political subdivisions and agencies of such governments may, without regard to the provisions of subparagraph (B), receive payments described in subsections (b) and (c) if—

"(i) the payments are received with respect to land that is share leased to a private party;

"(ii) the lease was in effect on the date of enactment of the Farm, Nutrition, and Bioenergy Act of 2007; and

"(iii) the land is used to maintain a public school.

"(7) CHANGES IN FARMING OPERATIONS.—In the administration of this subtitle, the Secretary may not approve any change in a farming operation that otherwise will increase the number of persons to which the limitations under this section are applied unless the Secretary determines that the change is bona fide and substantive. The addition of a family member to a farming operation under the criteria set out in section 1001A shall be considered a bona

fide and substantive change in the farming operation.

"(8) DENIAL OF PROGRAM BENEFITS.—

"(A) TWO YEAR DENIAL OF PAYMENT.—A person or legal entity shall be ineligible to receive payments specified in subsections (b) and (c) for that year, and the succeeding crop year, in which the Secretary determines that the person or entity engaged in an activity in which the primary purpose of the activity was to avoid the application of the provisions of this subtitle to the person, legal entity or any other person or legal entity.

"(B) EXTENDED INELIGIBILITY.—If the Secretary determines that a person or legal entity, for their benefit or the benefit of any other person or legal entity, has knowingly engaged in, or aided in the creation of fraudulent documents, failed to disclose material information relevant to the administration of this subtitle requested by the Secretary, or committed other equally serious actions as identified in regulations issued by the Secretary, the Secretary may for a period not to exceed five crop years

deny the issuance of payments to the person or legal entity.

"(C) PRO RATA DENIAL.—Payments otherwise owed to a person or legal entity covered by subparagraphs (A) or (B) shall be denied in a pro rata manner based upon the ownership interest of the person or legal entity in a farm, and payments otherwise payable to the person or legal entity who is a cash rent tenant on a farm owned or under the control of such person or legal entity shall be denied.

"(9) DEATH OF OWNER.—In the event of a transfer of any ownership interest in land or a commodity as the result of the death of a program participant, the new owner of such land or commodity may, if such person is otherwise eligible to participate in the applicable program, succeed to the prior owner's contract and receive payments subject to this section without regard to the amount of payments received by the new owner. Payments made pursuant to this subsection shall not exceed the amount to which the previous owner was entitled to receive under the terms of the contract at the time of the death of the prior owner.".

(c) REPEAL OF THREE-ENTITY RULE.—Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1) is amended—

(1) in the section heading, by striking "**PREVENTION OF CREATION OF ENTITIES TO QUALIFY AS SEPARATE PERSONS**"and inserting "**NOTIFICATION OF INTERESTS**"; and

(2) by striking subsection (a) and inserting the following new subsection:

"(a) NOTIFICATION OF INTERESTS.—To facilitate administration of sections 1001 and this section, each entity or person receiving payments described in subsections (b) and (c) of section 1001 as a separate person shall provide to the Secretary of Agriculture, at such times and in such manner as prescribed by the Secretary, the name and social security number of each individual, or the name and taxpayer identification number of each entity, that holds or acquires an ownership interest in such separate person and shall provide such information regarding each entity in which such separate person holds an ownership interest.".

(d) AMENDMENT FOR CONSISTENCY.—Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1) is amended by striking subsection (b) and inserting the following new subsections:

1 "(b) ACTIVELY ENGAGED.—

2 "(1) IN GENERAL.—To be eligible to receive a
3 payment described in subsections (b) and (c) of sec-
4 tion 1001, a person or legal entity must be actively
5 engaged in farming as provided in this subsection or
6 subsection (c).

7 "(2) CLASSES ACTIVELY ENGAGED.—Except as
8 provided in subsections (c) and (d)—

9 "(A) a person, including a person partici-
10 pating in a farming operation as a partner in
11 a general partnership, a participant in a joint
12 venture, a grantor of a revocable trust, or a
13 participant in a similar entity as determined by
14 the secretary, shall be considered to be actively
15 engaged in farming with respect to a farm oper-
16 ation if—

17 "(i) the person makes a significant
18 contribution (based on the total value of
19 the farming operation) to the farming op-
20 eration of—

21 "(I) capital, equipment, or land;
22 and

23 "(II) personal labor or active per-
24 sonal management;

"(ii) the person's share of the profits or losses from the farming operation is commensurate with the contributions of the person to the farming operation; and

"(iii) the contributions of the person are at risk;

"(B) a legal entity that is a corporation, joint stock company, association, limited partnership, charitable organization, or other similar entity determined by the Secretary, including any such entity participating in the farming operation as a partner in a general partnership, a participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar entity as determined by the Secretary shall be considered as actively engaged in farming with respect to a farming operation if—

"(i) the entity separately makes a significant contribution (based on the total value of the farming operation) of capital, equipment, or land;

"(ii) the stockholders or members collectively make a significant contribution of personal labor or active personal management to the operation; and

"(iii) the standards provided in clauses (ii) and (iii) of paragraph (A), as applied to the entity, are met by the entity;

"(C) if a legal entity that is a general partnership, joint venture, or similar entity, as determined by the Secretary, separately makes a significant contribution (based on the total value of the farming operation involved) of capital, equipment, or land, and the standards provided in clauses (ii) and (iii) of paragraph (A), as applied to the entity, are met by the entity, the partners or members making a significant contribution of personal labor or active personal management shall be considered to be actively engaged in farming with respect to the farming operation involved; and

"(D) in making determinations under this subsection regarding equipment and personal labor, the Secretary shall take into consideration the equipment and personal labor normally and customarily provided by farm operators in the area involved to produce program crops.

"(c) SPECIAL CLASSES ACTIVELY ENGAGED.—

"(1) LANDOWNER.—A person or legal entity that is a landowner contributing the owned land to a farming operation shall be considered to be actively engaged in farming with respect to the farming operation if the landowner receives rent or income for such use of the land based on the land's production or the operation's operating results, and the person or legal entity meets the standard provided in clauses (ii) and (iii) of subsection (b)(2)(A).

"(2) ADULT FAMILY MEMBER.—With respect to a farming operation when a majority of the participants are family members, an adult family member shall be considered to be actively engaged in farming with respect to the farming operation if the person—

"(A) makes a significant contribution, based on the total value of the farming operation, of active personal management or personal labor; and

"(B) such contribution meets the standards provided in clauses (ii) and (iii) of subsection (b)(2)(A).

"(3) SHARECROPPER.—A sharecropper who makes a significant contribution of personal labor to a farming operation shall be considered to be ac-

tively engaged in farming with respect to the farming operation if such contribution meets the standards provided in clauses (ii) and (iii) of subsection (b)(2)(A).

"(4) GROWERS OF HYBRID SEED.—In determining whether a person or legal entity growing hybrid seed under contract shall be considered to be actively engaged in farming, the Secretary shall not take into consideration the existence of a hybrid seed contract.

"(5) CUSTOM FARMING SERVICES.—A person or legal entity receiving custom farming services will be considered separately eligible for payment limitation purposes if such person or legal entity is actively engaged in farming based on subsection (b)(2) or paragraphs (1) through (5) of this subsection. No other rules with respect to custom farming shall apply in making a determination under this section.

"(6) SPOUSE.—Where one spouse is determined to be actively engaged, the other spouse shall be determined to have met the requirements of subclause (II) of subsection (b)(2)(A)(i) of this section.

"(d) CLASSES NOT ACTIVELY ENGAGED.—

"(1) CASH RENT LANDLORD.—A landlord contributing land to a farming operation shall not be

considered to be actively engaged in farming with respect to the farming operation if the landlord receives cash rent, or a crop share guaranteed as to the amount of the commodity to be paid in rent, for such use of the land.

"(2) OTHER PERSONS.—Any other person determined by the Secretary as failing to meet the standards set out in subsections (b)(2) and (c) shall not be considered to be actively engaged in farming with respect to a farming operation.".

(e) TRANSITION.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to the 2007 crop of any covered commodity.

SEC. 1504. ADJUSTED GROSS INCOME LIMITATION.

(a) EXTENSION OF ADJUSTED GROSS INCOME LIMITATION.—Section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–3a) is amended—

(1) in subsection (b)(2), by striking "Farm Security and Rural Investment Act of 2002" each place it appears and inserting "Farm, Nutrition, and Bioenergy Act of 2007"; and

(2) in subsection (e), by striking "2007" and inserting "2012".

(b) MODIFICATION OF LIMITATION.—Section 1001D(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(b)) is amended—

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

"(1) CAPS.—

"(A) UPPER LIMIT.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2) during a crop year if the average adjusted gross income of the individual or entity exceeds $1,000,000.

"(B) PRODUCER EXEMPTION.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2) during a crop year if the average adjusted gross income of the individual or entity exceeds $500,000, unless not less than 66.66 percent of the average adjusted gross income of the individual or entity is derived from farming, ranching, or forestry operations, as determined by the Secretary.";

(2) in paragraph (2)(A), by striking "or C"; and

(3) by adding at the end the following new paragraph:

"(3) INCOME DERIVED FROM FARMING, RANCHING OR FORESTRY OPERATIONS.—In determining what portion of the average adjusted gross income of an individual or entity is derived from farming, ranching, or forestry operations, the Secretary shall include income derived from the following:

"(A) The production of crops, livestock, or unfinished raw forestry products.

"(B) The sale, including the sale of easements and development rights, of farm, ranch, or forestry land or water rights.

"(C) The sale, but not as a dealer, of equipment purchased to conduct farm, ranch, or forestry operations when the equipment is otherwise subject to depreciation expense.

"(D) The rental of land used for farming, ranching, or forestry operations.

"(E) The provision of production inputs and services to farmers, ranchers, and foresters.

"(F) The processing, storing, and transporting of farm, ranch, and forestry commodities.

"(G) The sale of land that has been used for agriculture.".

SEC. 1505. ADJUSTMENTS OF LOANS.

Section 162 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7282) is amended—

(1) in subsection (a), by inserting "(except for cotton and long grain, medium grain, and short grain rice)" after "commodity";

(2) in subsection (b), by striking "Farm Security and Rural Investment Act of 2002" and inserting "Farm, Nutrition, and Bioenergy Act of 2007"; and

(3) by adding at the end the following new subsections:

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

"(1) ADJUSTMENT AUTHORITY.—The Secretary may make appropriate adjustments in the loan rate for cotton for differences in quality factors.

"(2) REVISIONS TO QUALITY ADJUSTMENTS FOR UPLAND COTTON.—

"(A) REVISION.—Within 180 days after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007, the Secretary, after consultation with the private sector as provided in paragraph (3), shall implement revi-

sions in the administration of the marketing assistance loan program for upland cotton to more accurately and efficiently reflect market values for upland cotton.

"(B) MANDATORY REVISIONS.—The revisions required under subparagraph (A) shall include the following:

"(i) The elimination or adjustment of warehouse location differentials to reflect market conditions.

"(ii) The establishment of differentials for the various quality factors and staple lengths of cotton based on a three-year, weighted moving average of the weighted designated spot market regions as determined by regional production.

"(iii) The elimination of any artificial split in the premium or discount between upland cotton with a 32 or 33 staple length due to micronaire;

"(iv) A mechanism to ensure that no premium or discount is established that exceeds the premium or discount associated with a leaf grade that is one better than the applicable color grade.

"(C) DISCRETIONARY REVISIONS.—The revisions under subparagraph (A) may include, at a minimum, the following:

"(i) The use of non-spot market price data, in addition to spot market price data, that would enhance the accuracy of the price information used in determining quality adjustments under this subsection.

"(ii) Adjustments in the premiums or discounts associated with upland cotton with a staple length of 33 or above due to micronaire with the goal of eliminating any unnecessary artificial splits in the calculations of such premiums or discounts.

"(iii) Such other adjustments determined appropriate by the Secretary, after consultations conducted in accordance with paragraph (3).

"(3) CONSULTATION WITH PRIVATE SECTOR.—

"(A) PRIOR TO REVISION.—Prior to implementing any revisions to the administration of the marketing assistance loan program for upland cotton, the Secretary should endeavor to consult with an existing private sector committee whose membership includes representa-

tives of the production, ginning, warehousing, cooperative, and merchandising segments of the United States cotton industry and that has developed recommendations concerning such revisions.

"(B) UPON REVIEW.—The Secretary shall also consult with the committee referred to in subparagraph (A) when conducting a review of adjustments in the operation of the loan program as provided in paragraph (4).

"(C) INAPPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to consultations under this paragraph with the committee referred to in subparagraph (A).

"(4) REVIEW OF ADJUSTMENTS.—The Secretary may review the operation of the upland cotton quality adjustments implemented pursuant to this subsection and may make further revisions to the administration of the loan program, by either revoking or revising the actions taken pursuant to paragraph (2)(B) or by revoking or revising any actions taken or authorized to be taken under paragraph (2)(B).

"(5) ADJUSTMENTS IN EFFECT PRIOR TO REVISION.—The quality differences (premiums and discounts for quality factors) applicable to the upland cotton loan program (prior to any revisions in accordance with this subsection) shall be established by the Secretary by giving equal weight—

"(A) to loan differences for the preceding crop; and

"(B) to market differences for such crop in the designated United States spot markets.

"(e) RICE LIMITATION.—With respect to long grain rice and medium and short grain rice, the Secretary shall not make adjustments in the loan rates for such commodities, except for differences in grade and quality (including milling yields).".

SEC. 1506. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.

Section 164 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7284) is amended by striking "Farm Security and Rural Investment Act of 2002" each place it appears and inserting "Farm, Nutrition, and Bioenergy Act of 2007".

SEC. 1507. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.

Section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286) is amended in subsections (a) and (c)(1) by striking ''subtitle B and C of title I of the Farm Security and Rural Investment Act of 2002'' each place it appears and inserting ''subtitle B of title I of the Farm, Nutrition, and Bioenergy Act of 2007''.

SEC. 1508. ASSIGNMENT OF PAYMENTS.

(a) IN GENERAL.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to payments made under the authority of this title.

(b) NOTICE.—The producer making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this section.

SEC. 1509. TRACKING OF BENEFITS.

As soon as practicable after the date of enactment of this Act, the Secretary shall track the benefits provided, directly or indirectly, to individuals and entities under titles I and II and the amendments made by those titles.

SEC. 1510. UPLAND COTTON STORAGE PAYMENTS.

Beginning with the 2011 crop of upland cotton, the Secretary may not use the funds of the Commodity Credit

Corporation to pay storage, handling, and other costs associated with the storage of upland cotton for which a marketing assistance loan is made under section 1201.

SEC. 1511. GOVERNMENT PUBLICATION OF COTTON PRICE FORECASTS.

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

SEC. 1512. PREVENTION OF DECEASED PERSONS RECEIVING PAYMENTS UNDER FARM COMMODITY PROGRAMS.

(a) IDENTIFICATION OF ERRONEOUS PAYMENTS MADE TO DECEASED PERSONS.—The Secretary of Agriculture shall—

(1) undertake a study to identify any estate of a deceased person that continued to receive payments under this title for more than two crop years after the death of the person; and

(2) submit a report containing the results of the study to Congress.

(b) NOTIFICATION.—The Secretary shall issue regulations that specify deadlines by which a legal entity must notify the Secretary of any change in ownership of such entity, including the death of a person with a direct or indirect ownership interest in the entity, that may affect the entity's eligibility to receive payments or other benefits

under this title. The Secretary may deny the issuance of such payments or benefits to an entity that fails to comply with such regulations.

(c) RECOUPMENT.—If the Secretary determines that the estate of a deceased person failed to timely notify the Farm Service Agency of the death, the Secretary shall recoup the erroneous payments made on behalf of the deceased person. The Secretary shall withhold payments that would otherwise be made under this title to farming operations in which the deceased person was actively engaged in farming before death until the funds have been recouped.

(d) COORDINATION.—The Secretary shall, twice a year, reconcile individual tax identification numbers with the Internal Revenue Service for recipients of payments under this title to determine recipients' living status.

TITLE II—CONSERVATION

Subtitle A—Conservation Programs of the Food Security Act of 1985

Sec. 2101. Conservation reserve program.
Sec. 2102. Wetlands reserve program.
Sec. 2103. Conservation security program.
Sec. 2104. Grassland reserve program.
Sec. 2105. Environmental quality incentives program.
Sec. 2106. Regional water enhancement program.
Sec. 2107. Grassroots source water protection program.
Sec. 2108. Conservation of private grazing land.
Sec. 2109. Great Lakes basin program for soil erosion and sediment control.
Sec. 2110. Farm and ranchland protection program.
Sec. 2111. Farm viability program.
Sec. 2112. Wildlife habitat incentive program.

Subtitle B—Conservation Programs Under Other Laws

Sec. 2201. Agricultural management assistance program.
Sec. 2202. Resource Conservation and Development Program.

Sec. 2203. Small watershed rehabilitation program.

Subtitle C—Additional Conservation Programs

Sec. 2301. Chesapeake Bay program for nutrient reduction and sediment control.
Sec. 2302. Voluntary public access and habitat incentive program.

Subtitle D—Administration and Funding

Sec. 2401. Funding of conservation programs under Food Security Act of 1985.
Sec. 2402. Improved provision of technical assistance under conservation programs.
Sec. 2403. Cooperative conservation partnership initiative.
Sec. 2404. Regional equity and flexibility.
Sec. 2405. Administrative requirements for conservation programs.
Sec. 2406. Annual report on participation by specialty crop producers in conservation programs.
Sec. 2407. Promotion of market-based approaches to conservation.
Sec. 2408. Establishment of State technical committees and their responsibilities.
Sec. 2409. Payment limitations.

Subtitle E—Miscellaneous Provisions

Sec. 2501. Inclusion of income from affiliated packing and handling operations as income derived from farming for application of adjusted gross income limitation on eligibility for conservation programs.
Sec. 2502. Encouragement of voluntary sustainability practices guidelines.
Sec. 2503. Farmland resource information.

Subtitle A—Conservation Programs of the Food Security Act of 1985

SEC. 2101. CONSERVATION RESERVE PROGRAM.

(a) AUTHORIZATION AND ELIGIBLE LAND.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(1) in subsection (a)—

(A) by striking ''2007'' and inserting ''2012''; and

(B) by inserting before the period the following: ''and to address issues raised by State,

regional, and national conservation initiatives''; and

(2) in subsection (b)—

(A) in paragraph (1)(B)—

(i) by striking ''the Farm Security and Rural Investment Act of 2002'' and inserting ''the Farm, Nutrition, and Bioenergy Act of 2007''; and

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

(B) in paragraph (4), by striking the semicolon at the end of subparagraph (E) and inserting ''; or''.

(b) MAXIMUM ENROLLMENT.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended by striking ''2007'' and inserting ''2012''.

(c) CONSERVATION PRIORITY AREAS.—Section 1231(f) of the Food Security Act of 1985 (16 U.S.C. 3831(f)) is amended by striking ''the Chesapeake Bay Region (Pennsylvania, Maryland, and Virginia)'' and inserting ''the Chesapeake Bay Region''.

(d) TREATMENT OF MULTI-YEAR GRASSES AND LEGUMES.—Subsection (g) of section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended to read as follows:

"(g) MULTI-YEAR GRASSES AND LEGUMES.—

"(1) IN GENERAL.—For purposes of this subchapter, alfalfa and other multi-year grasses and legumes in a rotation practice, approved by the Secretary, shall be considered agricultural commodities.

"(2) CROPPING HISTORY.—Alfalfa, when grown as part of a rotation practice, as determined by the Secretary, is an agricultural commodity subject to the cropping history criteria under subsection (b)(1)(B) for the purpose of determining whether highly erodible cropland has been planted or considered planted for 4 of the 6 years referred to in such subsection.".

(e) PILOT PROGRAM FOR ENROLLMENT OF WETLAND AND BUFFER ACREAGE IN CONSERVATION RESERVE.—Section 1231(h)(1)(A) of the Food Security Act of 1985 (16 U.S.C. 3831(h)(1)(A)) is amended by striking "2007" and inserting "2012".

(f) MANAGED HAYING AND GRAZING.—Section 1232(a)(7) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(7)) is amended—

(1) in subparagraph (A)—

(A) by inserting "and prescribed grazing for the control of invasive species" after "biomass"; and

(B) by striking ''and'' at the end of the subparagraph;

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

(3) by inserting after subparagraph (A) the following new subparagraph:

''(B) managed grazing during the year, except that in permitting such grazing, the Secretary shall—

''(i) reduce the rental payment otherwise payable under the contract by a percentage determined by the Secretary to be appropriate; and

''(ii) require a management plan, including a grazing rate, approved by the Secretary that is consistent with section 1231(a);

''(C) dryland crop production and grazing practices on acreage enrolled into the conservation reserve enhancement program announced on May 27, 1998 (63 Fed. Reg. 28965) where the conservation reserve enhancement program is initiated to address declining groundwater or surface water resources and water quality issues associated with declining groundwater or

surface water resources and the conservation reserve enhancement contract requires the owner or operator to retire a water right, except that in permitting dryland crop production and grazing, the Secretary shall—

"(i) develop an appropriate working lands conservation plan that implements conservation practices suitable to the region to address soil conservation, water quality, wildlife habitat, or other environmental benefits;

"(ii) apply the provisions of section 11005 of the Farm, Nutrition, and Bioenergy Act of 2007 in determining the eligibility for crop insurance of dryland crop production and grazing activities allowed under a conservation reserve enhancement contract for the purposes of this section, dryland crop production and grazing activities allowed under a conservation reserve enhancement contract shall be considered 'noncropland' in applying the provisions of section 11005 of the Farm, Nutrition, and Bioenergy Act of 2007;

"(iii) reduce the rental payment otherwise payable under the contract by an amount commensurate with the economic value of the crop production or grazing activity, while still leaving sufficient financial incentives for the owner or operator to participate in the conservation reserve enhancement; and

"(iv) at the request of a State that has previously entered into a conservation reserve enhancement program agreement, renegotiate the agreement to allow for the dryland crop production and grazing in accordance with this section; and".

(g) RENTAL RATES.—Section 1234(c) of the Food Security Act of 1985 (16 U.S.C. 3834(c)) is amended by adding at the end the following new paragraph:

"(5) COUNTY AVERAGE MARKET DRY-LAND AND IRRIGATED CASH RENTAL RATES.—

"(A) ANNUAL ESTIMATES.—Beginning not later than one year after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007, the National Agricultural Statistics Service shall conduct an annual survey of per acre estimates of county average market

dry-land and irrigated cash rental rates for cropland and pastureland in all counties or equivalent subdivisions within each State with 20,000 acres or more of cropland and pastureland.

"(B) PUBLIC AVAILABILITY OF ESTIMATES.— The estimates derived as a result of the annual survey conducted under subparagraph (A) shall be maintained on a website of the Department of Agriculture for use by the general public.".

(h) CONSERVATION RESERVE PROGRAM TRANSITION INCENTIVES.—Section 1235 of the Food Security Act of 1985 (16 U.S.C. 3835) is amended—

(1) in subsection (c)(1)(B)—

(A) in clause (ii), by striking "or" at the end;

(B) by redesignating clause (iii) as clause (iv); and

(C) by inserting after clause (ii) the following new clause:

"(iii) to facilitate a transition of land subject to the contract from a retired or retiring owner or operator to a beginning farmer or rancher, socially disadvantaged

farmer or rancher, or limited resource farmer or rancher for the purpose of returning some or all of the land into production using sustainable grazing or crop production methods; or''; and

(2) by adding at the end the following new subsection:

''(f) TRANSITION OPTION FOR CERTAIN FARMERS OR RANCHERS.—

''(1) DUTIES OF THE SECRETARY.—In the case of a contract modification approved in order to facilitate the transfer of land subject to a contract from a retired or retiring owner or operator under subsection (c)(1)(B)(iii) to a beginning farmer or rancher, socially disadvantaged farmer or rancher, or limited resource farmer or rancher (in this subsection referred to as a 'covered farmer or rancher') the Secretary shall—

''(A) beginning on the date that is 1 year before the date of termination of the contract—

''(i) allow the covered farmer or rancher, in conjunction with the retired or retiring owner or operator, to make conservation and land improvements; and

"(ii) allow the covered farmer or rancher, at the election of the covered farmer or rancher, to begin the certification process under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.);

"(B) beginning on the date of termination of the contract, require the retired or retiring owner or operator to sell or lease (under a long-term lease or a lease with an option to purchase) to the covered farmer or rancher the land subject to the contract for production purposes;

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

"(D) provide to the covered farmer or rancher an opportunity to enroll in the conservation security program or the environmental quality incentives program by not later than the date on which the farmer or rancher takes possession of the land through ownership or lease; and

"(E) continue to make annual payments to the retired or retiring owner or operator for not more than an additional 2 years after the date of termination of the contract, if the retired or retiring owner or operator is not a family member (as defined in section 1001A(b)(3)(B) of this Act) of the covered farmer or rancher.

"(2) REENROLLMENT.—The Secretary shall provide to a beginning farmer or rancher, socially disadvantaged farmer or rancher, or limited resource farmer or rancher described in paragraph (1) the option to reenroll any applicable partial field conservation practice that is—

"(A) eligible for enrollment under the continuous signup requirement of section 1231(h)(4)(B); and

"(B) part of an approved comprehensive conservation plan.".

(i) EARLY TERMINATION.—Section 1235(e)(1) of the Food Security Act of 1985 (16 U.S.C. 3835(e)(1)) is amended by striking "before January 1, 1995,".

(j) EXCEPTIONS TO EARLY TERMINATION.—Section 1235(e)(2) of the Food Security Act of 1985 (16 U.S.C. 3835(e)(2)) is amended by adding at the end the following new subparagraph:

"(D) Land enrolled under continuous signup.".

SEC. 2102. WETLANDS RESERVE PROGRAM.

(a) ESTABLISHMENT AND PURPOSE.—Subsection (a) of section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended to read as follows:

"(a) ESTABLISHMENT AND PURPOSES.—

"(1) ESTABLISHMENT.—The Secretary shall establish a wetlands reserve program to assist owners of eligible lands in restoring and protecting wetlands.

"(2) PURPOSES.—The purposes of the wetlands reserve program are—

"(A) to restore, to create, to protect, or to enhance wetlands on lands that are eligible under subsections (c) and (d); and

"(B) to authorize the Secretary, at the sole discretion of the Secretary, to purchase floodplain easements.".

(b) MAXIMUM ENROLLMENT.—Section 1237(b) of the Food Security Act of 1985 (16 U.S.C. 3837(b)) is amended—

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

"(1) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the wetlands reserve program shall not exceed 3,605,000 acres."; and

(2) by adding at the end the following new paragraphs:

"(3) ANNUAL ENROLLMENT GOAL.—Of the total number of acres authorized by paragraph (1), to the maximum extent practicable, the Secretary shall enroll 250,000 acres in each fiscal year.

"(4) FLOOD-PLAIN EASEMENTS.—Of the acres to be enrolled each fiscal year, not more than 10,000 acres may be enrolled using flood-plain easements.".

(c) ELIGIBLE LANDS.—Subsection (c) of section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended to read as follows:

"(c) ELIGIBILITY.—For purposes of enrolling land into the wetland reserve program established under this subchapter during the 2008 through 2012 fiscal years, land shall be eligible to be placed into such reserve if the Secretary determines that—

"(1) in the case of wetlands—

"(A) the land maximizes wetland values and functions and wildlife benefits;

"(B) the land is farmed wetland or converted wetland, together with adjacent lands

that are functionally dependent on such wetlands, except that converted wetlands where the conversion was not commenced prior to December 23, 1985, shall not be eligible to be enrolled in the program under this section;

''(C) the likelihood of the successful restoration of such land, and the resultant wetland values, merit inclusion of the land into the program taking into consideration the cost of such restoration; and

''(D) the land consists of riparian areas, including areas that link wetlands that are protected by easements or some other device or circumstance that achieves the same purpose as an easement; or

''(2) in the case of flood-plain lands—

''(A) the flood-plain land has been damaged by flooding at least once within the previous calendar year, or has been subject to flood damage at least twice within the previous 10 years; or

''(B) the enrollment of other land within the flood plain would contribute to the restoration of the flood storage and flow or erosion control.''.

(d) INELIGIBLE LANDS.—Subsection (e) of section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended to read as follows:

"(e) INELIGIBLE LAND.—The Secretary may not acquire easements on—

"(1) in the case of wetlands—

"(A) land that contains timber stands established under the conservation reserve under subchapter B; or

"(B) pasture land established to trees under the conservation reserve under subchapter B; or

"(2) in the case of flood-plain lands—

"(A) land on which implementation of restoration practices would not be productive; or

"(B) land that is subject to an existing easement or deed restriction, and the easement or deed provides sufficient protection or restoration of the flood plain's functions and values, as determined by the Secretary.".

(e) EASEMENTS AND AGREEMENTS.—Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended—

(1) in subsection (a)(2), by inserting "if applicable," after "(2)";

(2) in subsection (b)—

(A) in the matter before paragraph (1), by inserting ''or flood-plain land'' after ''values of wetland'';

(B) in paragraph (1)(B), by inserting ''or flood-plain land'' after ''wetland''; and

(C) in paragraph (3), by inserting ''or flood-plain lands'' after ''wetlands'';

(3) by striking subsection (f) and inserting the following new subsection:

''(f) COMPENSATION.—Compensation for easements acquired by the Secretary under this subchapter shall be made in cash in such amount as agreed to and specified in the easement agreement. Lands may be enrolled through the submission of bids under a procedure established by the Secretary. Commendation may be provided in not less than 5, nor more than 30, annual payments of equal or unequal size, as agreed to by the owner and the Secretary based on the following option that results in the lowest amount of compensation to be paid by the Secretary:

''(1) A percentage of the fair market value based on the Uniform Standards for Professional Appraisals Procedures, as determined by the Sec-

retary or a percentage of the market value determined by an area-wide market survey.

''(2) A geographic cap, prescribed in regulations issued by the Secretary.

''(3) The offer made by the landowner.''; and

(4) by adding at the end the following new subsection:

''(h) ACCEPTANCE OF CONTRIBUTIONS.—The Secretary may accept and use contributions of non-Federal funds to administer the program under this subchapter.''.

(f) DUTIES OF THE SECRETARY.—Section 1237C of the Food Security Act of 1985 (16 U.S.C. 3837c) is amended—

(1) in subsection (a)(1)—

(A) by inserting ''including necessary maitenance activities,'' after ''values,''; and

(B) by inserting ''or flood plains land'' after ''wetland''; and

(2) by striking subsection (c) and inserting the following new subsection:

''(c) RANKING OF OFFERS.—

''(1) IN GENERAL.—When evaluating offers from landowners, the Secretary may consider—

''(A) the conservation benefits of obtaining an easement or other interest in the land;

"(B) the cost-effectiveness of each easement or other interest in eligible land, so as to maximize the environmental benefits per dollar expended; and

"(C) whether the landowner or another person is offering to contribute financially to the cost of the easement or other interest in the land to leverage Federal funds.

"(2) CONSERVATION BENEFITS.—In determining the acceptability of easement offers, the Secretary may take into consideration—

"(A) in the case of wetlands—

"(i) the extent to which the purposes of the easement program would be achieved on the land;

"(ii) the productivity of the land; and

"(iii) the on-farm and off-farm environmental threats if the land is used for the production of agricultural commodities; and

"(B) in the case of flood-plain lands—

"(i) the extent to which the purposes of the easement program would be achieved on the land;

"(ii) whether the land has been repeatedly flooded over the last ten years;

"(iii) the extent to which an easement on the flood-plain land would contribute to the restoration or management of land in the area surrounding the flood-plain land; and

"(iv) other factors, as determined by the Secretary.".

(g) WETLANDS RESERVE ENHANCEMENT.—Section 1237D(c) of the Food Security Act of 1985 (16 U.S.C. 3837d(c)) is amended by striking paragraph (4) and inserting the following new paragraph:

"(4) WETLANDS RESERVE ENHANCEMENT.—

"(A) IN GENERAL.—The provisions of this subchapter that limit payments to any person, and section 1305(d) of the Agricultural Reconciliation Act of 1987 (Public Law 100–203; 7 U.S.C. 1308 note), shall not apply to payments received by a State, political subdivision, or agency thereof in connection with agreements entered into under a special wetlands reserve enhancement program carried out by that entity that has been approved by the Secretary.

"(B) AGREEMENTS.—The Secretary may enter into agreements with States (including political subdivisions and agencies of States) regarding payments described in subparagraph (A) that the Secretary determines will advance the purposes of this subchapter.".

(h) AUTHORIZATION.—The Food Security Act of 1985 is amended by inserting after section 1237F (16 U.S.C. 3837f) the following new section:

"SEC. 1237G. PERIOD OF AUTHORIZATION.

"This subchapter is authorized to be carried out for the 2008 through 2012 fiscal years.".

SEC. 2103. CONSERVATION SECURITY PROGRAM.

(a) ESTABLISHMENT OF NEW CONSERVATION SECURITY PROGRAM THROUGH 2017.—Subchapter A of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is amended to read as follows:

"Subchapter A—Conservation Security Program

"SEC. 1238. DEFINITIONS.

"In this subchapter:

"(1) BEGINNING FARMER OR RANCHER.—The term 'beginning farmer or rancher' has the meaning given the term under section 343(a) of the Consoli-

dated Farm and Rural Development Act (7 U.S.C. 1991(a)).

"(2) CONSERVATION PLAN.—The term 'conservation plan' means a plan that—

"(A) identifies resources of concern, inventories resources, and establishes benchmark data and stewardship enhancement objectives;

"(B) describes improvements that will enable the producer to meet and exceed the stewardship threshold for all applicable resources of concern; and

"(C) contains a schedule and evaluation plan for the planning, installing, maintaining, and managing new conservation practices, activities, and management measures and maintaining, managing, and improving existing conservation practices, activities, and management measures.

"(3) CONSERVATION PRACTICE.—The term 'conservation practice' means a site-specific land management practice or activity, or a supporting structural practice, that is part of an implemented management system designed to address a priority resource of concern.

"(4) CONSERVATION SECURITY CONTRACT.—The term 'conservation security contract' means a contract entered into under this subchapter.

"(5) CONSERVATION SECURITY PROGRAM.—The term 'conservation security program' means the program established under section 1238A(a).

"(6) MANAGEMENT INTENSITY.— The term 'management intensity' means the degree, scope, and comprehensiveness of conservation practices, activities, or management measures taken by a producer to address a priority resource of concern to a level exceeding the stewardship threshold.

"(7) NONDEGRADATION STANDARD.—The term 'nondegradation standard' means the level of natural resource conservation and environmental management measures required to improve and sustain the status and condition of natural and environmental resources to a level that, as determined by the Secretary—

"(A) prevents impairment of soil, water, and air quality and the quality of fish and wildlife habitat; and

"(B) sustains the long-term productivity of agricultural resources.

"(8) PRIORITY RESOURCE OF CONCERN.—The term 'priority resource of concern' means a resource of concern identified by the Secretary, consistent with the requirements of section 1238C(a), that must be addressed by participants in the conservation security program in a particular watershed or other area within that State.

"(9) PRODUCER.—The term 'producer' means an owner, operator, landlord, tenant, or sharecropper that—

"(A) shares in the risk of producing any crop or livestock; and

"(B) is entitled to share in the crop or livestock available for marketing from a farm (or would have shared had the crop or livestock been produced).

"(10) RESOURCE-SPECIFIC INDEX.—The term 'resource-specific index' means an index of management intensity or other similar index, developed by the Secretary, that estimates the expected level of resource and environmental outcomes of the conservation practices, activities, and management measures employed by a producer.

"(11) SOCIALLY DISADVANTAGED FARMER OR RANCHER.—The term 'socially disadvantaged farmer

or rancher' has the meaning given the term under section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)).

"(12) STRUCTURAL PRACTICE.—The term 'structural practice' means a site-specific, constructed conservation practice that is integrated with and essential to the successful implementation of the system of land management practices and activities that are the basis of a conservation security contract.

"SEC. 1238A. CONSERVATION SECURITY PROGRAM.

"(a) ESTABLISHMENT AND PURPOSE.—The Secretary shall establish, and for each of fiscal years 2012 through 2017, carry out a conservation security program to assist producers in improving environmental quality by addressing priority resources of concern in a comprehensive manner.

"(b) ELIGIBLE PRODUCERS.—To be eligible to participate in the conservation security program, a producer shall—

"(1) demonstrate that the producer is addressing at least one priority resource of concern to a minimum level of management intensity determined by the Secretary; and

"(2) develop and submit to the Secretary, and obtain the approval of the Secretary of, a conservation offer.

"(c) ELIGIBLE LAND.—

"(1) IN GENERAL.—Except as provided in paragraph (2), private agricultural land (including cropland, grassland, prairie land, improved pasture land, forest land and rangeland) and land under the jurisdiction of an Indian tribe (as defined by the Secretary) shall be eligible for enrollment in the conservation security program.

"(2) EXCLUSIONS.—

"(A) LAND ENROLLED IN OTHER CONSERVATION PROGRAMS.—Except as provided in subsection (f)(3)(A), the following lands are not eligible for enrollment in the conservation security program:

"(i) Lands enrolled in the conservation reserve program under subchapter B of chapter 1.

"(ii) Land enrolled in the wetlands reserve program established under subchapter C of chapter 1.

"(iii) Land enrolled in the grassland reserve program established under subchapter C of chapter 2.

"(B) CONVERSION TO CROPLAND.—Land used for crop production after October 1, 2011, that had not been planted, considered to be planted, or devoted to crop production for at least 4 of the 6 years preceding that date (except for land enrolled in the conservation reserve program or that has been maintained using long-term crop rotation practices, as determined by the Secretary) shall not be the basis for any payment under the conservation security program.

"(d) ECONOMIC USES.—With respect to eligible land covered by a conservation security contract, the Secretary shall permit economic uses of the land that—

"(1) maintain the agricultural nature of the land; and

"(2) are consistent with the conservation purposes of the conservation security program.

"(e) CONSERVATION SECURITY CONTRACTS.—

"(1) IN GENERAL.—After a determination that a producer is eligible for the conservation security program, and on approval of the conservation offer

of the producer, the Secretary shall enter into a conservation security contract with the producer to enroll the land to be covered by the contract in the conservation security program.

''(2) TERM.—A conservation security contract shall be for a term of 5 years.

''(3) AGRICULTURAL OPERATION.—All the acres of the agricultural operation that are under the producer's effective control at the time the producer enters into a conservation security contract shall be covered by the conservation security contract.

''(4) PROVISIONS.—The conservation security contract of a producer shall—

''(A) include a conservation plan approved by the Secretary;

''(B) describe the land covered by the conservation security contract;

''(C) state the amount of the stewardship enhancement payment the Secretary agrees to make to the producer each year of the conservation security contract under section 1238C(c);

''(D) describe the new conservation practices and activities the producer is required to implement during the term of the conservation security contract in order to increase the level

of management intensity with which the producer addresses a priority resource of concern or priority resources of concern, as designated by the Secretary under section 1238C(a)(1); and

"(E) include such other provisions as the Secretary determines necessary to ensure the conservation purposes of the conservation security program are met.

"(5) ON-FARM RESEARCH AND DEMONSTRATION OR PILOT TESTING.—The Secretary may approve a conservation security contract that includes—

"(A) on-farm conservation research and demonstration activities; and

"(B) pilot testing of new technologies or innovative conservation practices.

"(f) MODIFICATION.—The Secretary may allow a producer to modify a conservation security contract before the expiration of the contract if the Secretary determines that failure to modify the contract would significantly interfere with achieving the purposes of the conservation security program.

"(g) CONTRACT TERMINATION.—

"(1) VOLUNTARY TERMINATION.—A producer may terminate a conservation security contract if the Secretary determines that termination of the contract would not defeat the purposes of the conservation plan of the producer.

"(2) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract under this subchapter if the Secretary determines that the producer violated the contract.

"(3) TRANSFER OR CHANGE OF INTEREST IN LAND SUBJECT TO CONSERVATION SECURITY CONTRACT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the transfer, or change in the interest, of a producer in land subject to a conservation security contract shall result in the termination of the conservation security contract.

"(B) TRANSFER OF DUTIES AND RIGHTS.—Subparagraph (A) shall not apply if, within a reasonable period of time after the date of the transfer or change in the interest in land, the transferee of the land provides written notice to the Secretary that all duties and rights under the conservation security contract

have been transferred to, and assumed by, the transferee. The Secretary shall specify what will be considered a reasonable period of time for purposes of providing the notification required by this subparagraph.

"(h) CONTRACT RENEWAL.—At the end of an initial conservation security contract of a producer, the Secretary may allow the producer to renew the contract for one additional five-year period if the producer—

"(1) demonstrates compliance with the terms of the existing contract, including a demonstration that the producer has complied with the schedule for the implementation of new practices and activities included in the conservation security contract and has met the stated goals for increasing the level of management intensity with which the producer is addressing the designated priority resource of concern or priority resources of concern; and

"(2) agrees to implement and maintain such additional new conservation practices and activities as the Secretary determines necessary and feasible to achieve higher levels of management intensity with which the producer addresses the designated priority resource of concern or priority resources of concern.

"(i) EFFECT OF NONCOMPLIANCE DUE TO CIRCUMSTANCES BEYOND THE CONTROL OF PRODUCERS.—The Secretary shall include in the conservation security contract a provision to ensure that a producer shall not be considered in violation of a conservation security contract for failure to comply with the conservation security contract due to circumstances beyond the control of the producer, including a disaster or related condition, as determined by the Secretary.

"(j) EVALUATION OF OFFERS.—In evaluating applications by producers to enroll in the conservation security program, the Secretary shall—

"(1) consider the extent to which the anticipated environmental benefits from the contract are provided at least cost relative to other similar activities;

"(2) consider the extent to which the producer proposes to increase the level of performance on applicable resource-specific indices or the level of management intensity with which the producer addresses the designated priority resources of concern;

"(3) consider the extent to which the environmental benefits expected to result from the contract complements other conservation efforts in the watershed or region;

"(4) consider the multiple benefits of conservation-based farming systems, including resource-conservation crop rotations, managed rotational grazing, and the adoption of certified production under the national organic production program under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.); and

"(5) develop any additional criteria for evaluating applications that the Secretary determines are necessary to ensure that national, State, and local conservation priorities are effectively addressed.

"(k) COORDINATION WITH ORGANIC CERTIFICATION.—Within 90 days after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007, the Secretary shall establish a transparent and producer-friendly means by which producers may coordinate and simultaneously certify eligibly under a conservation security contract and under the national organic production program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

"SEC. 1238B. DUTIES OF PRODUCERS.

"(a) AGREEMENT BY PRODUCER.—Under a conservation security contract, a producer shall agree—

"(1) to implement during the term of the conservation security contract the conservation plan approved by the Secretary;

"(2) to maintain, and make available to the Secretary at such times as the Secretary may request, appropriate records showing the effective and timely implementation of the conservation security contract; and

"(3) not to engage in any activity during the term of the conservation security contract that would interfere with the purposes of the conservation security program.

"(b) EFFECT OF VIOLATION.—On the violation of a term or condition of the conservation security contract of a producer—

"(1) if the Secretary determines that the violation warrants termination of the conservation security contract, the producer shall—

"(A) forfeit all rights to receive payments under the conservation security contract; and

"(B) refund to the Secretary all or a portion of the payments received by the producer under the conservation security contract, including any advance payments and interest on the payments, as determined by the Secretary;

"(2) if the Secretary determines that the violation does not warrant termination of the conservation security contract, the producer shall refund to the Secretary, or accept adjustments to, the payments provided to the producer, as the Secretary determines to be appropriate; or

"(3) some combination of the remedies authorized by paragraphs (1) and (2), as determined by the Secretary to be appropriate.

"SEC. 1238C. DUTIES OF THE SECRETARY.

"(a) IDENTIFICATION OF PRIORITY RESOURCES OF CONCERN.—

"(1) IDENTIFICATION AT STATE LEVEL.—The Secretary shall ensure that the identification of priority resources of concern is made at the State level so that each priority resource of concern—

"(A) represents a significant environmental concern, including watershed management or wildlife habitat, in the State to which agricultural activities are contributing; and

"(B) is likely to be addressed successfully through the implementation of conservation practices and other activities by producers.

"(2) LIMITATION.—The Secretary shall identify not more than 5 resources of concern as priority re-

sources of concern in a particular watershed or other appropriate region or area within a State.

"(3) ADVICE AND CONSULTATION.—The Secretary, with the advice of the appropriate State technical committee and in consultation with Federal and State agencies with expertise related to natural resources and environmental quality, shall designate, to the extent practicable, each priority resource of concern identified under paragraph (1) as either a primary, secondary, or tertiary resource of concern.

"(b) DEVELOPMENT OF RESOURCE-SPECIFIC INDICES.—The Secretary shall develop resource-specific indices to measure the management intensity with which specific resources of concern are addressed, for purposes of determining eligibility and payments for participants in the conservation security program.

"(c) STEWARDSHIP ENHANCEMENT PAYMENT.—

"(1) TIMING OF PAYMENT.—The Secretary shall make a payment under a conservation security contract as soon as practicable after October 1 of each fiscal year.

"(2) EXCLUSIONS.—A payment to a producer under this subsection shall not be provided for—

"(A) the design, construction, or maintenance of animal waste storage or treatment fa-

cilities or associated waste transport or transfer devices for animal feeding operations; or

"(B) conservation practices and activities for which there is no net cost or loss of income to the producer, as determined by the Secretary.

"(3) AVAILABILITY OF PAYMENTS.—The Secretary shall provide a stewardship enhancement payment to a producer under a conservation security contract to compensate the producer for—

"(A) ongoing implementation and maintenance of conservation practices, activities, and management measures in place on the producers operation at the time the conservation security contract is accepted; and

"(B) installation and adoption of new conservation practices, activities, and management measures or improvements to conservation practices, activities, and management measures in place on the producer's operation, as required by the conservation security contract.

"(4) PAYMENT AMOUNT.—The amount of the stewardship enhancement payment shall be determined by the Secretary and shall be based, to the maximum extent feasible, on—

"(A) a portion of the actual costs incurred by the producer;

"(B) the income forgone by the producer; and

"(C) resource-specific indices, in any case in which such indices have been developed and implemented.

"(d) PAYMENT LIMITATIONS.—An individual or entity may not receive, directly or indirectly, payments under a conservation security contract that, in the aggregate, exceed $150,000 for the 5-year term of the conservation security contract, excluding funding arrangements with federally recognized Indian Tribes or Alaska Native Corporations.

"(e) REGULATIONS.—The Secretary shall promulgate regulations that—

"(1) provide for adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing payments, on a fair and equitable basis; and

"(2) prescribe such other rules as the Secretary determines to be necessary to ensure a fair and reasonable application of the limitations established under subsection (d).

1 "(f) ALLOCATION TO STATES.—When making alloca-
2 tions to States of funds made available to carry out the
3 conservation security program, the Secretary shall give
4 significant consideration to the extent and magnitude of
5 the environmental needs associated with agricultural pro-
6 duction in each State, the degree to which implementation
7 of the conservation security program in the State is, or
8 will be, effective in helping producers address these needs,
9 and other considerations to achieve equitable geographic
10 distributions of funds, as determined by the Secretary.

11 "(g) TECHNICAL ASSISTANCE.—For each of fiscal
12 years 2008 through 2017, the Secretary shall provide ap-
13 propriate technical assistance to producers for the develop-
14 ment and implementation of conservation security con-
15 tracts, in an amount not to exceed 15 percent of the
16 amounts expended for the fiscal year.

17 "(h) DATA.—The Secretary shall maintain conserva-
18 tion security program contract and payment data in a
19 manner that provides detailed and segmented data that
20 allows for quantification of the amount of payments made
21 to producers for—

22 "(1) the maintenance of conservation practices,
23 activities, and management measures in place on the
24 producer's operation at the time the conservation se-
25 curity offer is accepted by the Secretary;

"(2) the installation and adoption of new conservation practices, activities, and management measures and the improvements to conservation practices, activities, and management measures in place on the producer's operation at the time the conservation security offer is accepted by the Secretary;

"(3) participation in research, demonstration, and pilot projects; and

"(4) the development and periodic assessment and evaluation of comprehensive conservation plans.".

(b) EFFECT ON EXISTING CONSERVATION SECURITY CONTRACTS.—Subchapter A of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.), as in effect on the day before the date of the enactment of this Act, shall continue to apply to conservation security contracts entered into before October 1, 2007. The Secretary of Agriculture may continue to make payments under such subchapter, as so in effect, with respect to such a conservation security contracts during the term of the contract.

(c) PROHIBITION ON NEW CONTRACTS.—A conservation security contract may not be entered into or renewed under subchapter A of chapter 2 of subtitle D of title XII

of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.), as in effect on the day before the date of the enactment of this Act, after September 30, 2007.

SEC. 2104. GRASSLAND RESERVE PROGRAM.

(a) ENROLLMENT PRIORITY.—Subsection (b) of section 1238N of the Food Security Act of 1985 (16 U.S.C. 3838n) is amended by striking paragraph (3) and inserting the following new paragraph:

"(3) PRIORITY FOR LONG-TERM AGREEMENTS AND EASEMENTS.—Of the total number of acres enrolled in the program at any one time through the methods described in paragraph (2)(A), the Secretary shall ensure that at least 60 percent of the acres were enrolled through the use of 30-year rental agreements and permanent and long-term easements described in clause (ii) of such paragraph.".

(b) ENROLLMENT OF ACREAGE.—Subsection (b) of section 1238N of the Food Security Act of 1985 (16 U.S.C. 3838n) is amended by striking paragraph (1) and inserting the following new paragraph:

"(1) ENROLLMENT.—The Secretary shall enroll an additional 1,340,000 acres of restored or improved grassland, rangeland, and pastureland in the grassland reserve program during fiscal years 2008 through 2012.".

(c) ENROLLMENT OF CONSERVATION RESERVE PROGRAM LAND.—Section 1238N of the Food Security Act of 1985 (16 U.S.C. 3838n) is amended by adding at the end the following new subsections:

"(d) ENROLLMENT OF CONSERVATION RESERVE PROGRAM LAND.—

"(1) ENROLLMENT AUTHORIZED.—Subject to the eligibility requirements of subsection (c) and all other requirements of this subchapter, land enrolled in the conservation reserve program may be enrolled in the grassland reserve program if the Secretary determines that the land is of high ecological value and under significant threat of conversion to other uses.

"(2) MAXIMUM ENROLLMENT.—The number of acres of conservation reserve program land enrolled under this subsection in a calendar year shall not exceed 10 percent of the total number of acres enrolled in the grassland reserve program in that calendar year.

"(3) PROHIBITION ON DUPLICATION OF PAYMENTS.—Land enrolled in the program under this subsection shall no longer be eligible for payments under the conservation reserve program.

"(e) METHOD FOR DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair mar-

ket value of land to be enrolled in program based on the option specified in paragraph (1), (2), (3), or (4) that results in the lowest amount of compensation to be paid by the Secretary:

"(1) A percentage of the fair market value based on the Uniform Standards for Professional Appraisals Procedures, as determined by the Secretary.

"(2) A percentage of the market value determined by an area wide market survey.

"(3) A geographic cap, as prescribed in regulations issued by the Secretary.

"(4) The offer made by the owner of the land.".

(d) GRASSLAND RESERVE ENHANCEMENT.—Section 1238N of the Food Security Act of 1985 (16 U.S.C. 3838n) is amended by inserting after subsection (d), as added by subsection (b), the following new subsection:

"(e) GRASSLAND RESERVE ENHANCEMENT.—The Secretary may enter into such agreements with States, including political subdivisions and agencies of States, that the Secretary determines will advance the purposes of the grassland reserve program. Section 1305(d) of the Agricultural Reconciliation Act of 1987 (Public Law 100–203; 7 U.S.C. 1308 note) shall not apply to payments received

by a State or political subdivision or agency thereof in connection with such an agreement.''.

(e) USE OF PRIVATE ORGANIZATIONS OR STATE AGENCIES.—Section 1238Q of the Food Security Act of 1985 (16 U.S.C. 3838q) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

''(a) AUTHORITY TO USE PRIVATE ORGANIZATIONS OR STATES.—The Secretary shall permit a private conservation or land trust organization (referred to in this section as a 'private organization') or a State agency to own, write, and enforce an easement under this subchapter, in lieu of the Secretary, subject to the right of the Secretary to conduct periodic inspections and enforce the easement, if—

''(1) the Secretary determines that granting the permission will promote protection of grassland, land that contains forbs, and shrubland;

''(2) the owner authorizes the private organization or State agency to hold and enforce the easement; and

''(3) the private organization or State agency agrees to assume the costs incurred in administering and enforcing the easement, including the costs of restoration or rehabilitation of the land as specified

by the owner and the private organization or State agency.'';

(2) in subsection (b), by striking ''hold'' and inserting ''own, write,''; and

(3) in subsection (c), by striking ''hold'' and inserting ''own, write,''.

SEC. 2105. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

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

(1) in the matter preceding paragraph (1), by inserting '', forest management, organic transition,'' after ''agricultural production''; and

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

''(3) providing flexible assistance to producers to install and maintain conservation practices that, while sustaining production of food and fiber—

''(A) enhance soil, water, and related natural resources, including grazing land, forestland, wetland, and wildlife; and

''(B) conserve energy;

''(4) assisting producers to make beneficial, cost effective changes to cropping systems, grazing management, energy use, forest management, nutrient

management associated with livestock, pest or irrigation management, or other practices on agricultural and forested land; and''.

(b) DEFINITIONS.—Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa–1) is amended—

(1) by striking paragraph (3) and inserting the following new paragraph:

''(3) LAND MANAGEMENT PRACTICE.—

''(A) IN GENERAL.—The term 'land management practice' means a site-specific nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, air quality management, forest management, silvicultural practice, or other land management practice carried out on eligible land that the Secretary determines is needed to protect from degradation, in the most cost-effective manner, water, soil, or related resources.

''(B) FOREST MANAGEMENT PRACTICES.—For purposes of subparagraph (A), forest management practices may include activities that the Secretary determines are needed to—

''(i) improve water quality;

''(ii) restore forest biodiversity;

"(iii) control invasive species; or

"(iv) improve watershed health.

"(C) COORDINATED IMPLEMENTATION.—A land management practice may involve multiple landowners implementing eligible conservation activities in a coordinated fashion.";

(2) in paragraph (4), by inserting "alpacas, bison," after "sheep,";

(3) by redesignating paragraphs (3), (4), (5), and (6), as so amended, as paragraphs (4), (5), (6), and (8), respectively;

(4) by inserting after paragraph (2) the following new paragraph:

"(3) INTEGRATED PEST MANAGEMENT.—The term 'integrated pest management' means a sustainable approach to managing pests by combining biological, cultural, physical, and chemical tools in a way that minimizes economic, health, an environmental risks."; and

(5) by inserting after paragraph (6), as so redesignated, the following new paragraph:

"(7) SOCIALLY DISADVANTAGED FARMER OR RANCHER.—The term 'socially disadvantaged farmer or rancher' has the meaning given the term under

section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)).''.

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

(1) in paragraph (1), by striking ''2010'' and inserting ''2012''; and

(2) in paragraph (2)—

(A) in subparagraph (A), by inserting ''or receives organic certification'' after ''chapter''; and

(B) by striking subparagraph (B) and inserting the following new subparagraph:

''(B) a producer that implements a land management practice, receives technical services from an approved third-party provider, develops a comprehensive nutrient management plan, or implements energy efficiency improvements or renewable energy systems, in accordance with this chapter shall be eligible to receive incentive payments.''.

(d) BEGINNING FARMERS OR RANCHERS AND SOCIALLY DISADVANTAGED FARMERS OR RANCHERS.—Section 1240B(d)(2) of the Food Security Act of 1985 (16

U.S.C. 3839aa–2(d)(2)) is amended by striking subparagraph (A) and inserting the following new subparagraph:

"(A) INCREASED COST-SHARE FOR CERTAIN PRODUCERS.—The Secretary shall increase the amount provided under paragraph (1) to a producer that is a beginning farmer or rancher, socially disadvantaged farmer or rancher, or limited resource farmer or rancher to 90 percent of the cost of the practice, as determined by the Secretary.".

(e) ADDITIONAL SUPPORT FOR USE OF GASIFIER TECHNOLOGY.—Section 1240B(d)(2) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(d)(2)) is amended by adding at the end the following new subparagraph:

"(C) INCREASED COST-SHARE FOR USE OF GASIFIER TECHNOLOGY.—In carrying out this chapter, the Secretary shall promote air quality by providing for a 90 percent cost share for those projects that utilize gasifier technology for the purposes of the disposal of animal carcasses and by-products.".

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

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

"(1) AVAILABILITY OF INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer—

"(A) to perform 1 or more land management practices;

"(B) to receive technical services from an approved third-party provider;

"(C) to develop a comprehensive nutrient management plan; or

"(D) to implement energy efficiency improvements or renewable energy systems."; and

(2) in paragraph (2), by inserting "pollinator habitat," after "invasive species,".

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

(1) by striking "For each" and inserting the following:

"(1) ALLOCATION FOR LIVESTOCK PRODUCTION PRACTICES.—For each";

(2) in such paragraph, as so designated, by striking "2007" and inserting "2012"; and

(3) by adding at the end the following new paragraph:

"(2) ALLOCATION FOR CERTAIN PRODUCERS.—For each of fiscal years 2007 through 2012, of the funds made available for cost-share payments and incentive payments under this chapter, the Secretary shall reserve, for a period of not less than 90 days after the date on which the funds are made available for the fiscal year—

"(A) not less than 5 percent for beginning farmers and ranchers; and

"(B) not less than 5 percent of funds for socially disadvantaged farmers and ranchers and limited resource farmers and ranchers.".

(h) ELIGIBILITY OF MARKET AGENCIES AND CUSTOM FEEDING BUSINESSES.—Section 1240B of the Food Security Act of 1985 (16 U.S.C. 3839aa–2) is amended by adding at the end the following new subsection:

"(i) ELIGIBILITY OF MARKET AGENCIES AND CUSTOM FEEDING BUSINESSES FOR ASSISTANCE.—A market agency (as defined in section 301(c) of the Packers and Stockyards Act, 1921 (7 U.S.C. 201(c))) or custom feeding business may receive technical assistance, cost-share payments, or incentive payments under the program. Any

reference to 'producer' in this chapter shall be deemed to include a market agency or custom feeding business.''.

(i) EVALUATION OF APPLICATIONS FOR COST-SHARE PAYMENTS AND INCENTIVE PAYMENTS.—Section 1240C of the Food Security Act of 1985 (16 U.S.C. 3839aa–3) is amended to read as follows:

"SEC. 1240C. EVALUATION OF APPLICATIONS FOR COST-SHARE PAYMENTS AND INCENTIVE PAYMENTS.

''(a) PRIORITIES AND GROUPING OF APPLICATIONS.—In evaluating applications for cost-share payments and incentive payments, the Secretary shall—

''(1) prioritize applications based on their overall level of cost-effectiveness to ensure that the conservation practices and approaches proposed are the most efficient means of achieving the anticipated environmental benefits of the project;

''(2) prioritize applications based on how effectively and comprehensively the project addresses the designated resource concern or resource concerns;

''(3) prioritize applications that best fulfill the purpose of the environmental quality incentives program specified in section 1240(1);

"(4) develop criteria for evaluating applications that will ensure that national, State, and local conservation priorities are effectively addressed; and

"(5) to the greatest extent practicable, group applications of similar crop or livestock operations for evaluation purposes or otherwise evaluate applications relative to other applications for similar farming operations.

"(b) EVALUATION PROCESS.—The Secretary shall ensure that the evaluation process is as streamlined and efficient as practicable in the case of applications that—

"(1) involve operations with substantial and sound environmental management systems; and

"(2) seek a single practice or a limited number of practices to further improve the environmental performance of that system.".

(j) DUTIES OF PRODUCERS.—Section 1240D(2) of the Food Security Act of 1985 (16 U.S.C. 3839aa–4(2)) is amended by striking "or ranch" and inserting ", ranch, or forestland".

(k) PROGRAM PLAN.—Section 1240E of the Food Security Act of 1985 (16 U.S.C. 3839aa–5) is amended by striking subsections (a) and (b) and inserting the following new subsections:

"(a) PLAN OF OPERATIONS.—To be eligible to receive cost-share payments or incentive payments under the program, a producer shall submit to the Secretary for approval a plan of operations that—

"(1) specifies practices covered under the program;

"(2) includes such terms and conditions as the Secretary considers necessary to carry out the program, including a description of the purposes to be met by the implementation of the plan;

"(3) in the case of a confined livestock feeding operation, provides for development and implementation of a comprehensive nutrient management plan, if applicable; and

"(4) in the case of forestland, is consistent with the provisions of a forest management plan meeting with the approval of the Secretary, which may include a forest stewardship plan, as specified in section 5 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103a), other practice plan approved by the State forester, or other plan determined appropriate by the Secretary.

"(b) AVOIDANCE OF DUPLICATION.—The Secretary shall—

"(1) consider a permit acquired under a water or air quality regulatory program as the equivalent of a plan of operations under subsection (a); and

"(2) to the maximum extent practicable, eliminate duplication of planning activities under the program under this chapter and comparable conservation programs.".

(l) DUTIES OF THE SECRETARY.—Section 1240F of the Food Security Act of 1985 (16 U.S.C. 3839aa–6) is amended—

(1) by striking "To the extent" and inserting "(a) PROVISION OF ASSISTANCE.—To the extent"; and

(2) by adding at the end the following new subsection:

"(b) WATER SAVINGS.—In the case of a practice primarily intended to conserve water, the Secretary may provide assistance to a producer under this section only if the Secretary determines that—

"(1) the practice results in a minimum reduction, as determined by the Secretary, in the total consumptive use of ground water or surface water resources affected by the practice;

"(2) any saved water remains in the source for the useful life of the practice; and

"(3) the practice will not result, directly or indirectly, in an increase in the consumptive use of water in the agriculture operation of the producer.".

(m) CONSERVATION INNOVATION GRANTS.—Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa–8) is amended to read as follows:

"SEC. 1240H. CONSERVATION INNOVATION GRANTS.

"(a) COMPETITIVE GRANTS.—The Secretary shall pay the cost of competitive grants that are intended to stimulate innovative approaches to leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production or forest resource management, through the program.

"(b) USE.—The Secretary may provide grants under this section to governmental and non-governmental organizations and persons, on a competitive basis, to carry out projects that—

"(1) involve producers that are eligible for payments or technical assistance under the program;

"(2) leverage funds made available to carry out the program under this chapter with matching funds provided by State and local governments and private organizations to promote environmental enhancement and protection in conjunction with agricultural production;

"(3) ensure efficient and effective transfer of innovative technologies and approaches demonstrated through projects that receive funding under this section; and

"(4) provide environmental and resource conservation benefits through increased participation by producers of specialty crops.

"(c) PILOT PROGRAM FOR COMPREHENSIVE CONSERVATION PLANNING.—

"(1) PILOT PROGRAM REQUIRED.—The Secretary shall establish a pilot program to undertake comprehensive conservation planning to assist producers before they submit an application for assistance under any of the conservation programs authorized by this subtitle.

"(2) CONSERVATION PLANNING ASSISTANCE.—The Secretary shall undertake pilot projects under the pilot program in the locations specified in paragraph (3) to assist producers by making a comprehensive assessment of the resource concerns, needs, and alternative solutions for the producer's entire operation, as determined by the Secretary, following the procedures in the Natural Resources Conservation Service conservation planning manual. The assistance shall be provided by the Secretary directly

or through third party providers certified by the Secretary, and shall not be at the expense of the producer. The results of the comprehensive planning assistance shall be provided to the producer to enable informed choices on the type of financial assistance available under this subtitle that would most effectively address the resource needs of the operation consistent with the environmental goals for the area in which the operation is located.

"(3) PILOT PROJECTS.—Pilot projects in comprehensive conservation planning shall be undertaken in the Chesapeake Bay watershed, and shall include the identification of hydrologic, soil, and rural land use factors that are unique to the Delmarva Peninsula.

"(4) REPORT.—The Secretary shall conduct an assessment of the effectiveness of the pilot program and publish a report, available to the public, of the results of the assessment. Such assessments shall be undertaken in the second year and the fifth year of the pilot program.

"(d) AIR QUALITY.—Of the funds made available under subsection (e)(1), the Secretary shall use $10,000,000 for fiscal year 2008, $15,000,000 for fiscal year 2009, $30,000,000 for fiscal year 2010, $40,000,000

for fiscal year 2011, and $55,000,000 for fiscal year 2012 to support air quality improvements to help producers meet State and local regulatory requirements related to air quality. Notwithstanding the requirements under subsections (a) and (b), these funds shall be made available to a State on the basis of air quality concerns facing that producers in that State. The funds made available shall be used to provide cost-share and incentive payments to producers.

"(e) FUNDING.—

"(1) AVAILABILITY OF FUNDS.—Of the funds made available under section 1241(a)(6) for fiscal years 2008 through 2012, the Secretary shall use $30,000,000 for fiscal year 2008, $35,000,000 for fiscal year 2009, $50,000,000 for fiscal year 2010, $60,000,000 for fiscal year 2011, and $75,000,000 for fiscal year 2012.

"(2) OUTREACH FOR CERTAIN PRODUCERS.—Of the funds made available under paragraph (1) for a fiscal year, the Secretary shall use $5,000,000 to make grants to support effective outreach and innovative approaches for outreach and to serve organic producers and producers of specialty crops (as defined in section 3 of the Specialty Crops Competi-

tiveness Act of 2004 (Public Law 108–465; 7 U.S.C. 1621 note).

"(3) COMPREHENSIVE CONSERVATION PLANNING.—Of the funds made available under paragraph (1) for a fiscal year, the Secretary shall use $5,000,000 to carry out the comprehensive conservation planning pilot program under subsection (c).".

SEC. 2106. REGIONAL WATER ENHANCEMENT PROGRAM.

(a) PURPOSE AND GOALS.—The purpose of this section is to authorize a regional water enhancement program, within the environmental quality incentives program, to enhance performance-based, cost-effective conservation carried out through cooperative agreements entered into by the Secretary of Agriculture with producers, governmental entities, and Indian tribes. The goal of the program is to improve water quality or ground and surface water quantity through coordinated program activities on agricultural lands. The Secretary will develop goals and provide coordinated program assistance for water quality or water quantity improvement projects.

(b) ESTABLISHMENT OF PROGRAM.—Section 1240I of the Food Security Act of 1985 (16 U.S.C. 3839aa–9) is amended to read as follows:

"SEC. 1240I. REGIONAL WATER ENHANCEMENT PROGRAM.

"(a) DEFINITIONS.—In this section:

"(1) REGIONAL WATER ENHANCEMENT ACTIVITIES.—The term 'regional water enhancement activities' includes resource condition assessment and modeling, water quality, water quantity or water conservation plan development, management system and environmental monitoring and evaluation, cost-share of restoration or enhancement projects, incentive payments for land management practices, easement purchases, conservation contracts with landowners, improved irrigation systems, water banking and other forms of water transactions, groundwater recharge and other conservation related activities that the Secretary determines will help to achieve the water quality or water quantity benefits on agricultural lands identified in a partnership agreement.

"(2) PARTNERSHIP AGREEMENT.—The term 'partnership agreement' means an agreement between the Secretary and a partner under subsection (d).

"(3) PARTNER.—The term 'partner' means an entity that enters into a partnership agreement with the Secretary to carry out regional water enhancement activities. The term includes—

"(A) an agricultural producer, agricultural or silvicultural producer association, or other group of such producers;

"(B) a State or unit of local government, including an irrigation or water district; or

"(C) a federally recognized Indian tribe.

"(b) ESTABLISHMENT OF PROGRAM.—

"(1) ESTABLISHMENT.—The Secretary shall establish a regional water enhancement program in accordance with this section to improve water quality or water quantity on a regional scale to benefit working agricultural land and other lands surrounding agricultural land.

"(2) IDENTIFICATION OF WATER QUALITY AND WATER QUANTITY PRIORITY AREAS.—The Secretary shall identify areas where protecting or improving water quality, water quantity, or both is a priority. In identifying these areas, the Secretary shall prioritize the Chesapeake Bay, the Upper Mississippi River basin, the Everglades, the Sacramento River watershed, and the Klamath River basin. Not more than 50 percent of the funds made available for the regional water enhancement program shall be reserved for priority areas identified in this paragraph.

"(c) SELECTION OF PARTNERS.—

"(1) SOLICITATION OF PARTNERSHIP PROPOSALS.—Not later than 90 days after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007, the Secretary shall invite prospective partners to submit competitive grant proposals for regional water enhancement partnerships.

"(2) ELEMENTS.—To be eligible for consideration for participation in the program, a proposal submitted by a partner shall contain the following elements:

"(A) Identification of the exact geographic area for which the partnership is proposed, which may be based on—

"(i) a watershed (or portion thereof);

"(ii) an irrigation, water, drainage district, including service area; or

"(iii) some other geographic area with characteristics making it suitable for landscape-wide program implementation, as may be determined by the Secretary.

"(B) Identification of the water quality or water quantity issues that are of concern in the area.

"(C) A method for determining a baseline assessment of water quality, water quantity, and other resource conditions in the region.

"(D) A detailed description of the proposed regional water enhancement activities to be undertaken in the area, including an estimated timeline and budget for each activity.

"(E) A description of the performance measures to be used to gauge the effectiveness of the regional water enhancement activities.

"(F) A description of other regional water enhancement activities carried out by the Secretary.

"(G) A description of regional water enhancement activities carried out by partners through other means.

"(3) SELECTION OF PROPOSALS.—The Secretary shall award grants competitively, based on the following criteria applied by the Secretary:

"(A) Proposals that will result in the inclusion of the highest percentage of agricultural lands and producers in the area.

"(B) Proposals that will result in the highest percentage of on-the-ground activities versus administrative costs.

"(C) Proposals that will provide the greatest contribution to sustaining or enhancing agricultural production in the area or rural economic development.

"(D) Proposals that include performance measures that will allow post-activity conditions to be satisfactorily measured to gauge overall effectiveness.

"(E) Proposals that will capture surface-water runoff on farms through the construction, improvement, or maintenance of irrigation ponds.

"(F) Proposals that have the highest likelihood of improving issues of concern for the area through the participation of multiple interested persons.

"(G) Proposals that will assist producers in meeting a regulatory requirement imposed on lands in agriculture production that reduces the economic scope of the producer's operation.

"(4) DURATION.—Grants under this subsection shall be made on a multi-year basis, not to exceed 5 years total, except that the Secretary may terminate a grant earlier if the performance measures are not being met.

"(d) PARTNERSHIP AGREEMENTS.—

"(1) GENERALLY.—Not later than 30 days after the award of a grant to a partner under subsection (c), the Secretary shall enter into a partnership agreement with the grant recipient. At a minimum, the agreement shall contain—

"(A) a description of the respective duties and responsibilities of the Secretary and the partner in carrying out regional water enhancement activities; and

"(B) the criteria that the Secretary will use to measure the overall effectiveness of the regional water enhancement activities funded by the grant in improving the water quality or quantity conditions of the region relative to the performance measures in the grant proposal.

"(2) ACCEPTANCE OF CONTRIBUTIONS.—The Secretary may accept and use contributions of non-Federal funds to administer the program under this section.

"(3) WAIVER AUTHORITY.—The Secretary shall waive the limitation in section 1001D of this Act if the Secretary determines that doing so is necessary to fulfill the objectives of the regional water enhancement program.

"(e) MODIFICATION OF SECRETARIAL AUTHORITY.—To the extent that the Secretary will be carrying out regional water enhancement activities in an area, the Secretary may use the general authorities provided in this subtitle to ensure that all producers and landowners in the region have the opportunity to participate in such activities.

"(f) RELATIONSHIP WITH OTHER PROGRAMS.—The Secretary shall ensure that, to the extent producers and landowners are individually participating in other programs under this subtitle in a region where the regional water enhancement program is in effect, any improvements to water quality or water quantity attributable to such individual participation is included in the evaluation criteria developed under subparagraph (d)(1)(B).

"(g) CONSISTENCY WITH STATE LAW.—Any regional water enhancement activity conducted under this section shall be consistent with State water laws.

"(h) FUNDING.—

"(1) AVAILABILITY OF FUNDS.—In addition to funds made available to carry out this chapter under section 1241(a)(6), the Secretary shall use funds of the Commodity Credit Corporation to carry out this section in the amount of, to the maximum extent

practicable, $60,000,000 for each of fiscal years 2008 through 2012.

"(2) LIMITATION ON ADMINISTRATIVE EXPENSES.—Not more than 3 percent of the funds made available under paragraph (1) for a fiscal year may be used for administrative expenses of the Secretary.".

SEC. 2107. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 1240O(b) of the Food Security Act of 1985 (16 U.S.C. 3839bb–2(b)) is amended by striking "$5,000,000 for each of fiscal years 2002 through 2007" and inserting "$20,000,000 for each of fiscal years 2008 through 2012".

(b) ADDITIONAL FUNDING.—Section 1240O of the Food Security Act of 1985 (16 U.S.C. 3839bb–2) is amended by adding at the end the following new subsection:

"(c) ONE-TIME INFUSION OF FUNDS.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available, on a one-time basis, $10,000,000 to carry out this section. Such funds shall remain available until expended.".

SEC. 2108. CONSERVATION OF PRIVATE GRAZING LAND.

Section 1240M(e) of the Food Security Act of 1985 (16 U.S.C. 3839bb(e)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 2109. GREAT LAKES BASIN PROGRAM FOR SOIL EROSION AND SEDIMENT CONTROL.

Section 1240P(c) of the Food Security Act of 1985 (16 U.S.C. 3839bb–3(c)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 2110. FARM AND RANCHLAND PROTECTION PROGRAM.

Subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.) is amended to read as follows:

''Subchapter B—Farm and Ranchland Protection Program

''SEC. 1238H. DEFINITIONS.

''In this subchapter:

''(1) ELIGIBLE ENTITY.—The term 'eligible entity' means any of the following:

''(A) An agency of a State or local government or an Indian tribe (including a farmland protection board or land resource council established under State law).

''(B) An organization that is organized for, and at all times since the formation of the organization has been operated principally for, 1 or

more of the conservation purposes specified in clause (i), (ii), (iii), or (iv) of section 170(h)(4)(A) of the Internal Revenue Code of 1986.

"(C) An organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of that Code.

"(D) An organization described in section 509(a)(2) of the Internal Revenue Code of 1986.

"(E) An organization described in section 509(a)(3) of the Internal Revenue Code of 1986 that is controlled by an organization described in section 509(a)(2), of that Code.

"(2) ELIGIBLE LAND.—The term 'eligible land' means land on a farm or ranch that—

"(A) is cropland;

"(B) is rangeland;

"(C) is grassland;

"(D) is pasture land;

"(E) is forest land that is an incidental part of an agricultural operation, as determined by the Secretary; or

"(F) contains historical or archaeological resources.

"(3) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(4) PROGRAM.—The term 'program' means the farm and ranchland protection program established under section 1238I(a).

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

"SEC. 1238I. FARM AND RANCHLAND PROTECTION PROGRAM.

"(a) ESTABLISHMENT.—

"(1) ESTABLISHMENT AND PURPOSE.—The Secretary shall establish and carry out a farm and ranchland protection program under which the Secretary shall facilitate and provide funding for the purchase of conservation easements or other interests in eligible land that is subject to a pending offer from a certified State or eligible entity for the purpose of protecting the agricultural use and related conservation values of the land by limiting incompatible nonagricultural uses of the land.

"(2) PRIORITY.—In carrying out the program, the Secretary shall give the highest priority—

"(A) to protecting farm and ranchland with prime, unique or other productive soils that are at risk of non-agricultural development; or

"(B) to projects that further a State or local policy consistent with the purposes of the program.

"(b) GRANTS TO CERTIFIED STATES.—The Secretary shall make grants to States certified by the Secretary under subsection (c). Such grants shall be made based on demonstrated need for farm and ranch land protection. Grants may be made for multiple transactions so long as all funds provided under the program are used to purchase conservation easements or other interests in land in a timely and effective manner. A State receiving a grant under this subsection may use up to 10 percent of the grant funds for reasonable costs of purchasing and enforcing conservation easements.

"(c) CERTIFICATION OF STATES FOR GRANTS.—

"(1) CERTIFICATION PROCESS.—The Secretary shall implement a process, to be published in the Federal Register, for certifying States as eligible to participate in the program. The Secretary may pro-

vide a reasonable transitional period, not to extend past September 30, 2008, in order to allow continued operation of the program for such time as needed for the Secretary to implement the certification process.

"(2) CERTIFICATION REQUIREMENTS.—To be certified under the process implemented under paragraph (1), a State shall demonstrate, at a minimum, the following:

"(A) A legislative consistent with the purposes of the program.

"(B) The necessary authority and the resources to monitor and enforce the terms of conservation easements or other interests in land or to require the holder of such easements or other interests in land acquired with the use of funding under the program to monitor and enforce the terms of such easements or other interests in land.

"(C) Policies and procedures to ensure that, on average, the purchase price of conservation easements or other interests in land purchased with program funds do not exceed the fair market value of the easements or other interests in land.

"(D) Policies and procedures that ensure that conservation easements or other interests in land purchased with program funds will continue to protect the agricultural use and related conservation values of the land.

"(d) AGREEMENTS WITH ELIGIBLE ENTITIES.—

"(1) AGREEMENTS AUTHORIZED.—The Secretary may enter into an agreement with an eligible entity, other than a certified State, under which the entity may purchase conservation easements using a combination of its own funds and funds distributed by the Secretary under the program.

"(2) TERMS AND CONDITIONS.—An agreement under this subsection shall stipulate the terms and conditions under which the eligible entity shall use funds provided by the Secretary under the program. The eligible entity shall be authorized to use its own terms and conditions for conservation easements and other purchases of interests in land, so long as—

"(A) such terms and conditions are consistent with the purposes of the program and permit effective enforcement of the conservation purposes of such easements or other interests;

"(B) the eligible entity has in place a requirement consistent with agricultural activities

regarding the impervious surfaces to be allowed for any conservation easement or other interest in land purchased using funds provided under the program; and

"(C) the eligible entity requires use of a conservation plan for any highly erodible cropland for which a conservation easement or other interest in land has been purchased using funds provided under the program.

"(e) FEDERAL CONTINGENT RIGHT OF ENFORCEMENT.—The Secretary may require the inclusion of a Federal contingent right of enforcement or executory limitation in a conservation easement or other interest in land for conservation purposes purchased with Federal funds provided under the program, in order to enforce the easement as a party of last resort. The inclusion of such a right or interest shall not be considered to be the Federal acquisition of real property and the Federal standards and procedures for land acquisition shall not apply to the inclusion of the right or interest.

"(f) REVIEW; REVOCATION.—

"(1) REVIEW.—Every 3 years, the Secretary shall review the certification of States under subsection (c) and the performance of eligible entities in

meeting the terms and conditions of an agreement under subsection (d).

"(2) REVOCATION.— If, in the determination of the Secretary, a State no longer meets the qualifications described in subsection (c)(2) or an eligible entity is not meeting the terms and conditions of an agreement under subsection (d), the Secretary may—

"(A) revoke the certification of the State or terminate the agreement with the eligible entity; or

"(B) allow the State or eligible entity a specified period of time in which to take such actions as may be necessary to retain its certification or to meet the terms and conditions of the agreement, as the case may be.

"(g) CONSERVATION PLAN.—Any highly erodible cropland for which a conservation easement or other interest is purchased under this subchapter shall be subject to the requirements of a conservation plan. In the case of an easement or other interest in land that is perpetual in duration, the Secretary may not require the conversion of the cropland to less intensive uses if, under such plan, soil erosion can be reduced to 'T' or below.

"(h) COST SHARING.—The share of the cost provided under this section for purchasing a conservation easement or other interest in land shall not exceed 50 percent of the appraised fair market value of the conservation easement or other interest in eligible land. Fair market value shall be determined on the basis of an appraisal of the conservation easement or other interest in eligible land using an industry-approved methodology determined by the entity.".

SEC. 2111. FARM VIABILITY PROGRAM.

Section 1238J(b) of the Food Security Act of 1985 (16 U.S.C. 3838j(b)) is amended by striking "2007" and inserting "2012".

SEC. 2112. WILDLIFE HABITAT INCENTIVE PROGRAM.

(a) REAUTHORIZATION.—Section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb–1) is amended by adding at the end the following new subsection:

"(d) DURATION OF PROGRAM.—Using funds made available under section 1241(a)(7), the Secretary shall carry out the program during fiscal years 2008 through 2012.".

(b) COST SHARE FOR LONG-TERM AGREEMENTS AND IMPACT ON SCOPE OF OPERATIONS.—Section 1240N(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3839bb–1(b)(2)) is amended—

(1) in the paragraph heading by inserting ''AND IMPACT ON SCOPE OF OPERATIONS'' after ''AGREEMENTS'';

(2) in subparagraph (A), by striking ''years,'' and inserting ''years, or that will assist producers in meeting a regulatory requirement imposed on lands in agriculture production that reduces the economic scope of the producer's operation,''; and

(3) in subparagraph (B), by striking ''15 percent'' and inserting ''25 percent''.

Subtitle B—Conservation Programs Under Other Laws

SEC. 2201. AGRICULTURAL MANAGEMENT ASSISTANCE PROGRAM.

(a) ELIGIBLE STATES.—Section 524(b)(1) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(1)) is amended—

(1) by inserting ''Hawaii,'' after ''Delaware,''; and

(2) by inserting ''Virginia,'' after ''Vermont,''.

(b) TECHNICAL CORRECTION.—Section 524(b)(4)(B)(i) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(4)(B)(i)) is amended by striking ''Except as provided in clauses (ii) and (iii), the'' and inserting ''The''.

(c) CERTAIN USES.—Section 524(b)(4) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(4)(B)) is amended by adding at the end the following new subparagraph:

"(C) CERTAIN USES.—Of the amounts made available to carry out this subsection for a fiscal year, the Commodity Credit Corporation shall use not less than—

"(i) 50 percent to carry out subparagraphs (A), (B), and (C) of paragraph (2) through the Natural Resources Conservation Service;

"(ii) 10 percent to provide organic certification cost share assistance through the Agricultural Marketing Service; and

"(iii) 40 percent to conduct activities to carry out subparagraph (F) of paragraph (2) through the Risk Management Agency.".

SEC. 2202. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

(a) LOCALLY LED PLANNING PROCESS.—Section 1528 of the Agriculture and Food Act of 1981 (16 U.S.C. 3451) is amended—

(1) in paragraph (1), by striking ''planning process'' in the matter preceding subparagraph (A) and inserting ''locally led planning process''; and

(2) in paragraph (9), by striking ''council'' and inserting ''locally led council''.

(b) AUTHORIZED TECHNICAL ASSISTANCE.—Section 1528(13) of the Agriculture and Food Act of 1981 (16 U.S.C. 3451(13)) is amended by striking subparagraphs (C) and (D) and inserting the following new subparagraphs:

''(C) providing assistance for the implementation of area plans and projects; and

''(D) providing services which bring to bear the resources of Department of Agriculture programs in a local community, as defined in the locally led planning process.''.

(c) IMPROVED PROVISION OF TECHNICAL ASSISTANCE.—Section 1531 of the Agriculture and Food Act of 1981 (16 U.S.C. 3454) is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''In carrying''; and

(2) by adding at the end the following new subsection:

''(b) COORDINATOR.—To improve the provision of technical assistance to councils under this subtitle, the

Secretary shall designate an individual, to be known as the 'Coordinator', for each council. The Coordinator shall be directly responsible for the provision of technical assistance to the council.''.

(d) PROGRAM EVALUATION.—Section 1534 of the Agriculture and Food Act of 1981 (16 U.S.C. 3457) is repealed.

SEC. 2203. SMALL WATERSHED REHABILITATION PROGRAM.

(a) AVAILABILITY OF FUNDS.—Section 14(h)(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(1)) is amended by adding at the end the following new subparagraph:

''(G) $50,000,000 for each of fiscal years 2009 through 2012.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 14(h)(2)(E) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(2)(E)) is amended by striking ''fiscal year 2007'' and inserting ''each of fiscal years 2007 through 2012''.

Subtitle C—Additional Conservation Programs

SEC. 2301. CHESAPEAKE BAY PROGRAM FOR NUTRIENT REDUCTION AND SEDIMENT CONTROL.

Chapter 5 of subtitle D of the Food Security Act of 1985 is amended by inserting after section 1240P (16 U.S.C. 3839bb–3) the following new section:

"SEC. 1240Q. RIVER RESTORATION IN THE CHESAPEAKE BAY WATERSHED.

''(a) CHESAPEAKE BAY WATERSHED DEFINED.—In this section, the term 'Chesapeake Bay watershed' means all tributaries, backwaters, and side channels, including their watersheds, draining into the Chesapeake Bay.

''(b) COMPREHENSIVE PLAN FOR CHESAPEAKE BAY WATERSHED.—

''(1) DEVELOPMENT.—The Secretary of Agriculture shall develop, as expeditiously as practicable, a proposed comprehensive plan for the purpose of restoring, preserving, and protecting the Chesapeake bay watershed.

''(2) PROVEN TECHNOLOGIES AND INNOVATIVE APPROACHES.—The comprehensive plan shall provide for the development of new technologies and innovative approaches to advance the following goals:

"(A) Improvement of water quality and quantity within the Chesapeake Bay.

"(B) Restoration, enhancement, and preservation of habitat for plants and wildlife.

"(C) Increase economic opportunity for producers and rural communities.

"(3) SPECIFIC COMPONENTS.—The comprehensive plan shall include such features as are necessary to provide for—

"(A) the development and implementation of a program for erosion prevention and control, sediment control and sediment removal, and reduction of nutrient loads;

"(B) the development and implementation of a program for—

"(i) the planning, conservation, evaluation, and construction of measures for fish and wildlife habitat conservation and rehabilitation; and

"(ii) stabilization and enhancement of land and water resources; and

"(C) the development and implementation of a long-term resource monitoring program.

"(4) CONSULTATION.—The comprehensive plan shall be developed by the Secretary in consultation with appropriate Federal and State agencies.

"(c) SUBMISSION OF PLAN.—

"(1) SUBMISSION.—Not later than 2 years after the date of enactment of the Farm, Nutrition, and Bioenergy Act of 2007, the Secretary shall transmit to Congress a report containing the comprehensive plan.

"(2) ADDITIONAL STUDIES AND ANALYSES.—After submission of the report required by paragraph (1), the Secretary shall continue to conduct such studies and analyses related to the comprehensive plan as are necessary, consistent with this subsection.

"(d) RESTORATION ENHANCEMENT AND PRESERVATION PROJECTS.—

"(1) PROJECT AUTHORITY.—In cooperation with appropriate Federal and State agencies, the Secretary shall carry out restoration enhancement and preservation projects for the Chesapeake Bay watershed to address the goals specified in subsection (b)(2). To achieve the restoration, preservation, and protection benefits of a project, the Secretary shall proceed expeditiously with the imple-

mentation of the project consistent with the comprehensive plan.

"(2) CRITICAL PROJECTS.—In carrying out this subsection, the Secretary shall begin with the Susquehanna River, the Shenandoah River, the Potomac River, and the Patuxent River.

"(3) AVAILABILITY OF FUNDS.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out projects under this subsection the following amounts:

"(A) $10,000,000 for fiscal year 2008.

"(B) $15,000,000 for fiscal year 2009.

"(C) $30,000,000 for fiscal year 2010.

"(D) $40,000,000 for fiscal year 2011.

"(E) $55,000,000 for fiscal year 2012.

"(4) FEDERAL SHARE.—The Federal share of the cost of carrying out any individual project under this subsection shall not exceed $5,000,000.

"(e) GENERAL PROVISIONS.—

"(1) WATER QUALITY.—In carrying out projects and activities under this section, the Secretary shall take into account the protection of water quality by considering applicable State water quality standards.

"(2) PUBLIC PARTICIPATION.—In developing the comprehensive plan under subsection (b) and carrying out projects under subsection (d), the Secretary shall implement procedures to facilitate public participation, including providing advance notice of meetings, providing adequate opportunity for public input and comment, maintaining appropriate records, and making a record of the proceeding of meetings available for public inspection.

"(f) COORDINATION.—The Secretary shall integrate and coordinate projects and activities carried out under this section with other Federal and State programs, projects, and activities.

"(g) COST SHARING.—

"(1) NON-FEDERAL SHARE.—Subject to subsection (d)(4), the non-Federal share of the cost of projects and activities carried out under this section shall be not less than 35 percent.

"(2) OPERATION, MAINTENANCE, REHABILITATION, AND REPLACEMENT.—The operation, maintenance, rehabilitation, and replacement of projects carried out under this section shall be a non-Federal responsibility.

"(h) SENSE OF CONGRESS REGARDING CHESAPEAKE BAY EXECUTIVE COUNCIL.—

"(1) FINDINGS.—Congress finds the following:

"(A) One of the stated goals of the Chesapeake Bay Agreement is to 'develop, promote, and achieve sound land use practices which protect and restore watershed resources and water quality, maintain reduced pollutant loadings for the Bay and its tributaries, and restore and preserve aquatic living resources'.

"(B) Department of Agriculture conservation programs are integral to the restoration of the Chesapeake Bay and achieving the water quality goals for the Chesapeake Bay program.

"(2) SENSE OF CONGRESS.—In light of the findings specified in paragraph (1), it is the sense of Congress that the Secretary of Agriculture should be a member of the Chesapeake Bay Executive Council, and is authorized to do so under section 1(3) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a(3)).".

SEC. 2302. VOLUNTARY PUBLIC ACCESS AND HABITAT INCENTIVE PROGRAM.

Chapter 5 of subtitle D of title XII of the Food Security Act of 1985 is amended by inserting after section 1240Q, as added by section 2301, the following new section:

"SEC. 1240R. VOLUNTARY PUBLIC ACCESS AND HABITAT INCENTIVE PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall establish a voluntary public access program under which States and tribal governments may apply for grants to encourage owners and operators of privately-held farm, ranch, and forest land to voluntarily make that land available for access by the public for wildlife-dependent recreation, including hunting or fishing, under programs administered by the States and tribal governments.

"(b) APPLICATIONS.—In submitting applications for a grant under the program, a State or tribal government shall describe—

"(1) the benefits that the State or tribal government intends to achieve by encouraging public access to private farm and ranch land for—

"(A) hunting and fishing; and

"(B) to the maximum extent practicable, other recreational purposes; and

"(2) the methods that will be used to achieve those benefits.

"(c) PRIORITY.—In approving applications and awarding grants under the program, the Secretary shall give priority to States and tribal governments that—

"(1) have consistent opening dates for migratory bird hunting for both residents and non-residents;

"(2) propose to maximize participation by offering a program the terms of which are likely to meet with widespread acceptance among landowners;

"(3) propose to ensure that land enrolled under the State or tribal government program has appropriate wildlife habitat;

"(4) propose to strengthen wildlife habitat improvement efforts on land enrolled in a special conservation reserve enhancement program described in 1234(f)(4) by providing incentives to increase public hunting and other recreational access on that land; and

"(5) propose to use additional Federal, State, tribal government, or private resources in carrying out the program.

"(d) RELATIONSHIP TO OTHER LAWS.—Nothing in this section preempts a State or tribal government law, including any State or tribal government liability law.

"(e) REGULATIONS.—The Secretary shall promulgate such regulations as are necessary to carry out this section.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary

$20,000,000 for each of fiscal years 2008 through 2012 to carry out this section.''.

SEC. 2303. MUCK SOILS CONSERVATION.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Agriculture shall carry out a conservation program under which the Secretary makes payments to assist owners and operators of eligible land specified in subsection (b) to conserve and improve the soil, water, and wildlife resources of such land.

(b) ELIGIBLE LAND.—To be eligible for inclusion in the program established under this section, the land must—

(1) be comprised of soil that qualifies as muck, as determined by the Secretary;

(2) be used for production of an agricultural crop;

(3) have a spring cover crop planted in conjunction with the primary agricultural crop referred to in paragraph (2);

(4) have a winter crop planted; and

(5) have ditch banks seeded with grass that is maintained on a year-round basis.

(c) PAYMENT AMOUNTS.—The Secretary may provide payments of not less than $300, but not more than $500, per acre per year under the program.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out the program $50,000,000 for each of fiscal years 2008 through 2012.

Subtitle D—Administration and Funding

SEC. 2401. FUNDING OF CONSERVATION PROGRAMS UNDER FOOD SECURITY ACT OF 1985.

(a) IN GENERAL.—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended in the matter preceding paragraph (1), by striking ''2007'' and inserting ''2012''.

(b) CONSERVATION SECURITY PROGRAM.—Paragraph (3) of section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended to read as follows:

''(3) The conservation security program under subchapter A of chapter 2, using, to the maximum extent practicable—

''(A) in the case of conservation security contracts entered into before October 1, 2007, under such subchapter, as in effect on the day before the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007—

''(i) $1,454,000,000 for the period of fiscal years 2007 through 2012; and

"(ii) $1,927,000,000 for the period of fiscal years 2007 through 2017; and

"(B) in the case of conservation security contracts entered into on or after October 1, 2011, under such subchapter—

"(i) $501,000,000 for fiscal year 2012; and

"(ii) $4,646,000,000 for the period of fiscal years 2012 through 2017.".

(c) FARM AND RANCHLAND PROTECTION PROGRAM.—Paragraph (4) of section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended to read as follows:

"(4) The farm and ranchland protection program under subchapter B of chapter 2, using, to the maximum extent practicable—

"(A) $125,000,000 in fiscal year 2008;

"(B) $150,000,000 in fiscal year 2009;

"(C) $200,000,000 in fiscal year 2010;

"(D) $240,000,000 in fiscal year 2011; and

"(E) $280,000,000 in fiscal year 2012.".

(d) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—Paragraph (6) of section 1241(a) of the Food Se-

curity Act of 1985 (16 U.S.C. 3841(a)) is amended to read as follows:

"(6) The environmental quality incentives program under chapter 4, using, to the maximum extent practicable—

"(A) $1,250,000,000 in fiscal year 2008;

"(B) $1,600,000,000 in fiscal year 2009;

"(C) $1,700,000,000 in fiscal year 2010;

"(D) $1,800,000,000 in fiscal year 2011; and

"(E) $2,000,000,000 in fiscal year 2012.".

(e) WILDLIFE HABITAT INCENTIVES PROGRAM.—Paragraph (7)(D) of section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking "2007" and inserting "2012".

SEC. 2402. IMPROVED PROVISION OF TECHNICAL ASSISTANCE UNDER CONSERVATION PROGRAMS.

Section 1242 of the Food Security Act of 1985 (16 U.S.C. 3842) is amended—

(1) in subsection (a)—

(A) by striking "or" at the end of paragraph (1); and

(B) by striking paragraph (2) and inserting the following new paragraphs:

"(2) through a contract with an approved third party, if available; or

"(3) at the option of the producer, through a payment as determined by the Secretary, directly to an approved third party, if available, or to the producer for an approved third party, if available.";

(2) in subsection (b)—

(A) by striking "technical assistance" each place it appears and inserting "technical services"; and

(B) in paragraph (1)(B), by striking "that assistance" and inserting "those technical services"; and

(3) by adding at the end the following new subsections:

"(c) PAYMENT AMOUNTS.—

"(1) USE OF PREVAILING MARKET RATES.—The Secretary shall set the amounts of payments under subsection (b)(1)(B) for technical services at levels not less than prevailing private market rates.

"(2) EXCEPTION.—Paragraph (1) shall not apply in instances where personnel of the Department of Agriculture are immediately available to provide comparable technical services to eligible producers.

"(d) REVIEW AND EXPEDITED APPROVAL OF TECHNICAL ASSISTANCE SPECIFICATIONS.—

"(1) REVIEW OF EXISTING TECHNICAL ASSISTANCE SPECIFICATIONS.—

"(A) REVIEW OF SPECIFICATIONS.—The Secretary shall direct each State to review and ensure, to the maximum extent practicable, the completeness and relevance of technical assistance specifications in effect as of the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007.

"(B) CONSULTATION.—In conducting the assessment under subparagraph (A), a State shall consult with specialty crop producers, crop consultants, cooperative extension and land-grant universities, nongovernmental organizations, and other qualified entities.

"(C) EXPEDITED REVISION OF SPECIFICATIONS.—If a State determines under subparagraph (A) that revisions to its technical assistance specifications are necessary, the State shall establish an administrative process for expediting the revisions.

"(2) ADDRESSING CONCERNS OF SPECIALTY CROP PRODUCERS.—

"(A) IN GENERAL.—The Secretary shall direct each State to fully incorporate into its technical assistance specifications and provide for the appropriate range of conservation practices and resource mitigation measures available to specialty crop producers.

"(B) AVAILABILITY OF ADEQUATE TECHNICAL ASSISTANCE.—The Secretary shall ensure that adequate technical assistance is available for the implementation of conservation practices by specialty crop producers through Federal conservation programs. In carrying out this requirement, the Secretary shall develop—

"(i) programs that meet specific needs of specialty crop producers through cooperative agreements with other agencies and nongovernmental organizations; and

"(ii) program specifications that allow for innovative approaches that engage local resources in providing technical assistance for planning and implementation of conservation practices.

"(e) NON-FEDERAL ASSISTANCE.—The Secretary may request the services of, and enter into cooperative agreements or contracts with, non-Federal entities to as-

sist the Secretary in providing technical assistance necessary to develop and implement conservation programs under this title.''.

SEC. 2403. COOPERATIVE CONSERVATION PARTNERSHIP INITIATIVE.

(a) TRANSFER OF EXISTING PROVISIONS.—Subsections (b), (c), and (d) of section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) are—

(1) redesignated as subsections (c), (d), and (e), respectively; and

(2) transferred to appear at the end of section 1244 of such Act (16 U.S.C. 3844).

(b) ESTABLISHMENT OF PARTNERSHIP INITIATIVE.—Section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843), as amended by subsection (a), is amended to read as follows:

''SEC. 1243. COOPERATIVE CONSERVATION PARTNERSHIP INITIATIVE.

''(a) ESTABLISHMENT OF INITIATIVE.—

''(1) ESTABLISHMENT.—The Secretary shall establish a cooperative conservation partnership initiative (in this section referred to as the 'Partnership') within each program described in subsection (b) to address conservation issues involving production agriculture on local, regional, or State levels.

"(2) ADMINISTRATION.—The Secretary shall carry out the Partnership—

"(A) by selecting proposals for grants and agreements by eligible entities described in subsection (c) through a competitive selection process;

"(B) by making grants to, and entering into agreements with, with eligible entities described in subsection (c) for not less than 2 years, but not more than 5 years, in duration; and

"(C) by providing producers that are participating in a special project and initiative of an eligible entity preferential enrollment into 1 or more of the programs described in subsection (b).

"(3) PURPOSES.—The purposes of the Partnership are to carry out special projects and initiatives—

"(A) to address conservation issues involving production agriculture on local, regional, or State levels through producers and eligible entities;

"(B) to address community and economic development needs and opportunities; and

"(C) to increase access to, and participation in, the programs described in subsection (b) by producers of specialty crops (as defined in section 3 of the Specialty Crops Competitiveness Act of 2004, Pub. L. 108–465 (7 U.S.C. 1621 note).

"(b) COVERED PROGRAMS.—The conservation programs covered by this section are the following:

"(1) Conservation security program.

"(2) Environmental quality incentives program.

"(3) Wildlife habitat incentive program.

"(c) ELIGIBLE PARTNERS.—Grants may be made or agreements may be entered into under this section with any of the following (or a combination thereof):

"(1) States and agencies of States.

"(2) Political subdivisions of States, including counties and State- or county-sponsored conservation districts.

"(3) Indian tribes.

"(4) Nongovernmental organizations and associations, including producer associations, farmer cooperatives, extension associations, and conservation organizations with a history of working cooperatively with producers to effectively address resource con-

cerns related to agricultural production, as determined by the Secretary.

"(5) A combination of partners specified in a preceding paragraph.

"(d) APPLICATIONS.—

"(1) COMPETITIVE PROCESS.—The Secretary shall establish a competitive process for considering applications for grants or agreements under this section consistent with the evaluation criteria listed in subsection (e).

"(2) PROGRAM ALLOCATION.—Applications shall include—

"(A) specification of the amount of funding or acres, or both, of 1 or more covered programs specified in subsection (b) proposed to be allocated to carry out the special project or initiative; and

"(B) a schedule for utilization of funding or acres over the life of the proposed project or initiative.

"(e) EVALUATION CRITERIA.—In evaluating applications for grants or agreements under this section the Secretary shall consider the extent to which—

"(1) preferential enrollment in the covered programs specified in the application will effectively ad-

dress the environmental objectives established for the special project or initiative; and

"(2) the special project or initiative covered by the application—

"(A) enjoys local and regional support from producers and other interested persons, including governmental and nongovernmental organizations with appropriate expertise on the issues the project or initiative seeks to address;

"(B) includes clear environmental objectives;

"(C) includes a well defined project or initiative plan that identifies sensitive areas requiring treatment and prioritizes conservation practices and activities needed to achieve environmental objectives;

"(D) promises adequate and coordinated participation to achieve the objectives of the project or initiative;

"(E) coordinates integration of local, State, and Federal efforts to make the best use of available resources and maximize cost-effective investments;

"(F) leverages financial and technical resources from sources other than the programs

authorized by this subtitle, including financial and technical resources provided by Federal and State agencies, local governments, non-governmental organizations and associations, and other private sector entities;

"(G) describes how all necessary technical assistance will be provided to each producer participating in the project or initiative, including cost estimates for technical assistance and whether such assistance will be provided by technical service providers;

"(H) describes how the administrative costs of the project or initiative will be minimized;

"(I) addresses a local, State, regional, or national environmental priority or priorities, with particular emphasis on any priority for which there is an existing State or federally approved plan in place for addressing that priority;

"(J) includes a plan to evaluate progress, measure results, and meet the purposes of the agreement;

"(K) clearly demonstrates that enrollment of producers in covered programs will be con-

sistent with the purposes and policies of each individual program, as established in statute, rules and regulations, and program guidance promulgated by implementing agencies;

"(L) links resource and environmental objectives with community development or agritourism objectives that can be improved as a result of addressing the resources of concern;

"(M) demonstrates innovation in linking environmental and community development objectives; and

"(N) addresses the needs of beginning farmers and ranchers, socially disadvantaged farmers and ranchers, and limited resource farmers and ranchers.

"(f) PRIORITIES.—To the maximum extent practicable, consistent with the requirements of subsection (d), the Secretary shall ensure that, each fiscal year, grants are awarded and agreements are entered into under this section to support projects and initiatives that collectively address the resource concerns facing producers, ranchers, and nonindustrial private forest landowners, including specifically projects and initiatives that are designed—

"(1) to achieve improvements in water quality in watersheds impacted by agriculture, particularly

by increasing the participation of producers in implementing best management practices in a watershed or developing environmentally and economically viable alternative uses for manure and litter;

''(2) to achieve improvements in air quality in a geographical area where agricultural operations impact air quality;

''(3) to support State activities to efficiently manage and utilize their water resources in regions, States or local areas where water quantity is a concern;

''(4) to assist in carrying out a State Wildlife Habitat Incentives Program plan or other State, regional, or national conservation initiative.

''(5) to control invasive species on rangeland or other agricultural land through the cooperative efforts of multiple producers in a geographical area;

''(6) to address a specific resource of concern or set of concerns on private, non-industrial forest land;

''(7) to reduce losses of pesticides to the environment by engaging multiple producers in a geographic area in adoption of integrated pest management practices and approaches;

"(8) to protect farmland and ranch land facing development pressures from being converted to non-agricultural use; or

"(9) to assist producers in carrying out good management practices to enhance food safety.

"(g) DUTIES OF PARTNERS.—Eligible partners shall—

"(1) identify conservation issues affecting production agriculture on local, regional, or State levels that could be addressed through special projects and initiatives;

"(2) enter into agreements or obtain grants from the Secretary to carry out special projects and initiatives;

"(3) identify through outreach efforts producers that can participate in the special project or initiative of the eligible entity if the producer is otherwise eligible to be enrolled, as determined by the Secretary, or has already enrolled, in the applicable program described in subsection (b); and

"(4) carry out the special project and initiative.

"(h) DUTIES OF THE SECRETARY.—

"(1) ADDITIONAL DUTIES.—In addition to the normal administration of the programs described in subsection (b), the Secretary shall be responsible for

basic administrative and oversight functions relating to the special projects and initiatives, including—

"(A) rules and procedures relating to conservation standards and specifications;

"(B) conservation compliance;

"(C) appeals;

"(D) adjusted gross income limitations;

"(E) direct attribution; and

"(F) such other similar functions as the Secretary might designate.

"(2) FLEXIBILITY.—The Secretary may adjust eligibility criteria, approved practices, practice standards, innovative conservation practices, and other elements of the programs described in subsection (b) to better reflect unique local circumstances and purposes if the Secretary determines such adjustments would—

"(A) improve environmental enhancement and long-term sustainability of the natural resource base; and

"(B) be consistent with the purposes of the program and the special project and initiative.

"(3) PREFERENTIAL ENROLLMENT.—Subject to the limitations under subsection (j), the Secretary

shall provide preferential enrollment to producers that are eligible—

"(A) for the applicable program described in subsection (b); and

"(B) to participate in the special project and initiative of an eligible partner.

"(i) COST SHARE.—The Secretary shall not require more than 25 percent of the cost of a project or initiative supported under a grant or agreement entered into under this section to come from non-Federal sources. However, the Secretary may give higher priority to projects or initiatives offering to cover a higher percentage of the cost of the project or initiative from non-Federal sources.

"(j) INCENTIVE AND BONUS PAYMENTS.—

"(1) AVAILABILITY.—Applications submitted under subsection (d)(2) may include proposals for special incentive and bonus payments, consistent with the statutory purposes of the programs involved, to producers that—

"(A) restore land, water, or habitat as a community development asset; or

"(B) provide public access to enrolled land.

"(2) CRITERIA.—The Secretary shall develop and publish criteria for providing special incentive or bonus payments to producers under paragraph (1).

1 "(k) FUNDING.—

2 "(1) SET-ASIDE.—Of the funds provided for
3 each of fiscal years 2008 through 2012 to implement
4 the programs specified in subsection (b), the Sec-
5 retary shall reserve 10 percent to ensure an ade-
6 quate source of funds for grants, agreements, finan-
7 cial assistance to producers under this section.

8 "(2) ALLOCATION TO STATES.—The Secretary
9 shall allocate to States 90 percent of the funds re-
10 served under paragraph (1) for a fiscal year to allow
11 State Conservationists, with the advice of State tech-
12 nical committees, to select projects and initiatives
13 for funding under this section at the State level. The
14 Secretary shall develop criteria for this allocation
15 made on a similar basis as to the program priorities
16 under subsection (f).

17 "(3) UNUSED FUNDING.—Any funds reserved
18 for a fiscal year under paragraph (1) that are not
19 obligated by April 1 of that fiscal year may be used
20 to carry out other activities under conservation pro-
21 grams under subtitle D during the remainder of that
22 fiscal year.

23 "(4) ADMINISTRATIVE COSTS FUNDING CAP.—
24 Of the funds made available under this section for
25 a particular project or initiative, not more than 5

percent may be expended by the eligible entity on the administrative costs of the project or initiative.''.

SEC. 2404. REGIONAL EQUITY AND FLEXIBILITY.

Section 1241(d) of the Food Security Act of 1985 (16 U.S.C. 3841(d)) is amended by striking ''$12,000,000'' and inserting ''$15,000,000''.

SEC. 2405. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.

(a) INCENTIVES FOR CERTAIN PRODUCERS.—Section 1244(a) of the Food Security Act of 1985 (16 U.S.C. 3844(a)) is amended—

(1) in the subsection heading, by striking ''BEGINNING'' and inserting ''INCENTIVES FOR CERTAIN'';

(2) by inserting '', socially disadvantaged farmers and ranchers, limited resource farmers and ranchers,'' after ''beginning farmers and ranchers''; and

(3) by striking ''and limited resource agricultural producers''.

(b) SINGLE, SIMPLIFIED APPLICATION PROCESS FOR CONSERVATION PROGRAMS.—Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844), as amended by section 2403, is amended by adding at the end the following new subsection:

"(f) SINGLE, SIMPLIFIED APPLICATION PROCESS.—

"(1) ESTABLISHMENT.—In carrying out any of the conservation programs under this title administered by the Natural Resources Conservation Service, the Secretary shall establish and make available to producers and landowners a single, simplified application process to be used by producers and landowners in initially requesting assistance under such programs. The Secretary shall ensure that—

"(A) conservation program applicants are not required to provide information that duplicates information and resources already available to the Secretary regarding that applicant and for that specific operation; and

"(B) the application process is streamlined to minimize complexity and redundancy.

"(2) REVIEW OF APPLICATION PROCESS.—The Secretary shall review the conservation application process and the forms and related mechanisms used to receive assistance requests from producers and landowners. The purpose of the review shall be to determine what information the applicant is actually required to submit during the application process, including—

"(A) identification information for the applicant;

"(B) identification and location information for the land parcel or tract of concern;

"(C) a general statement of the applicant's resource concern or concerns for the land parcel or tract; and

"(D) the minimum amount of other information the Secretary considers essential for the applicant to provide.

"(3) REVISION AND STREAMLINING.—The Secretary shall carry out a revision of the application forms and processes for conservation programs covered in this subsection to enable utilization of information technology as an avenue to incorporate appropriate data and information concerning the conservation needs and solutions appropriate for the land area identified by the applicant. The revision shall seek to streamline the application process to minimize the burden placed on the applicant.

"(4) CONSERVATION PROGRAM APPLICATION.—When the needs of an applicant are adequately assessed by the Secretary, directly or through a third-party provider under section 1242, in order to determine the conservation programs under this title that

best match the needs of the applicant, with the approval of the applicant, the Secretary may convert the initial application into a specific application for assistance for a specific program. To the maximum extent practical, the specific application for conservation program assistance shall be carried out by the Secretary by requesting only that specific further information from the applicant that is not already available to the Secretary.

"(5) IMPLEMENTATION AND NOTIFICATION.—Not later than one year after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007, the Secretary shall complete the requirements of this subsection and shall submit to Congress a written notification of such completion.".

SEC. 2406. ANNUAL REPORT ON PARTICIPATION BY SPECIALTY CROP PRODUCERS IN CONSERVATION PROGRAMS.

(a) REPORT REQUIRED.—Subtitle F of title XII of the Food Security Act of 1985 is amended by inserting after section 1251 (16 U.S.C. 2005a) the following new section:

"SEC. 1252. ANNUAL REPORT ON PARTICIPATION BY SPECIALTY CROP PRODUCERS IN CONSERVATION PROGRAMS.

"(a) REPORT REQUIRED.—The Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report that—

"(1) documents and analyzes the participation by producers of specialty crops in conservation programs under subtitle D, including the conservation security program and the environmental quality incentives program;

"(2) tracks such participation by crop and livestock type; and

"(3) describes the results of implementing the plan required by subsection (b), as well as any modifications to the plan that the Secretary finds necessary to increase its effectiveness.

"(b) ACCESS PLAN.—As part of each report submitted under subsection (a), the Secretary shall set forth a plan to improve the access of producers of specialty crops to, and their participation in, conservation programs under subtitle D. In developing the plan, the Secretary shall consult with organizations representing producers of specialty crops.

"(c) SPECIALTY CROP DEFINED.—In this section, the term 'specialty crop' has the meaning given such term by section 3(1) of the Specialty Crops Competitiveness Act of 2004 (Public Law 108–465; 7 U.S.C. 1621 note).".

(b) INITIAL REPORT.—The first report required under section 1252 of the Food Security Act of 1985, as added by subsection (a), shall be submitted not later than 180 days after the date of the enactment of this Act. Subsection (a)(2) of such section shall not apply with respect to the first report.

SEC. 2407. PROMOTION OF MARKET-BASED APPROACHES TO CONSERVATION.

(a) FINDINGS.—Congress finds the following:

(1) Many of the conservation and environmental benefits produced on farms, ranches, and private forest lands in the United States do not have an assigned value in the market place or lack a private market altogether.

(2) While private markets for environmental goods and services are emerging, their viability has been hampered by several barriers.

(3) The Federal Government can help overcome these barriers and promote the establishment of markets for agricultural and forestry conservation activities.

(4) Generating substantial private-sector demand for environmental goods and services hinges on the ability to use environmental credits generated by agricultural and forest conservation activities.

(b) MARKET-BASED APPROACHES.—Subtitle E of title XII of the Food Security Act of 1985 is amended by inserting after section 1244 (16 U.S.C. 3844) the following new section:

"SEC. 1245. MARKET-BASED APPROACHES TO CONSERVATION.

''(a) IMPLEMENTATION.—To facilitate the development and effective operation of private sector market-based approaches for environmental goods and services produced by farmers, ranchers, and owners of private forest land, the Secretary may conduct research and analysis, enter into contracts and cooperative agreements, and award grants for the purpose of—

''(1) promoting the development of consistent standards and processes for quantifying environmental benefits, including the creation of performance standards or baselines;

''(2) promoting the establishment of reporting and credit registries, including third-party verification and certification; and

"(3) promoting actions that facilitate the development and functioning of private-sector market-based approaches for environmental goods and services involving agriculture and forestry.

"(b) ENVIRONMENTAL SERVICES STANDARDS BOARD.—

"(1) ESTABLISHMENT.—There is to be established an Environmental Services Standards Board to develop consistent performance standards for quantifying environmental services from land management and agricultural activities in order to facilitate the development of credit markets for conservation and land management activities that are agriculture or forest based.

"(2) CHAIRPERSON.—The Secretary of Agriculture shall serve as chair of the Environmental Services Standards Board.

"(3) MEMBERSHIP.—The Environmental Services Standards Board shall be comprised of the Secretary of Agriculture, the Secretary of the Interior, the Secretary of Energy, the Secretary of Commerce, the Secretary of Transportation, the Administrator of the Environmental Protection Agency, the Commander of the Army Corps of Engineers, and

such other representatives as determined by the President.

"(4) SUBCOMMITTEES.—The Environmental Services Standards Board may form subcommittees to address specific issues.

"(c) DISSEMINATION OF PERFORMANCE STANDARDS.—Federal agencies are authorized to adopt performance standards developed by the Environmental Services Standards Board for quantifying environmental services that establish credits to meet requirements of environmental and conservation programs.

"(d) FUNDING .—There is authorized to be appropriated $50,000,000 to carry out this section. Amounts so appropriated shall remain available until expended.

"(e) DEFINITIONS.—In this section:

"(1) BASELINE.—The term 'baseline' means a level of effort or performance that is expected to be met before an entity can generate marketable credits.

"(2) PERFORMANCE STANDARD.—The term 'performance standard' means a defined level of environmental performance, expressed as a narrative or measurable number, which specifies the minimum acceptable environmental performance of an operation or practice.".

SEC. 2408. ESTABLISHMENT OF STATE TECHNICAL COMMITTEES AND THEIR RESPONSIBILITIES.

Subtitle G of title XII of the Farm Security Act of 1985 (16 U.S.C. 3861, 3862) is amended to read as follows:

"Subtitle G—State Technical Committees

"SEC. 1261. ESTABLISHMENT OF STATE TECHNICAL COMMITTEES.

''(a) ESTABLISHMENT.—The Secretary shall establish a technical committee in each State to assist the Secretary in the considerations relating to implementation and technical aspects of the conservation programs under this title.

''(b) COMPOSITION.—Each State technical committee shall be composed of agricultural producers and other professionals that represent a variety of disciplines in the soil, water, wetland, and wildlife sciences. The technical committee for a State shall include representatives from among the following:

''(1) The Natural Resources Conservation Service.

''(2) The Farm Service Agency.

''(3) The Forest Service.

''(4) The Cooperative State Research, Education, and Extension Service.

"(5) The State fish and wildlife agency.

"(6) The State forester or equivalent State official.

"(7) The State water resources agency.

"(8) The State department of agriculture.

"(9) The State association of soil and water conservation districts.

"(10) At least 12 agricultural producers representing the variety of crops and livestock or poultry grown within the State.

"(11) Nonprofit organizations within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 with demonstrable conservation expertise and experience working with agriculture producers in the State.

"(12) Agribusiness.

"(c) SUBCOMMITTEES.—A State technical committee shall convene one or more subcommittees to provide technical guidance and implementation recommendations. The topics that a subcommittee shall address shall include, at a minimum, the following:

"(1) Establishing priorities and criteria for State initiatives under the programs in this title, including the review of whether local working groups are addressing those priorities.

"(2) Issues related to private forestlands protection and enhancement.

"(3) Issues related to water quality and water quantity.

"(4) In those States where applicable, issues related to air quality.

"(5) Issues related to wildlife habitat, including the protection of nesting wildlife.

"(6) Issues related to wetland protection, restoration, and mitigation requirements.

"(7) Other issues as the Secretary determines would be useful.

"SEC. 1262. RESPONSIBILITIES.

"(a) IN GENERAL.—Each State technical committee established under section 1261 shall meet regularly to provide information, analysis, and recommendations to appropriate officials of the Department of Agriculture who are charged with implementing the conservation provisions of this title.

"(b) PUBLIC NOTICE AND ATTENDANCE.—Each State technical committee shall provide public notice of, and permit public attendance at, meetings considering issues of concern related to carrying out this title.

"(c) ADVISORY ROLE.—The role of a State technical committee is advisory in nature, and the committee shall

have no implementation or enforcement authority. However, the Secretary shall give strong consideration to the recommendations of the committee in administering the programs under this title.

"(d) FACA REQUIREMENTS.—Except as provided in subsection (b), a State technical committee, including any subcommittee of State technical committee, is exempt from the Federal Advisory Committee Act (5 U.S.C. App.).".

SEC. 2409. PAYMENT LIMITATIONS.

(a) IN GENERAL.—The Food Security Act of 1985 is amended by inserting after section 1245, as added by section 2407, the following new section:

"SEC. 1246. PAYMENT LIMITATIONS.

"(a) PAYMENTS FOR CONSERVATION PRACTICES.—The total amount of payments that a person or a legal entity (except a joint venture or a general partnership) may receive, directly or indirectly, in any fiscal year shall not exceed—

"(1) $60,000 from any single program under this title or as agricultural management assistance under section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 524(b)); or

"(2) $125,000 from more than one program under this title and as agricultural management as-

1 sistance under section 524(b) of the Federal Crop
2 Insurance Act.
3 ''(b) EXCEPTIONS.—The limitations under subsection
4 (a) shall not apply with respect to the following:
5 ''(1) The wetlands reserve program under sub-
6 chapter C of chapter 1 of subtitle D.
7 ''(2) The farm and ranchland protection pro-
8 gram under subchapter B of chapter 2 of such sub-
9 title.
10 ''(3) The grassland reserve program under sub-
11 chapter C of chapter 2 of such subtitle.
12 ''(c) DIRECT ATTRIBUTION.—
13 ''(1) IN GENERAL.—In implementing the pay-
14 ment limitations in subsection (a), the Secretary
15 shall issue such regulations as are necessary to en-
16 sure that the total amount of payments are attrib-
17 uted to a person by taking into account the direct
18 and indirect ownership interests of the person in a
19 legal entity that is eligible to receive such payments.
20 ''(2) PAYMENTS TO A PERSON.—Every payment
21 made directly to a person shall be combined with the
22 person's pro rata interest in payments received by a
23 legal entity in which the person has a direct or indi-
24 rect ownership interest.
25 ''(3) PAYMENTS TO A LEGAL ENTITY.—

"(A) IN GENERAL.—Every payment made to a legal entity shall be attributed to those persons who have a direct or indirect ownership interest in the legal entity.

"(B) ATTRIBUTION OF PAYMENTS.—

"(i) PAYMENT LIMITS.—Except as provided in clause (ii), payments made to a legal entity shall not exceed the amounts specified in subsection (a).

"(ii) EXCEPTION.—Payments made to a joint venture or a general partnership shall not exceed, for each payment specified in subsection (a), the amount determined by multiplying the maximum payment amount specified in subsection (a) by the number of persons and legal entities (other than joint ventures and general partnerships) that comprise the ownership of the joint venture or general partnership.".

(b) CONFORMING AMENDMENTS.—

(1) EXISTING PAYMENT LIMITATIONS IN CONSERVATION PROGRAMS.—Title XII of the Food Security Act of 1985 is amended—

(A) in section 1234 (16 U.S.C. 3834) by striking subsection (f);

(B) in section 1238C (16 U.S.C. 3838c), as amended by section 2103, by striking subsections (d) and (e); and

(C) by striking section 1240G (16 U.S.C. 3839aa–7).

(2) AGRICULTURAL MANAGEMENT ASSISTANCE.—Section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 524) is amended by striking paragraph (3).

Subtitle E—Miscellaneous Provisions

SEC. 2501. INCLUSION OF INCOME FROM AFFILIATED PACKING AND HANDLING OPERATIONS AS INCOME DERIVED FROM FARMING FOR APPLICATION OF ADJUSTED GROSS INCOME LIMITATION ON ELIGIBILITY FOR CONSERVATION PROGRAMS.

Section 1001D(b)(1) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(b)(1)) is amended by inserting ''(including, for purposes of paragraph (2)(C), affiliated packing and handling operations)'' after ''derived from farming''.

SEC. 2502. ENCOURAGEMENT OF VOLUNTARY SUSTAINABILITY PRACTICES GUIDELINES.

In administering this title and the amendments made by this title, the Secretary of Agriculture may encourage the development of voluntary sustainable practices guidelines for producers and processors of specialty crops.

SEC. 2503. FARMLAND RESOURCE INFORMATION.

(a) DEVELOPMENT AND DISSEMINATION OF FARMLAND RESOURCE INFORMATION.—The Secretary of Agriculture shall design and implement educational programs and materials emphasizing the importance of productive farmland to the Nation's well-being and distribute educational materials through communications media, schools, groups, and other Federal agencies. The Secretary shall carry out this subsection through existing agencies or interagency groups and in cooperation with nonprofit organizations and the cooperative extension services of States.

(b) FARMLAND INFORMATION CENTERS.—The Secretary shall designate 1 or more farmland information centers to provide technical assistance and serve as central depositories and distribution points for information on farmland issues. Information provided by a center shall include online access to data on land cover and use changes and trends and literature, laws, historical archives, policies, programs, and innovative actions or pro-

posals by local and State governments or nonprofit organizations related to farmland protection.

(c) FUNDING.—Funds for the farmland information centers designated under subsection (b) shall be provided using funds made available for the farm and ranchland protection program established under subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.). Such funding for a fiscal year shall not exceed one-half of 1 percent of the funds made available for the farm and ranchland protection program for that fiscal year, but no less than $400,000 annually.

(d) MATCHING FUNDS.—Federal funding for a farmland information center designated under subsection (b) shall be matched with non-Federal funds, through cash or in-kind contributions.

SEC. 2504. PILOT PROGRAM FOR FOUR-YEAR CROP ROTATION FOR PEANUTS.

(a) CONTRACT AUTHORITY.—The Secretary of Agriculture shall enter into a contract with a peanut producer under which the producer will implement a four-year crop rotation for peanuts.

(b) CONTRACT PAYMENTS.—Under the contract, the Secretary shall pay to the producer a contract implemen-

1 tation payment, in an amount determined to be appro-
2 priate by the Secretary.

3 (c) FUNDING.—For each of fiscal years 2008 through
4 2012, the Secretary shall use the funds, facilities, and au-
5 thorities of the Commodity Credit Corporation to carry
6 out the provisions under this section, except that funding
7 of the pilot program may not exceed $10,000,000 in each
8 of such fiscal years.

9 TITLE III—TRADE

Sec. 3001. Agricultural Trade Development and Assistance Act of 1954.
Sec. 3002. Export credit guarantee program.
Sec. 3003. Market access program.
Sec. 3004. Food for Progress Act of 1985.
Sec. 3005. Reauthorization of McGovern-Dole International Food for Education and Child Nutrition Program.
Sec. 3006. Bill Emerson Humanitarian Trust.
Sec. 3007. Technical assistance for specialty crops.
Sec. 3008. Technical assistance for the resolution of trade disputes.
Sec. 3009. Representation by the United States at international standard-setting bodies.
Sec. 3010. Foreign market development cooperator program.
Sec. 3011. Emerging markets.
Sec. 3012. Export Enhancement Program.
Sec. 3013. Minimum level of nonemergency food assistance.
Sec. 3014. Germplasm conservation.
Sec. 3015. Report on efforts to improve procurement planning.
Sec. 3016. International disaster assistance under the Foreign Assistance Act of 1961.

10 SEC. 3001. AGRICULTURAL TRADE DEVELOPMENT AND AS-
11 SISTANCE ACT OF 1954.

12 (a) PURPOSE OF PROGRAM.—Section 201 of the Ag-
13 ricultural Trade Development and Assistance Act of 1954
14 (7 U.S.C. 1721) is amended so that paragraph (1) reads
15 as follows:

"(1) address famine and food crises and respond to emergency food needs arising from man-made disasters, and natural disasters.".

(b) SUPPORT FOR ELIGIBLE ORGANIZATIONS.—Section 202(e)(1) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1722(e)(1)) is amended—

(1) by striking "not less than 5 percent nor more than 10 percent of the funds" and inserting "not less than 7 percent nor more than 12 percent of the funds";

(2) striking "and" at the end of subparagraph (A);

(3) striking the period at the end of subparagraph (B) and inserting "; and"; and

(4) inserting after subparagraph (B) the following:

"(C) developing, implementing and improving monitoring systems of programs receiving funds under this title.".

(c) GENERATION AND USE OF CURRENCIES BY PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.— Subsection (b) of section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C.

1723) is amended by striking ''1 or more recipient countries'' and inserting ''in 1 or more recipient countries''.

(d) LEVELS OF ASSISTANCE.—Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)) is amended—

(1) in paragraph (1) by striking ''2002 through 2007'' and inserting ''2008 through 2012''; and

(2) in paragraph (2) by striking ''2002 through 2007'' and inserting ''2008 through 2012''.

(e) FOOD AID CONSULTATIVE GROUP.—

(1) REPORT TO CONGRESS.—Section 205 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1725) is amended—

(A) by redesignating subsection (f) as subsection (g); and

(B) by inserting after subsection (e) the following new subsection:

''(f) REPORT TO CONGRESS.—

''(1) IN GENERAL.—Not later than 180 days after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007, and annually thereafter until December 31, 2012, the Administrator of the United States Agency for International Development, in close consultation with the Group, shall submit to the appropriate congressional com-

mittees a report on efforts taken by the United States Agency for International Development and the Department of Agriculture to develop a strategy under this section to achieve an integrated and effective food assistance program.

"(2) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this subsection, the term 'appropriate congressional committees' means—

"(A) the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives; and

"(B) the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

(2) TERMINATION.—Such section is further amended in subsection (g) (as redesignated by paragraph (1)(A)) by striking "2007" and inserting "2012".

(f) DENIAL OF PROPOSALS.—Paragraph (3) of section 207(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726a(a)) is amended to read as follows:

"(3) DENIAL.—If a proposal under paragraph (1) is denied, the response shall specify the reasons for denial.".

(g) PROGRAM OVERSIGHT, MONITORING, AND EVALUATION.—Section 207 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726a) is amended by adding at the end the following:

"(f) PROGRAM OVERSIGHT, MONITORING, AND EVALUATION.—

"(1) IN GENERAL.—The Administrator, in consultation with the Secretary, shall establish systems to improve, monitor, and evaluate the effectiveness and efficiency of assistance provided under this title in order to maximize the impact of such assistance. Such systems shall include the following:

"(A) program monitors in countries receiving assistance under this title;

"(B) country and regional food aid impact evaluations;

"(C) evaluations of best practices for food aid programs;

"(D) evaluation of monetization programs;

"(E) early warning assessments to prevent famines; and

"(F) upgraded information technology systems.

"(2) IMPLEMENTATION REPORT.—Not later than 180 days after the date of enactment of the

Farm, Nutrition, and Bioenergy Act of 2007, the Administrator shall submit to the appropriate congressional committees a report on efforts undertaken to implement paragraph (1).

"(3) GOVERNMENT ACCOUNTABILITY OFFICE.—Not later than 270 days after the date of the submission of the report under paragraph (2), the Comptroller General of the United States shall submit to the appropriate congressional committees a report that—

"(A) reviews and comments on the report under paragraph (2); and

"(B) provides recommendations regarding any additional actions necessary to improve the monitoring and evaluation of assistance provided under this title.

"(4) ANNUAL REPORT.—Not later than February 1 of each year, the Administrator shall submit to the appropriate congressional committees a report assessing the systems implemented under paragraph (1) and their impact on the effectiveness and efficiency of assistance provided under this title.

"(5) FUNDING.—In addition to other funds made available for the Administrator to perform monitoring of emergency food assistance, the Admin-

istrator may implement this subsection using up to $15,000,000 of funds made available under this title for each of the fiscal years 2008 through 2012, except for paragraph (1)(F), for which only $2,500,000 shall be made available during fiscal year 2008.

"(6) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this subsection, the term 'appropriate congressional committees' means—

"(A) the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives; and

"(B) the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

(h) SHELF-STABLE PREPACKAGED FOODS.—Section 208(f) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726b(f)) is amended—

(1) by striking "2007" and insert "2012"; and

(2) by striking "$3,000,000" and inserting "$7,000,000"

(i) PREPOSITIONING.—Section 407(c)(4) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a(c)(4)) is amended—

(1) by striking "Funds" and inserting "(A) IN GENERAL.—Funds";

(2) by striking "2007" and inserting "2012";

(3) by striking "$2,000,000" and inserting "$8,000,000"; and

(4) by adding at the end the following new subparagraph:

"(B) ADDITIONAL PREPOSITIONING SITES.—

"(i) FEASIBILITY ASSESSMENT.—On or after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007, the Administrator is authorized to carry out assessments for the establishment of not less than two sites to determine the feasibility of and costs associated with using such sites for the purpose of storing and handling agricultural commodities for prepositioning in foreign countries.

"(ii) ESTABLISHMENT OF SITES.—Based on the results of the assessments carried out under clause (i), the Administrator is authorized to establish additional sites for pre-positioning in foreign countries.

"(iii) AUTHORIZATION OF APPROPRIATIONS.—To carry out this subparagraph,

there are authorized to be appropriated to the Administrator such sums as may be necessary for each of the fiscal years 2008 through 2012.''.

(j) ANNUAL REPORTS.—Section 407(f) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a(f)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (B), by adding at the end before the semicolon the following: '', and the amount of funds, tonnage levels, and types of activities for non-emergency food assistance programs under title II of this Act'';

(B) in subparagraph (C), by adding at the end before the semicolon the following: '', and a general description of the projects and activities implemented''; and

(C) so that subparagraph (D) reads as follows:

''(D) an assessment of the progress toward reducing food insecurity in the populations receiving food assistance from the United States.''; and

(2) in paragraph (3), by striking ''January 15'' and inserting ''March 1''.

(k) EXPIRATION OF ASSISTANCE.—Section 408 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736b) is amended by striking ''2007'' and inserting ''2012''.

(l) AUTHORIZATION OF APPROPRIATIONS.—Subsection (a) of section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f) is amended to read as follows:

''(a) AUTHORIZATION OF APPROPRIATIONS.—For each of the fiscal years 2008 through 2012, there are authorized to be appropriated to the President—

''(1) such sums as may be necessary to carry out the concessional credit sales program established under title I,

''(2) $2,500,000,000 to carry out the emergency and non-emergency food assistance programs under title II, and

''(3) such sums as may be necessary to carry out the grant program established under title III,

including such amounts as may be required to make payments to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under the programs under this Act for the actual costs incurred or to be incurred by such Corporation in carrying out such programs.''.

(m) MICRONUTRIENT FORTIFICATION PROGRAMS.—

(1) PURPOSE.—Subsection (a)(2)(C) of section 415 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736g–2) is amended—

(A) by striking ''using the same mechanism that was used to assess the micronutrient fortification program in'' and inserting ''utilizing recommendations from''; and

(B) by striking ''with funds from the Bureau for Humanitarian Response of the United States Agency for International Development'' and inserting ''with implementation by an independent entity with proven impartiality and a mechanism that incorporates the range of stakeholders implementing programs under title II of this Act as well as other food assistance industry experts''.

(2) TERMINATION OF AUTHORITY.—Subsection (d) of such section is amended by striking ''2007'' and inserting ''2012''.

(n) JOHN OGONOWSKI AND DOUG BEREUTER FARMER-TO-FARMER PROGRAM.—

(1) MINIMUM FUNDING.—Section 501(d) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737(d)) is amended—

(A) by inserting "or $10,000,000, whichever amount is greater," after "not less than 0.5 percent"; and

(B) by striking "2002 through 2007" and inserting "2008 through 2012".

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 501(e) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737(e)) is amended by striking paragraph (1) and inserting the following new paragraph:

"(1) IN GENERAL.—To carry out programs under this section, there is authorized to be appropriated for each of fiscal years 2008 through 2012 the following amounts:

"(A) $10,000,000 for sub-Saharan African and Caribbean Basin countries.

"(B) $5,000,000 for all other countries not included in subparagraph (A).".

(o) REFERENCES TO COMMITTEE.—The Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) is amended by striking "Committee on Inter-

national Relations'' each place it appears and inserting ''Committee on Foreign Affairs''.

SEC. 3002. EXPORT CREDIT GUARANTEE PROGRAM.

(a) REPEAL OF SUPPLIER CREDIT GUARANTEE PROGRAM AND INTERMEDIATE EXPORT CREDIT GUARANTEE PROGRAM.—

(1) REPEALS.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking ''(1)'' and all that follows through ''The Commodity'' and inserting ''The Commodity'';

(ii) in paragraph (1), by striking ''3-year period'' and inserting ''6-month period''; and

(iii) by striking paragraphs (2) and (3);

(B) by striking subsections (b) and (c); and

(C) by redesignating subsections (d) through (l) as subsections (b) through (j), respectively.

(2) CONFORMING AMENDMENTS.—The Agricultural Trade Act of 1978 is amended—

(A) in section 202 (7 U.S.C. 5622)—

(i) in subsection (b)(4) (as redesignated by paragraph (1)(C)), by striking ", consistent with the provisions of subsection (c)";

(ii) in subsection (d) (as redesignated by paragraph (1)(C))—

(I) by striking "(1)" and all that follows through "The Commodity" and inserting "The Commodity"; and

(II) by striking paragraph (2); and

(iii) in subsection (g)(2) (as redesignated by paragraph (1)(C)), by striking "subsections (a) and (b)" and inserting "subsection (a)"; and

(B) in section 211 (7 U.S.C. 5641), by striking subsection (b) and inserting the following:

"(b) EXPORT CREDIT GUARANTEE PROGRAMS.—(1) The Commodity Credit Corporation shall make available for each of fiscal years 2008 through 2012 not less than $5,500,000,000 in credit guarantees under section 202(a).

"(2) Section 202(k)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(k)(1)) is amended by striking '2007' and inserting '2012'.".

SEC. 3003. MARKET ACCESS PROGRAM.

(a) ORGANIC COMMODITIES.—Section 203(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5623(a)) is amended by inserting after ''agricultural commodities'' the following: ''(including commodities that are organically produced (as defined in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502))''.

(b) FUNDING.—Section 211(c)(1)(A) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)(A)) is amended by striking '', and $200,000,000 for each of fiscal years 2006 and 2007'' and inserting ''$200,000,000 for each of fiscal years 2006 and 2007, and $225,000,000 for each of fiscal years 2008 through 2012''.

SEC. 3004. FOOD FOR PROGRESS ACT OF 1985.

The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended by striking ''2007'' each place it appears and inserting ''2012''.

SEC. 3005. REAUTHORIZATION OF MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

(a) ADMINISTRATION OF PROGRAM.—Section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1) is amended—

(1) in subsection (d), in the matter preceding paragraph (1), by striking ''The President shall des-

ignate 1 or more Federal agencies to'' and inserting ''The Secretary shall'';

(2) in subsection (f)(2), in the matter preceding subparagraph (A), by striking ''implementing agency'' and inserting ''Secretary''; and

(3) in subsections (c)(2)(B), (f)(1), (h)(1) and (2), and (i), by striking ''President'' each place it appears and inserting ''Secretary''.

(b) FUNDING.—Section 3107(l) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o-1(l)) is amended—

(1) by striking paragraphs (1) and (2) and inserting the following:

''(1) USE OF COMMODITY CREDIT CORPORATION FUNDS.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section—

''(A) $0 for fiscal year 2008;

''(B) $140,000,000 for fiscal year 2009;

''(C) $170,000,000 for fiscal year 2010;

''(D) $230,000,000 for fiscal year 2011;

''(E) $300,000,000 for fiscal year 2012; and

''(F) $0 for fiscal year 2013.'';

(2) by redesignating paragraph (3) as paragraph (2); and

(3) in paragraph (2) (as redesignated by paragraph (2)), by striking ''any Federal agency implementing or assisting'' and inserting ''the Department of Agriculture or any other Federal agency assisting''.

SEC. 3006. BILL EMERSON HUMANITARIAN TRUST.

Section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) is amended by striking ''2007'' each place it appears in subsection (b)(2)(B)(i) and paragraphs (1) and (2) of subsection (h) and inserting ''2012''.

SEC. 3007. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.

Section 3205 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5680) is amended so that subsection (d) reads as follows:

''(d) FUNDING.—

''(1) COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

''(2) FUNDING AMOUNT.—The Secretary shall use the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation to carry out this section—

"(A) $4,000,000 for fiscal year 2008;

"(B) $6,000,000 for fiscal year 2009;

"(C) $8,000,000 for fiscal year 2010;

"(D) $10,000,000 for each of fiscal years 2011 through 2012.".

SEC. 3008. TECHNICAL ASSISTANCE FOR THE RESOLUTION OF TRADE DISPUTES.

(a) IN GENERAL.—The Secretary of Agriculture may provide monitoring, analytic support, and other technical assistance to limited resource persons and organizations associated with agricultural trade (as determined by the Secretary) to address unfair trade practices of foreign countries and to reduce trade barriers.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized such sums as necessary to carry out subsection (a).

SEC. 3009. REPRESENTATION BY THE UNITED STATES AT INTERNATIONAL STANDARD-SETTING BODIES.

(a) IN GENERAL.—Pursuant to the authority of the Secretary provided by section 1458(a)(3) of the Food and Agriculture Act of 1977 (7 U.S.C. 3291(a)(3)), the Secretary is authorized to enhance United States support for international organizations, including the Food and Agriculture Organization, the Codex Alimentarius Commis-

sion, the International Plant Protection Convention, and the World Organization for Animal Health, that establish international standards regarding food, food safety, plants, and animals, respectively, by funding additional positions of Associate Professional Officers to address sanitary and phytosanitary priorities of the United States within applicable international organizations.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as necessary to carry out this section for each of fiscal years 2007–2012.

SEC. 3010. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

(a) FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.—Subsection (c) of section 702 of the Agricultural Trade Act of 1978 (7 U.S.C. 5722) is amended by striking ''Committee on International Relations'' and inserting ''Committee on Foreign Affairs''.

(b) FUNDING.—Subsection (a) of section 703 of such Act (7 U.S.C. 5723) is amended by striking ''2002 through 2007'' and inserting ''2008 through 2012''.

SEC. 3011. EMERGING MARKETS.

The Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law 101–624) is

amended in each of subsections (a) and (d)(1)(A)(i) by striking ''2007'' and inserting ''2012.

SEC. 3012. EXPORT ENHANCEMENT PROGRAM.

Section 301(e)(1)(G) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 3013. MINIMUM LEVEL OF NONEMERGENCY FOOD ASSISTANCE.

Section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f) is amended by inserting at the end the following new subsection:

''(e) MINIMUM LEVEL OF NONEMERGENCY FOOD ASSISTANCE.—

''(1) FUNDS.—Of the amounts made available to carry out emergency and nonemergency food assistance programs under title II, not less than $450,000,000 for each of fiscal years 2008 through 2012 shall be expended for nonemergency food assistance programs under title II.

''(2) EXCEPTION.—The Administrator may use less than the amount specified in paragraph (1) for a fiscal year for nonemergency food assistance programs under title II if—

''(A) the Administrator submits to the Committees on Foreign Affairs, Agriculture,

and Appropriations of the House of Representatives and the Committees on Appropriations and Agriculture, Nutrition, and Forestry of the Senate a report requesting the reduction and containing the reasons for the reduction; and

"(B) following submission of the report, Congress enacts a law approving the Administrator's request.".

SEC. 3014. GERMPLASM CONSERVATION.

(a) CONTRIBUTION.—The Administrator of the United States Agency for International Development shall contribute funds to endow the Global Crop Diversity Trust (in this section referred to as the "Trust") to assist in the conservation of genetic diversity in food crops through the collection and storage of the germplasm of such crops in a manner that provides for—

(1) the maintenance and storage of seed collections;

(2) the documentation and cataloguing of the genetics and characteristics of conserved seeds to ensure efficient reference for researchers, plant breeders, and the public;

(3) building the capacity of seed collection in developing countries;

(4) making information regarding crop genetic data publicly available for researchers, plant breeders, and the public (for example, through the provision of an accessible Internet site);

(5) the operation and maintenance of a back-up facility wherein is stored duplicate samples of seeds, as a hedge against natural or man-made disasters; and

(6) oversight designed to ensure international coordination of these actions and efficient, public accessibility to this diversity through a cost-effective system.

(b) UNITED STATES CONTRIBUTION LIMIT.—The aggregate contributions of United States Government funds provided to the Trust shall not exceed 25 percent of the total of the funds contributed to the Trust from all sources.

(c) AUTHORIZATION.—There are authorized to be appropriated to carry out this section a total of $60,000,000 over the period of fiscal year 2008 through fiscal year 2012.

SEC. 3015. REPORT ON EFFORTS TO IMPROVE PROCUREMENT PLANNING.

(a) REPORT REQUIRED.—Not later than 90 days after the date of the enactment of this Act, the Adminis-

trator of the United States Agency for International Development and the Secretary of Agriculture shall submit to the appropriate congressional committees a report on efforts taken by both the United States Agency for International Development and the Department of Agriculture to improve planning for food and transportation procurement, including efforts to eliminate bunching of food purchases.

(b) CONTENTS.—The report required under subsection (a) should include, among other things, a description of efforts taken to—

(1) improve coordination of food purchases by the United States Agency for International Development and the Department of Agriculture;

(2) increase flexibility in procurement schedules;

(3) increase utilization of historical analyses and forecasting; and

(4) improve and streamline legal claims processes for resolving transportation disputes.

(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term ''appropriate congressional committees'' means—

(1) the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives; and

(2) the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 3016. INTERNATIONAL DISASTER ASSISTANCE UNDER THE FOREIGN ASSISTANCE ACT OF 1961.

For each of the fiscal years 2008 through 2012, of the amounts made available to carry out section 491 of the Foreign Assistance Act of 1961 (22 U.S.C. 2292), not less than $40,000,000 for each such fiscal year is authorized be made available for the purposes of famine prevention and relief under such section.

TITLE IV—NUTRITION PROGRAMS

Subtitle A—Food Stamp Program

Sec. 4001. Renaming the food stamp program.
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Sec. 4303. Expansion of fresh fruit and vegetable program.
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Subtitle A—Food Stamp Program

SEC. 4001. RENAMING THE FOOD STAMP PROGRAM.

(a) AMENDMENTS TO THE FOOD STAMP ACT OF 1977.—

(1) REFERENCES AMENDED.—The provisions of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.)—

(A) specified in paragraph (2)(A) are amended in the section heading by striking "**FOOD STAMP**" each place it appears and in-

serting ''**SECURE SUPPLEMENTAL NUTRITION ASSISTANCE**'';

(B) specified in paragraph (2)(B) are amended in the subsection heading by striking ''FOOD STAMP'' each place it appears and inserting ''SECURE SUPPLEMENTAL NUTRITION ASSISTANCE'';

(C) specified in paragraph (2)(C) are amended by striking each place it appears ''food stamp recipient'' and inserting ''member of a household that receives Secure Supplemental Nutrition Assistance Program benefits'',

(D) specified in paragraph (2)(D) are amended by striking ''food stamp recipients'' each place it appears and inserting ''members of households that receive Secure Supplemental Nutrition Assistance Program benefits'',

(E) specified in paragraph (2)(E) are amended by striking ''food stamp households'' each place it appears and inserting ''households that receive Secure Supplemental Nutrition Assistance Program benefits'';

(F) specified in paragraph (2)(F) are amended by striking ''Simplified Food Stamp Program'' each place it appears and inserting

"Simplified Secure Supplemental Nutrition Assistance Program";

(G) specified in paragraph (2)(H) are amended by striking "food stamp participants" each place it appears and inserting "participants in the Secure Supplemental Nutrition Assistance Program";

(H) specified in paragraph (2)(I) are amended by striking "food stamp informational activities" each place it appears and inserting "informational activities relating to the Secure Supplemental Nutrition Assistance Program";

(I) specified in paragraph (2)(J) are amended by striking "food stamp caseload" each place it appears and inserting "caseload under the Secure Supplemental Nutrition Assistance Program";

(J) specified in paragraph (2)(K) are amended by striking "State's food stamp households" each place it appears and inserting "the number of households in the State receiving Secure Supplemental Nutrition Assistance Program benefits";

(K) specified in paragraph (2)(L) are amended in the section heading by striking

"**FOOD STAMP PORTION**" each place it appears and inserting "**SECURE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS**";

(L) specified in paragraph (2)(M) are amended by striking "food stamps" each place it appears and inserting "Secure Supplemental Assistance Nutrition Program benefits";

(M) specified in paragraph (2)(N) are amended by striking "Food stamp program" each place it appears and inserting "Secure Supplemental Nutrition Assistance Program";

(N) specified in paragraph (2)(o) are amended by striking "food stamp program benefits" each place it appears and inserting "Secure Supplemental Nutrition Program benefits"; and

(O) specified in paragraph (2)(O) are amended by striking "food stamp program" each place it appears and inserting "Secure Supplemental Nutrition Assistance Nutrition Program".

(2) PROVISIONS REFERRED TO.—The provisions of the of the Food Stamp Act of 1977 referred to in paragraph (1) are the following:

(A) Sections 4 and 26.

(B) Section 6(j).

(C) Section 6(o)(6)(A)(ii).

(D)(i) Subparagraphs (D) and (E) of section 6(o)(6);

(ii) sections 16(h)(1)(E)(i) and 12(a); and

(iii) paragraphs (1)(B)(ii)(II) and (3)(B) of section 17(b).

(E) Sections 7(h)(3)(B)(ii), 9(b)(1), 12(a), and 17(b)(1)(B)(ii)(I).

(F) Sections 11(e)(25) and 26(b).

(G) Section 11(f)(2)(B).

(H) Section 16(a).

(I) Section 16(e)(9)(C).

(J) Section 17(b)(1)(B)(iii)(I).

(K) Section 22.

(L)(i) Subsections (d)(3) and (o)(6)(A)(i) of section 6;

(ii) paragraphs (2)(B)(v)(II) and (14) of section 11(e); and

(iii) sections 12(e)(16), 17(b)(3)(C), and 18(a)(3)(A)(ii).

(M) Section 3(h).

(N)(i) In section 6—

(I) subsection (h); and

(II) in subsection (o)—

(aa) paragraph (2); and

(bb) subclauses (IV) and (V) of paragraph (6)(A)(ii).

(ii) Section 7(k)(2).

(iii) In section 11—

(I) subsection (e)(25)(A);

(II) paragraphs (1), (2), and (3) of subsection (s); and

(III) subsection (t)(1)(B).

(iv) In section 17—

(I) subsection (a)(2);

(II) paragraphs (1)(A), (2), and (3)(D) of subsection (b);

(III) paragraphs (1)(B), (2)(C)(ii), and (3)(E) of subsection (d); and

(IV) subsections (e) and (f).

(v) Section 21(d)(3).

(O)(i) Sections 2, 3(h), and 4.

(ii) In section 5—

(I) subsections (a), (b), (c), and (d);

(II) clauses (ii)(III) and (iv)(IV) of subsection (e)(6)(C);

(III) paragraphs (1), (3), and (6)(B)(iv) of subsection (g); and

(IV) subsections (h)(2)(A) and (k)(4)(B).

(iii) In section 6—

(I) subsections (a) and (b);

(II) in subsection (d)(1)—

(aa) subparagraphs (A) and (B);

(bb) clauses (i), (ii), and (iii) of subparagraph (C); and

(cc) clauses (v) and (vi) of subparagraph (D);

(III) paragraphs (2)(C), (3), and (4)(A)(i) of subsection (d);

(IV) subsections (e), (f), and (h);

(V) paragraphs (1) and (2) of subsection (i); and

(VI) subsections (j), (k), (l)(1), (m)(1), (n), (o)(5)(A);

(iv) In section 7—

(I) subsections (a), (b), and (g);

(II) paragraphs (1) and (2)(B) of subsection (j); and

(III) in subsection (k)—

(aa) paragraph (3); and

(bb) subparagraphs (B)(ii) and (C) of paragraph (4).

(v) In section 8—

(I) subsections (a), (c)(2), and (d)(2);

(II) in subsection (f)—

(aa) clauses (i)(II)(aa), (ii)(I), and (iv) of paragraph (1)(D); and

(bb) paragraph (3)(B)(ii)(II)(bb).

(vi) In section 9—

(I) paragraphs (1) and (3) of subsection (a); and

(II) subsections (b)(1), (d), (e), and (g).

(vii) In section 11—

(I) subsections (c) and (d);

(II) in subsection (e)—

(aa) paragraph (1)(A);

(bb) clauses (i) and (iv) of paragraph (2)(B); and

(cc) paragraphs (10), (17), (20)(B), and (22);

(III) subsections (f)(1), (g), (i), and (j)(1);

(IV) paragraphs (1), (2), (3), and (4) of subsection (o);

(V) subsections (p) and (q); and

(VI) paragraphs (2)(A) and (B)(4)(A) of subsection (t).

(viii) Sections 12(a) and 14(a)(1).

(ix) Subsections (b)(1) and (c) of section 15.

(x) In section 16—

(I) subsection (a);

(II) paragraph (1), (2), and (3) of subsection (b);

(III) in subsection (c)—

(aa) the matter preceding subparagraph (A);

(bb) subparagraphs (D)(i)(II) and (F)(iii)(I) of paragraph (1); and

(cc) subparagraphs (A), (B), and (C) of paragraph (9);

(IV) subsections (e), (g), and (i)(1); and

(V) in subsection (k)—

(aa) subparagraphs (A) and (B) of paragraph (2);

(bb) subparagraphs (A) and (B)(i) of paragraph (3); and

(cc) subparagraphs (A)(ii) and (B)(iv)(II) of paragraph (5).

(xi) In section 17—

(I) subsection (a)(1);

(II) in subsection (b)—

(aa) subparagraphs (A) and (B)(i) of paragraph (1); and

(bb) subparagraph (2);

(III) subsection (c);

(IV) subparagraphs (A) and (C) of subsection (d) (2); and

(V) subsections (e), (g), and (h)(2).

(xii) Subsections (a)(3)(D), (b), (d), and (e) of section 18.

(xiii) Subsections (a)(1) and (f) of section 20.

(xiv) In section 21—

(I) subsection (a);

(II) in subsection (b)—

(aa) in paragraph (2)—

(AA) clause (i) and (ii) of subparagraph (A);

(BB) subparagraphs (B) and (C)(i);

(CC) clause (ii), and subclauses (II), (III), and (IV) of

clause (iii), of subparagraph (F); and

(DD) subparagraph (G)(i);

(bb) paragraph (3);

(cc) in paragraph (4)—

(AA) subparagraphs (A) and (B); and

(BB) the flush text at the end;

(dd) paragraphs (5) and (7);

(III) subsection (C)(2)(B);

(IV) paragraphs (1)(A), (2), and (3) of subsection (d); and

(V) paragraphs (1) and (2) of subsection (f).

(xv) In section 22—

(I) subsection (a)(1);

(II) in subsection (b)—

(aa) paragraph (2);

(bb) in paragraph (3)—

(AA) subparagraphs (A) and (B)(ii);

(BB) clauses (ii) and (iii) of subparagraph (C);

(CC) subparagraph (D)(ii); and

(DD) clauses (i), (ii), and (iv) of subparagraph (E);

(cc) paragraph (5);

(dd) subparagraphs (B) and (C) of paragraph (6);

(ee) subparagraphs (A) and (B) of paragraph (7);

(ff) paragraphs (8) and (9);

(gg) in paragraph (10)—

(AA) subparagraph (A)

(BB) clauses (i) and (ii) of subparagraph (B); and

(CC) subparagraph (C); and

(hh) paragraphs (11), (12), and (13);

(III) in subsection (d)—

(aa) paragraph (1)(B)(i); and

(bb) paragraph (3); and

(IV) subsections (g)1 and (h).

(xvi) Section 23(c).

(xvii) In section 26—

(I) subparagraphs (B) and (C) of subsection (c)(4); and

(II) subsection (f)(1).

(b) REFERENCES IN OTHER LAWS, DOCUMENT, AND RECORDS OF THE UNITED STATES.—In any law (excluding the Food Stamp Act of 1977), regulation, rule, document, or record of the United States—

(1) a reference to food stamp recipients shall be deemed to be a reference to recipients of Secure Supplemental Nutrition Assistance Program benefits;

(2) a reference to food stamp households shall be deemed to be a reference to households that receive Secure Supplemental Nutrition Assistance Program benefits;

(3) a reference to the Simplified Food Stamp Program shall be deemed to be a reference to the Simplified Secure Supplemental Nutrition Assistance Program;

(4) a reference to food stamp participants shall be deemed to be a reference to participants in the Secure Supplemental Nutrition Assistance Program;

(5) a reference to food stamp informational activities shall be deemed to be a reference to informational activities relating to the Secure Supplemental Nutrition Assistance Program;

(6) a reference to food stamp caseload shall be deemed to be a reference to caseload under the Secure Supplemental Nutrition Assistance Program;

(7) a reference to food stamps shall be deemed to be a reference to Secure Supplemental Nutrition Assistance Program benefits; and

(8) a reference to the food stamp program shall be deemed to be a reference to Secure Supplemental Nutrition Assistance Program.

SEC. 4002. DEFINITION OF DRUG ADDICTION OR ALCOHOLIC TREATMENT AND REHABILITATION PROGRAM.

Section 3(f) of the Food Stamp Act of 1977 (7 U.S.C. 2012(f)) is amended by striking " center, under part B of title XIX of the Public Health Service Act (42 U.S.C. 300x et seq.)" and inserting "center, that is—

"(1) tax exempt; and

"(2) certified by the State title XIX agency, under part B of title XIX of the Public Health Service Act (42 U.S.C. 300x et seq.), as receiving funding under part B, eligible to receive funding under part B even if no funds are being received, or operating to further the purposes of part B, except that nothing in this paragraph shall be construed to re-

quire State or Federal licensure to meet these requirements;''.

SEC. 4003. NUTRITION EDUCATION.

(a) AUTHORITY TO PROVIDE NUTRITION EDUCATION.—Section 4(a) of the Food Stamp Act of 1977 (7 U.S.C. 2013(a)) is amended in the first sentence by inserting ''and through an approved State plan, nutrition education'' after ''an allotment''.

(b) IMPLEMENTATION.—Section 11(f) of the Food Stamp Act of 1977 (7 U.S.C. 2020(f)) is amended to read as follows:

''(f) NUTRITION EDUCATION.—

''(1) IN GENERAL.—State agencies may implement a nutrition education program for individuals eligible for Secure Supplemental Nutrition Assistance Program benefits that promotes healthy food choices consistent with current Dietary Guidelines.

''(2) DELIVERY OF NUTRITION EDUCATION.—State agencies may deliver nutrition education directly to eligible persons or through agreements with the Cooperative State Research, Education and Extension Service, including through the expanded food and nutrition education under section 3(d) of the Act of May 8, 1914 (7 U.S.C. 343(d)), and other

State and community health and nutrition providers and organizations.

"(3) NUTRITION EDUCATION STATE PLANS.—State agencies wishing to provide nutrition education under this subsection shall submit a Nutrition Education State Plan to the Food and Nutrition Service for approval. The plan shall identify the uses of the funding for local projects and conform to standards set forth by the Secretary in regulations or guidance. State costs for providing nutrition education under this subsection shall be reimbursed pursuant to section 16(a).

"(4) NOTIFICATION.—Whenever practicable, State agencies shall notify applicants, participants, and eligible program participants of the availability of nutrition education under this subsection.".

SEC. 4004. FOOD DISTRIBUTION ON INDIAN RESERVATIONS.

(a) IN GENERAL.—Section 4 of the Food Stamp Act of 1977 (7 U.S.C. 2013) is amended by striking subsection (b) and inserting the following:

"(b) FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS.—

"(1) IN GENERAL.—Distribution of commodities, with or without the Secure Supplemental Nutrition Assistance Program, shall be made whenever

a request for concurrent or separate food program operations, respectively, is made by a tribal organization.

"(2) ADMINISTRATION.—

"(A) IN GENERAL.—Subject to subparagraphs (B) and (C), in the event of a distribution on all or part of an Indian reservation, the appropriate agency of the State government in the area involved shall be responsible for the distribution.

"(B) ADMINISTRATION BY TRIBAL ORGANIZATION.—If the Secretary determines that a tribal organization is capable of effectively and efficiently administering a distribution described in subparagraph (A), then the tribal organization shall administer the distribution.

"(C) PROHIBITION.—The Secretary shall not approve any plan for a distribution described in subparagraph (A) that permits any household on any Indian reservation to participate simultaneously in the Secure Supplemental Nutrition Assistance Program and the distribution of federally donated foods.

"(3) DISQUALIFIED PARTICIPANTS.—The Secretary shall ensure that an individual who is dis-

qualified from participation in the Food Distribution Program on Indian Reservations under this subsection is not eligible to participate in the Secure Supplemental Nutrition Assistance Program under this Act.

"(4) ADMINISTRATIVE COSTS.—The Secretary is authorized to pay such amounts for administrative costs of such distribution on Indian reservations as the Secretary finds necessary for effective administration of such distribution by a State agency or tribal organization.

"(5) TRADITIONAL AND LOCAL FOODS FUND.—

"(A) IN GENERAL.—The Secretary shall establish a fund to purchase traditional and locally-grown food, designated by region, for recipients of food distributed under this subsection.

"(B) NATIVE AMERICAN PRODUCERS.—For recipients of food distributed under subparagraph (A), at least 50 percent shall be produced by Native American farmers, ranchers, and producers.

"(C) DEFINITION OF TRADITIONAL AND LOCALLY GROWN.—The Secretary, in conjunction with the Indian Tribal Organizations, will

determine the definition of traditional and locally-grown.

"(D) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary $5,000,000 for each of the fiscal years 2008 through 2012 to carry out subparagraph (A).".

(b) FDPIR FOOD PACKAGE.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes—

(1) how the Secretary derives the process for determining the food package under the Food Distribution Program on Indian Reservations established under section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)) (referred to in this subsection as the "food package");

(2) the extent to which the food package—

(A) conforms (or fails to conform) to the 2005 Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341);

(B) addresses (or fails to address) the nutritional and health challenges that are specific to Native Americans; and

(C) addresses (or fails to address) the nutritional needs of low-income Native Americans, compared to the Secure Supplemental Nutrition Assistance Program;

(3) any plans of the Secretary to revise and update the food package to conform with the most recent Dietary Guidelines for Americans, including any costs associated with the planned changes; and

(4) if the Secretary does not plan changes to the food package, the rationale of the Secretary for retaining the food package.

SEC. 4005. EXCLUDING COMBAT RELATED PAY FROM COUNTABLE INCOME.

Section (5)(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking ''and (18)'', and inserting ''(18)'', and

(2) by inserting before the period at the end the following: ''and (19) any additional payment received under Chapter 5 of title 37, United States Code, by (or as an allotment to or transfer from) a member of the United States Armed Forces deployed to a

designated combat zone for the duration of the member's deployment to or service in a combat zone if the additional pay was not received immediately prior to serving in that or another combat zone.''.

SEC. 4006. INCREASING THE STANDARD DEDUCTION.

Section (5)(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(1)) is amended—

(1) in subparagraph (A)(ii) by striking ''not less than $134'' and all that follows through the period at the end, and inserting the following: ''not less than $145, $248, $205, and $128, respectively. On October 1, 2008, and each October 1 thereafter, such standard deduction shall be an amount that is equal to the amount from the previous fiscal year adjusted to the nearest lower dollar increment to reflect changes in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, for items other than food, for the 12 months ending the preceding June 30.''; and

(2) in subparagraph (B)(ii) by striking ''not less than $269.'' and inserting the following: ''not less than $291. On October 1, 2008, and each October 1 thereafter, such standard deduction shall be an amount that is equal to the amount of the previous fiscal year adjusted to the nearest dollar incre-

ment to reflect changes in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics, for items other than food, for the 12 months ending the preceding June 30.''.

SEC. 4007. EXCLUDING DEPENDENT CARE EXPENSES.

Section (5)(e)(3)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(3)(A)) is amended by striking '', the maximum allowable level of which shall be $200 per month for each dependent child under 2 years of age and $175 per month for each other dependent,''.

SEC. 4008. ADJUSTING COUNTABLE RESOURCES FOR INFLATION.

Section (5)(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended—

(1) by striking ''(g)(1) The Secretary'' and inserting the following:

''(g) ALLOWABLE FINANCIAL RESOURCES.—

''(1) TOTAL AMOUNT.—

''(A) IN GENERAL.—The Secretary''.

(2) in subparagraph (A) (as so designated by paragraph (1))—

(A) by inserting ''(as adjusted in accordance with subparagraph (B))'' after ''$2,000''; and

(B) by inserting "(as adjusted in accordance with subparagraph (B))" after "$3,000"; and

(3) by adding at the end the following:

"(B) ADJUSTMENT FOR INFLATION.—

"(i) IN GENERAL.—Beginning on October 1, 2007, and each October 1 thereafter, the amounts in subparagraph (A) shall be adjusted to the nearest $100 increment to reflect changes for the 12-month period ending the preceding June in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

"(ii) REQUIREMENT.—Each adjustment under clause (i) shall be based on the unrounded amount for the prior 12-month period.".

SEC. 4009. EXCLUDING EDUCATION ACCOUNTS FROM COUNTABLE INCOME.

Section (5)(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

"(7) EXCLUSION OF EDUCATION ACCOUNTS FROM COUNTABLE RESOURCES.—

"(A) MANDATORY EXCLUSIONS.—The Secretary shall exclude from financial resources under this subsection the value of any funds in a qualified tuition program described in section 529 of the Internal Revenue Code of 1986 or in a Coverdell education savings account under section 530 of that Code.

"(B) DISCRETIONARY EXCLUSIONS.—The Secretary may also exclude from financial resources under this subsection the value of any program or account included in any successor or similar provision that is enacted and determined to be exempt from taxation under the Internal Revenue Code of 1986.".

SEC. 4010. EXCLUDING RETIREMENT ACCOUNTS FROM COUNTABLE INCOME.

Section (5)(g) of the of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)), as amended by section 4009, is amended—

(1) in subsection (g)(2)(B)(v) by striking "or retirement account (including an individual account)" and inserting "account"; and

(2) adding at the end the following:

"(8) EXCLUSION OF RETIREMENT ACCOUNTS FROM COUNTABLE RESOURCES.—

"(A) MANDATORY EXCLUSIONS.—The Secretary shall exclude from financial resources under this subsection the value of any funds in a plan, contract, or account as described in section 401(a), 403(a), 403(b), 408, 408A, 457(b), or 501(c)(18) of the Internal Revenue Code of 1986 and the value of funds in a Federal Thrift Savings Plan account as provided section 8439 of title 5, United States Code.

"(B) DISCRETIONARY EXCLUSIONS.—

"(i) The Secretary may exclude from financial resources under this subsection any other retirement plans, contracts, or accounts that have been determined to be tax qualified retirement plans, contracts, or accounts, under the Internal Revenue Code of 1986.

"(ii) The Secretary may also exclude from financial resources under this subsection the value of any program or account included in any successor or similar provision that is enacted and determined to

be exempt from taxation under the Internal Revenue Code of 1986.''.

SEC. 4011. DEOBLIGATE FOOD STAMP COUPONS.

(a) IN GENERAL.—Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) is amended—

(1) by striking the section designation and heading and all that follows through ''subsection (j)) shall be'' and inserting the following:

''SEC. 7. ISSUANCE AND USE OF BENEFITS.

''(a) IN GENERAL.—Except as provided in subsection (j), EBT cards shall be''.

(2) in subsection (b)—

(A) by striking ''(b) Coupons'' and inserting the following:

''(b) USE.—Benefits''; and

(B) by striking '': *Provided further*'' and all that follows through ''denominations issued'';

(3) in subsection (c)—

(A) by striking ''(c) Coupons'' and inserting the following:

''(c) DESIGN.—

''(1) IN GENERAL.—EBT cards'';

(B) in the 1st sentence by striking ''and define their denomination''; and

(C) by striking the 2d sentence and inserting the following:

''(2) PROHIBITION.—The name of any public official shall not appear on any EBT card.'';

(4) by striking subsection (d);

(5) in subsection (e)—

(A) by striking ''coupons'' each place it appears and inserting ''benefits''; and

(B) by striking ''coupon issuers'' each place it appears and inserting ''benefit issuers'';

(6) in subsection (f)—

(A) by striking ''coupons'' each place it appears and inserting ''benefits'';

(B) by striking ''coupon issuer'' and inserting ''benefit issuer''; and

(C) by striking ''section 11(e)(20)'' and all that follows through the period and inserting ''section 11(e)(19).'';

(7) by amending subsection (g) to read as follows:

''(g) BENEFIT SYSTEM.—

''(1) COST.—The cost of documents or systems that may be required by subsection (i) may not be imposed upon a retail food store participating in the Secure Supplemental Nutrition Assistance Program.

"(2) DEVALUATION AND TERMINATION OF ISSUANCE OF PAPER COUPONS.—

"(A) COUPON ISSUANCE.—Beginning on the effective date of this subsection, no State shall issue any coupon, stamp, certificate, or authorization card to a household that receives benefits under this Act.

"(B) EBT CARDS.—Beginning 1 year after the effective date of this subsection, only an EBT card issued under subsection (i) shall be eligible for exchange at any retail food store.

"(C) DE-OBLIGATION OF COUPONS.—Coupons not redeemed in the 1-year period beginning on the effective date of this subsection will no longer be an obligation of the Federal Government and shall not be redeemable.".

(8) in subsection (h)(1) by striking "coupons" and inserting "benefits";

(9) in subsection (j)—

(A) in paragraph (2)(A)(ii) by striking "printing, shipping, and redeeming coupons" and inserting "issuing and redeeming benefits"; and

(B) in paragraph (5) by striking "coupon" and inserting "benefit"; and

(10) in subsection (k)—

(A) by striking ''coupons in the form of'' each place it appears and inserting ''benefits in the form of''; and

(B) by striking ''a coupon issued in the form of'' each place it appears and inserting ''benefits in the form of''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012) is amended—

(A) in subsection (a) by striking ''coupons'' and inserting ''benefits'';

(B) by amending subsection (b) to read as follows:

''(b) 'Benefit' means the value of assistance provided under this Act to a household by means of an electronic benefit transfer under section 7(i), or other means of providing assistance, as determined by the Secretary.'';

(C) in the 1st sentence of subsection (c) by striking ''authorization cards'' and inserting ''benefits'';

(D) in subsection (d) by striking ''or access device'' and all that follows through ''number'';

(E) in subsection (e)—

(i) by striking ''coupon issuer'' and inserting ''benefit issuer''; and

(ii) by striking ''coupons'' and inserting ''benefits'';

(F) by inserting after subsection (f) the following:

''(f–1) EBT CARD.—The term 'EBT card' means an electronic benefit transfer card issued under section 7(i).'';

(G) in subsection (i)(5)(D) by striking ''coupons'' and inserting ''benefits''; and

(H) in subsection (t) by inserting ''including point of sale devices,'' after ''other means of access''.

(2) Section 4(a) of the Food Stamp Act of 1977 (7 U.S.C. 2013(a)) is amended—

(A) by striking ''coupons'' each place it appears and inserting ''benefits''; and

(B) by striking ''coupons issued'' and inserting ''benefits issued''.

(3) Section 5(i)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)(2)(E)) is amended by striking '', as defined in section 3(i) of this Act,''.

(4) Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended—

(A) in subparagraph (B) by striking ''coupons or authorization cards'' and inserting ''benefits''; and

(B) by striking ''coupons'' each place it appears and inserting ''benefits''.

(5) Section 7(j)(5) is amended by striking ''coupon'' and inserting ''benefit''.

(6) Section 8(b) of the Food Stamp Act of 1977 (7 U.S.C. 2017(b)) is amended by striking '', whether through coupons, access devices, or otherwise''.

(7) Section 9 of the Food Stamp Act of 1977 (7 U.S.C. 2018) is amended—

(A) by striking ''coupons'' each place it appears and inserting ''benefits''; and

(B) in subsection (a)—

(i) in paragraph (1) by striking ''coupon'' and inserting ''benefit''; and

(ii) in paragraph (3) by striking ''coupons, or to redeem''.

(8) Section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2019) is amended—

(A) by striking the section designation and heading and all that follows through ''Regulations'' and inserting the following:

"SEC. 10. REDEMPTION OF BENEFITS.

''Regulations''; and

(B) by striking ''coupons'' each place it appears and inserting ''benefits''.

(9) Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended—

(A) in subsection (e)—

(i) in paragraph (15) by striking ''when using its authorization card in order to receive its coupons'' and inserting ''when receiving benefits''; and

(ii) in paragraph (19) by striking ''that,'' and all that follows through ''paragraph;'' and inserting ''that eligible households may be required to present photographic identification cards in order to receive their benefits.'';

(B) in subsection (h) by striking ''coupon or coupons'' and inserting ''benefits'';

(C) by striking ''coupon'' each place it appears and inserting ''benefit''; and

(D) by striking ''coupons'' each place it appears and inserting ''benefits''.

(10) Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2022) is amended by striking ''coupons'' each place it appears and inserting ''benefits''.

(11) Section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2024) is amended—

(A) in subsection (a) by striking ''coupons'' and inserting ''benefits'';

(B) in subsection (b)(1)—

(i) by striking ''coupons'' each place it appears and inserting ''benefits'';

(ii) by striking ''coupons or authorization cards'' and inserting ''benefits''; and

(iii) by striking ''access device'' each place it appears and inserting ''benefit'';

(C) in subsection (c) by striking ''coupons'' each place it appears and inserting ''benefits'';

(D) in subsection (d) by striking ''Coupons'' and inserting ''Benefits'';

(E) in subsections (e) and (f) by striking ''coupon'' each place it appears and inserting ''benefit''; and

(F) in subsection (g) by striking ''coupon, authorization cards or access devices'' and inserting ''benefits''; and

(12) Section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking ''coupons'' each place it appears and inserting ''benefits''.

(13) Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended—

(A) in subsection (a)(2) by striking ''coupon'' and inserting ''benefit'';

(B) in subsection (b)(1)—

(i) in subparagraph (B)(v)—

(I) by striking ''countersigned food coupons or similar''; and

(II) by striking ''food coupons'' and inserting ''EBT cards''; and

(ii) in subparagraph (C)(i)(I) by striking ''coupons'' and inserting ''EBT cards''; and

(C) in subsection (j) by striking ''coupon'' and inserting ''benefit''.

(14) Section 21 of the Food Stamp Act of 1977 (7 U.S.C. 2030) is amended—

(A) in subsection (d)(3)—

(i) by striking ''food coupons'' and inserting ''benefits''; and

(ii) by striking ''food stamp benefits'' and inserting ''benefits''.

(15) Section 22 of the Food Stamp Act of 1977 (7 U.S.C. 2031) is amended—

(A) by striking ''food coupons'' each place it appears and inserting ''benefits'';

(B) by striking ''coupons'' each place it appears and inserting ''benefits''; and

(C) in subsection (g)(1)(A) by striking ''coupon'' and inserting ''benefit''.

(c) REFERENCES IN OTHER LAWS, DOCUMENTS, AND RECORDS OF THE UNITED STATES.—In any law (excluding the Food Stamp Act of 1977), regulation, rule, document, or record of the United States, a reference to ''coupon'', ''authorization card'', or ''other access device'' as used in the Food Stamp Act of 1977 as in effect before the date of the enactment of this Act shall be deemed to be a reference to ''benefit'' as defined in such Act as in effect after the date of the enactment of this Act.

SEC. 4012. ALLOW FOR THE ACCRUAL OF BENEFITS.

Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)) is amended by adding at the end the following:

''(12) RECOVERING ELECTRONIC BENEFITS.—

''(A) A State agency may recover benefits from a household's electronic benefits account because of inactivity in the account after the household has not accessed the account the lesser of—

"(i) 3 months during which the account has continuously had a balance in excess of $1,000, adjusted for changes in the thrifty food plan since June 2007; or

"(ii) 12 months.

"(B) A household whose benefits are recovered under subparagraph (A) shall receive notice and shall have the benefits made available again upon a request made during a period of not less than 12 months after the recovery.".

SEC. 4013. INCREASING THE MINIMUM BENEFIT.

Section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking "$10 per month" and inserting "10 percent of the thrifty food plan for a household containing 1 member, as determined by the Secretary under section 3(o)".

SEC. 4014. STATE OPTION FOR TELEPHONIC SIGNATURE.

Section 11(e)(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)(C)) is amended—

(1) by inserting "(i)" after "(C)"; and

(2) by adding at the end the following:

"(ii) A State agency may establish a system by which an applicant household may sign an application through a recorded verbal assent over the telephone. Any such system shall—

"(I) record for future reference the household member's verbal assent and the information to which assent was given;

"(II) include effective safeguards against impersonation, identity theft, or invasions of privacy;

"(III) not deny or interfere with the right of the household to apply in writing;

"(IV) promptly send the household member a written copy of the application, with instructions on a simple procedure for correcting any errors or omissions;

"(V) comply with paragraph (1)(B);

"(VI) satisfy all requirements for a signature on an application under this Act and other laws applicable to the Secure Supplemental Nutrition Assistance Program, with the date on which the household member provides verbal assent effective as the date of application for all purposes; and

"(VII) comply with such other standards as the Secretary may establish.".

SEC. 4015. REVIEW OF MAJOR CHANGES IN PROGRAM DESIGN.

(a) PROHIBITION.—Section 11(e)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(6)) is amended—

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

(2) by striking subparagraph (B) and inserting the following:

''(B) except as provided in section 5(h)(4), only State employees employed in accordance with the current standards for a Merit System of Personnel Administration, or any standards later prescribed by the Office of Personnel Management pursuant to section 208 of the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4728) modifying or superseding such standards relating to the establishment and maintenance of personnel standards on a merit basis, shall undertake such certifications and shall—

''(i) represent the State agency in any official communications with a prospective applicant, applicant, or recipient household regarding their application or participation, except that a nonprofit organization may assist a household under paragraph

(1) through activities allowable under section 16(a)(4);

"(ii) participate in making any determinations relating to a household's substantive or procedural compliance with the requirements of this Act or implementing regulations, including the adequacy of the household's application or of verification or other information the household has submitted in support of that application; or

"(iii) participate in making any other determinations required under this subsection;

except that nothing in this subparagraph shall prevent a State agency from contracting for automated systems, issuance services or program information activities reimbursed under paragraph (2), (3), (4), or (6) of section 16(a) or under section 16(g) or for assisting in the verification of an applicant's identity; and

"(C) the State agency shall not use any Federal funds—

"(i) to implement, to perform, or to carry out any contract that does not com-

ply with the requirements in effect under subparagraph (B); or

"(ii) to pay any cost associated with the termination, breach, or full or partial abrogation, of any contract that does not comply with the requirements in effect under such subparagraph;".

(b) WAIVERS.—Section 17(b)(1)(B)(iv)(III)(ff) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(ff)) is amended by inserting "or 11(e)(6)(B)" before the semicolon at the end.

(c) PROJECTS.—Section 26(f)(3)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2035(f)(3)(E)) is amended by inserting "(6)(B)," after "paragraphs".

(d) DISASTERS.—Section 5(h) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)) is amended by inserting at the end:

"(4) The Secretary may authorize a state agency, on a temporary basis, to use employees or individuals that do not meet the standards prescribed under section 11(e)(6)(B) in order to determine eligibility for a disaster food stamp program under this subsection.".

(e) DISALLOWANCE OF FUNDS.—No funds shall be available under any appropriations act for implementing

or continuing any contract that does not comply with section 11(e)(6)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(6)(B)) as amended by subsection (a) nor for any costs associated with the termination or full or partial abrogation of such contract.

(f) TRANSITION PERIOD.—Subsection (e) shall not apply to the costs of implementing, continuing, or renegotiating any contract concluded before January 1, 2007, (but shall apply to any costs associated with the termination or full or partial abrogation of such contract) until the first day of the first month beginning at least 120 days after the date of enactment of this Act.

SEC. 4016. GRANTS FOR SIMPLE APPLICATION AND ELIGIBILITY DETERMINATION SYSTEMS AND IMPROVED ACCESS TO BENEFITS.

Section 11(t)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2020(t)(1)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 4017. CIVIL MONEY PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended—

(1) by striking the section heading and all that follows through ''(a) Any approved'', and inserting the following:

''SEC. 12. CIVIL MONEY PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

''(a) DISQUALIFICATION.—

''(1) IN GENERAL.—An approved'';

(2) in subsection (a)—

(A) in the 1st sentence by striking ''$10,000 for each violation'' and all that follows through the period at the end, and inserting ''$100,000 for each violation.''; and

(B) in the 2d sentence—

(i) by striking ''Regulations'' and inserting the following:

''(2) REGULATIONS.—Regulations'';

(ii) by striking ''finding of a violation and the'' and inserting ''finding of a violation,'';

(iii) by inserting a comma after ''disqualification of''; and

(iv) by striking ''a retail store'' and inserting ''and the assessment of a civil money penalty against, a retail store'';

(3) in subsection (b)—

(A) by striking ''(b) Disqualification'' and all that follows through ''shall be—'', and inserting the following:

''(b) PERIOD OF DISQUALIFICATION.—Subject to subsection (c), a disqualification shall be—'';

(B) in paragraph (1) by striking ''of no less than six months nor more than five years'' and inserting ''not to exceed 5 years'';

(C) in paragraph (2) by striking ''of no less than twelve months nor more than ten years'' and inserting ''not to exceed 10 years'';

(D) in paragraph (3)—

(i) in subparagraph (B)—

(I) by striking ''coupons or trafficking in coupons or authorization cards'' each place it appears, and inserting ''program access devices or benefit instruments or trafficking in program access devices or benefit instruments''; and

(II) by inserting ''or a finding of the unauthorized redemption, use, transfer, acquisition, alteration, or possession of benefits or access de-

vices'' after ''concern'' the 1st place it appears;

(4) in paragraph (3)(C) by striking ''and'' at the end;

(5) in subsection (c)—

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

''(c) TREATMENT OF DISQUALIFICATION AND PENALTY DETERMINATIONS.—The action''; and

(B) by striking ''coupons'' and inserting ''benefits'';

(6) in subsection (d) by striking ''coupons'' in each place it appears and inserting ''benefits'';

(7) in subsection (f) by striking ''food coupons'' and inserting ''benefits'';

(8) by redesignating subsections (c) through (g) as subsections (d) through (h), respectively;

(9) inserting after subsection (b) the following:

''(c) In addition to a disqualification under subsection (b), the Secretary may assess a civil monetary penalty of up to $100,000;''; and

(10) by adding at the end:

''(i) The Secretary shall, in consultation with the Inspector General of the Department of Agriculture, provide for procedures by which the processing of benefit redemp-

tions for certain retail food stores and wholesale food concerns may be immediately suspended pending administrative action to disqualify such a store or concern. Under the procedures prescribed pursuant to this subsection, if the Secretary, in consultation with the Inspector General, determines that a retail food store or wholesale food concern is engaged in flagrant violations of this Act or the regulations issued pursuant to this Act, unsettled benefits that have been redeemed by the retail food store or wholesale food concern may be suspended and, if the suspension is upheld, subject to forfeiture pursuant to section 12(g). If the disqualification action is not upheld, suspended funds held by the Secretary shall be released to such store or such concern. The Secretary shall not be liable for the value of any interest on funds suspended under this subsection.''.

SEC. 4018. MAJOR SYSTEMS FAILURES.

Section 13(b) of the Food Stamp Act of 1977 (7 U.S.C. 2022(b)) is amended by adding at the end the following:

''(5) OVER ISSUANCES CAUSED BY SYSTEMIC STATE ERRORS.—

''(A) IN GENERAL.—If the Secretary determines that a State agency over issued benefits to a substantial number of households in a fis-

cal year as a result of a major systemic error by the State agency, as determined by the Secretary, the Secretary may prohibit the State agency from collecting these over issuances from some or all households.

"(B) PROCEDURES.—

"(i) INFORMATION REPORTING BY STATES.—Every State agency shall provide to the Secretary all information requested by the Secretary concerning the issuance of benefits to households by the State agency in the applicable fiscal year.

"(ii) FINAL DETERMINATION.—After reviewing relevant information provided by a State agency, the Secretary shall make a final determination—

"(I) whether the State agency over issued benefits to a substantial number of households as a result of a systemic error in the applicable fiscal year; and

"(II) as to the amount of the over issuance in the applicable fiscal year for which the State agency is liable.

"(iii) ESTABLISHING A CLAIM.—Upon determining under clause (ii) that a State agency has over issued benefits to households due to a major systemic error determined under subparagraph (A), the Secretary shall establish a claim against the State agency equal to the value of the over issuance caused by the systemic error.

"(iv) ADMINISTRATIVE AND JUDICIAL REVIEW.—Administrative and judicial review, as provided in section 14, shall apply to the final determinations by the Secretary under clause (ii).

"(v) REMISSION TO THE SECRETARY.—

"(I) DETERMINATION NOT APPEALED.—If the determination of the Secretary under clause (ii) is not appealed, the State agency shall, as soon as practicable, remit to the Secretary the dollar amount specified in the claim under clause (iii).

"(II) DETERMINATION APPEALED.—If the determination of the Secretary under clause (ii) is ap-

pealed, upon completion of administrative and judicial review under clause (iv), and a finding of liability on the part of the State, the appealing State agency shall, as soon as practicable, remit to the Secretary a dollar amount subject to the finding of the administrative and judicial review.

''(vi) ALTERNATIVE METHOD OF COLLECTION.—

''(I) IN GENERAL.—If a State agency fails to make a payment under clause (v) within a reasonable period of time, as determined by the Secretary, the Secretary may reduce any amount due to the State agency under any other provision of this Act by the amount due.

''(II) ACCRUAL OF INTEREST.—During the period of time determined by the Secretary to be reasonable under subclause (I), interest in the amount owed shall not accrue.

''(vii) LIMITATION.—Any liability amount established under section

16(c)(1)(C) shall be reduced by the amount of the claim established under this subparagraph.''.

SEC. 4019. FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.

Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)(vii) by striking ''fiscal years 2002 through 2007'' and inserting ''fiscal years 2008 through 2012''; and

(2) in subparagraph (E)(i) by striking ''fiscal years 2002 through 2007'' and inserting ''fiscal years 2008 through 2012''.

SEC. 4020. REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.

Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in subparagraph (A) by striking ''2007'' and inserting ''2012''; and

(2) in subparagraph (B)(ii) by striking ''2007'' and inserting ''2012''.

SEC. 4021. CASH PAYMENT PILOT PROJECTS.

Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 4022. FINDINGS OF CONGRESS REGARDING SECURE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM NUTRITION EDUCATION.

(a) FINDINGS.—The Congress finds the following:

(1) Nutrition education under the Food Stamp Act of 1977 plays an essential role in improving the dietary and physical activity practices of low-income Americans, helping to reduce food insecurity, prevent obesity, and reduce the risks of chronic disease.

(2) Expert bodies, such as the Institute of Medicine, indicate that dietary and physical activity behavior change is more likely to result from the combined application of public health approaches and education than from individual education alone.

(3) State programs are currently implementing such nutrition education using effective strategies, including direct education, group activities, and social marketing.

(b) SUPPORT NUTRITION EDUCATION.—The Secretary of Agriculture should support and encourage the most effective interventions for nutrition education under the Food Stamp Act of 1977, including public health approaches as well as traditional education, to increase the likelihood that recipients of Secure Supplemental Nutrition Assistance benefits and those who are potentially eligible for such benefits will choose diets and physical activ-

ity practices consistent with the Dietary Guidelines for Americans. To promote the most effective implementation of publicly funded programs, State nutrition education activities under the Food Stamp Act of 1977 should be coordinated with other federally funded food assistance and public health programs and should leverage public/private partnerships to maximize resources and impact.

SEC. 4023. NUTRITION EDUCATION AND PROMOTION INITIATIVE TO ADDRESS OBESITY.

Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by adding at the end the following:

''(k) NUTRITION EDUCATION AND PROMOTION INITIATIVE TO ADDRESS OBESITY.—

''(1) IN GENERAL.—The Secretary shall establish a demonstration program, to be known as the 'Initiative to Address Obesity Among Low-Income Americans' (referred to in this subsection as the 'Initiative'), to develop and implement solutions to reduce obesity in the United States.

''(A) SELECTION.—The Secretary shall solicit and competitively select demonstration proposals for strategies to address obesity among low-income Americans.

''(B) EVALUATION.—The effectiveness of these strategies shall be rigorously evaluated to

assess the impact on overweight and obesity among low-income persons and particularly children, as well as the feasibility of replicating these programs in other locations.

"(C) DISSEMINATION.—Evaluation results shall be shared broadly to inform policy makers, service providers, other partners, and the public in order to promote wide use of successful strategies.

"(2) GRANTS.—

"(A) IN GENERAL.—In carrying out the Initiative, the Secretary may enter into competitively awarded contracts or cooperative agreements with, or grants to, public or private organizations or agencies as defined by the Secretary, for use in accordance with projects that meet the strategy goals of the Initiative.

"(B) APPLICATION.—To be eligible to receive a contract, cooperative agreement, or grant under this paragraph, an organization shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

"(C) SELECTION CRITERIA.—Demonstration proposals shall be evaluated against publicly disseminated criteria that include—

"(i) identification of a low-income target audience that corresponds to individuals living in households with incomes at or below 185 percent of the poverty level;

"(ii) incorporation of a scientifically-based strategy that is designed to improve diet quality through more healthful food purchases, preparation, or consumption;

"(iii) a commitment to a demonstration plan that allows for a rigorous outcome evaluation, including data collection;

"(iv) strategies to improve the nutritional value of food served during school hours and during after-school hours;

"(v) innovative ways to provide significant improvement to the health and wellness of children;

"(vi) other criteria, as determined by the Secretary.

"(D) USE OF FUNDS.—

"(i) PROHIBITION.—Funds shall not be used for projects that limit the use of benefits.

"(ii) MONITORING AND EVALUATION.—The Secretary may use funds provided for the Initiative to pay costs associated with monitoring, evaluation, and dissemination of the Initiative's findings.

"(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $10,000,000 for each of the fiscal years 2008 through 2012, except that no new grants may be made under this subsection after September 30, 2012.".

SEC. 4024. AUTHORIZATION OF APPROPRIATIONS.

Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "2003 through 2007" and inserting "2008 through 2012".

SEC. 4025. CONSOLIDATED BLOCK GRANTS FOR PUERTO RICO AND AMERICAN SAMOA.

Section 19(a)(2)(A)(ii) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(2)(A)(ii)) is amended in subparagraph (A)(ii) by striking "2007" and inserting "2012".

SEC. 4026. STUDY ON COMPARABLE ACCESS TO SECURE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS FOR PUERTO RICO.

Section 19 of the Food Stamp Act of 1977 (7 U.S.C. 2028) is amended by adding at the end the following:

''(e) STUDY.—The Secretary shall conduct a study of the feasibility and effects of including the Commonwealth of Puerto Rico under section 3(m), in lieu of providing the block grant under this section. The study shall include—

''(1) an assessment of the administrative, financial management, and other changes that would be required by the Commonwealth to establish a comparable Secure Supplemental Nutrition Assistance Program;

''(2) a discussion of the appropriate program rules under the other sections of the Act, such as benefit levels under section 3(o), income eligibility standards under sections 5 and 6, and deduction levels under section 5(e), for the Commonwealth to establish a comparable Secure Supplemental Nutrition Assistance Program;

''(3) an estimate of the impact on Federal and Commonwealth benefit and administrative costs;

''(4) an estimate of the impact of the Secure Supplemental Nutrition Assistance Program on hun-

ger and food insecurity among low-income Puerto Ricans, and

"(5) such other findings as the Secretary deems appropriate.".

SEC. 4027. REAUTHORIZATION OF COMMUNITY FOOD PROJECT COMPETITIVE GRANTS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 25 of the Food Stamp Act of 1977 (U.S.C. 2034) is amended—

(1) in subsections (c), (d), (e)(1), and (f)(1) by striking "subsection (b)" each place it appears and inserting "subsection (g)";

(2) by striking subsection (b);

(3) by redesignating subsections (c) through (g) as subsections (b) through (f), respectively; and

(4) by inserting after subsection (f) the following:

"(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to make grants available to assist eligible private nonprofit entities to establish and carry out community food projects $30,000,000 for each of the fiscal years 2008 through 2012.".

(b) PREFERENCES FOR CERTAIN PROJECTS.—Subsection (c) of section 25 of the Food Stamp Act of 1977

(7 U.S.C. 2034), as so redesignated by subsection (a) of this section, is amended—

(1) in paragraph (3) by striking ''or'' at the end;

(2) in paragraph (4) by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(5) serve special needs in areas of—

''(A) transportation and processing for expanding institutional and emergency food service demand for local food;

''(B) retail access to healthy foods in underserved markets;

''(C) integration of urban and metro-area food production in food projects; and

''(D) technical assistance for youth, socially disadvantaged individuals, and limited resource groups.''.

(c) MATCHING FUND REQUIREMENTS.—Subsection (d)(1) of section 25 of the Food Stamp Act of 1977 (7 U.S.C. 2034), as so redesignated by subsection (a) of this section, is amended by striking ''50'' and inserting ''75''.

(d) TERM OF GRANT.—Subsection (e)(2) of section 25 of the Food Stamp Act of 1977 (7 U.S.C. 2034(e)(2)),

as so redesignated by subsection (a) of this section, is amended by striking "3" and inserting "5".

(e) FUNDING FOR INNOVATIVE PROGRAMS.—Subsection (h)(4) of section 25 of the Food Stamp Act of 1977 (7 U.S.C. 2034), as so redesignated by subsection (a) of this section, is amended—

(1) by striking "fiscal years 2003 though 2007" and inserting "fiscal years 2008 through 2012"; and

(2) by striking "200,000" and inserting "$500,000".

SEC. 4028. EMERGENCY FOOD ASSISTANCE PROGRAM.

Section 27(a) of the Food Stamp Act of 1977 (7 U.S.C. 2036(a)) is amended by—

(1) by striking "(a) PURCHASE OF COMMODITIES" and all that follows through 2007' and inserting the following:

"(a) PURCHASE OF COMMODITIES.—

"(1) IN GENERAL.—As provided in paragraph (2), for each of the fiscal years 2008 through 2012";

(2) by striking "$140,000,000 of"; and

(3) by adding at the end the following:

"(2) AMOUNTS.—The following amounts are made available to carry out this subsection:

"(A) for fiscal year 2008, $250,000,000; and

"(B) for each of the fiscal years 2009 through 2012, the dollar amount of commodities specified in subparagraph (A) adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2007 and June 30 of the immediately preceding fiscal year.".

Subtitle B—Commodity Distribution

SEC. 4201. AUTHORIZATION OF APPROPRIATIONS.

Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended by striking "$60,000,000 for each of the fiscal years 2003 through 2007" and inserting " $100,000,000 for each of the fiscal years 2008 through 2012".

SEC. 4202. DISTRIBUTION OF SURPLUS COMMODITIES; SPECIAL NUTRITION PROJECTS.

Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(a)(2)(A)) is amended by striking "2007" and inserting "2012".

SEC. 4203. COMMODITY DISTRIBUTION PROGRAM.

(a) COMMODITY DISTRIBUTION PROGRAM.—Section 4 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended by striking "2007" and inserting "2012".

(b) COMMODITY SUPPLEMENTAL FOOD PROGRAM.—Section 5 of the Agriculture and Consumer Protection Act (7 U.S.C. 612c note) is amended—

(1) in subsection (a)—

(A) in paragraph (1) by striking ''fiscal years 2003 through 2007'' and inserting ''for fiscal year 2008 and each fiscal year thereafter''; and

(B) in paragraph (2)(B)—

(i) in the heading by striking in ''2007'' and inserting ''2012''; and

(ii) by striking ''2007'' and inserting ''2012'';

(2) in subsection (d)(2) by inserting '', and for each fiscal year thereafter,'' after ''2007'';

(3) by amending subsection (g) to read as follows:

''(g) USE OF RESOURCES.—Each local agency shall use funds made available to the agency to provide assistance under the program to low-income elderly individuals, women, infants, and children in need for food assistance in accordance with such regulations as the Secretary may prescribe.'';

(4) in paragraphs (2) and (3) of subsection (h) by inserting ''elderly individuals,'' before ''pregnant''; and

(5) by adding at the end the following:

''(m) INCOME ELIGIBILITY STANDARDS.—The Secretary shall establish maximum income eligibility standards to be used in conjunction with such other risk criteria as may be appropriate in determining eligibility for the program. Such income standards shall be the same for all pregnant, postpartum, and breastfeeding women, for infants, for children, and for elderly individuals qualifying for the program, and shall not exceed the maximum income limit prescribed under section 17(d)(2)(A)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(A)(i)).''.

Subtitle C—Child Nutrition and Related Programs

SEC. 4301. PURCHASE OF FRESH FRUITS AND VEGETABLES FOR DISTRIBUTION TO SCHOOLS AND SERVICE INSTITUTIONS.

Section 10603 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 612c–4) is amended by striking subsection (b) and inserting the following new subsection:

"(b) PURCHASE OF FRESH FRUITS AND VEGETABLES FOR DISTRIBUTION TO SCHOOLS AND SERVICE INSTITUTIONS.—

"(1) PURCHASE AUTHORITY.—The Secretary of Agriculture shall purchase fresh fruits and vegetables for distribution to schools and service institutions in accordance with section 6(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(a)), using, of the amount specified in subsection (a)—

"(A) not less than $50,000,000 for each of fiscal years 2008 and 2009; and

"(B) not less than $75,000,000 for each of fiscal years 2010 through 2012.

"(2) SERVICING AGENCY.—The Secretary of Agriculture may provide for the Secretary of Defense to serve as the servicing agency for the procurement of the fresh fruits and vegetables under this subsection on the same terms and conditions as provided in the memorandum of agreement entered into between the Agricultural Marketing Service, the Food and Consumer Service, and the Defense Personnel Support Center during August 1995 (or any successor memorandum of agreement).".

SEC. 4302. BUY AMERICAN REQUIREMENTS.

(a) FINDINGS.—The Congress finds the following:

(1) Federal law requires that commodities and products purchased with Federal funds be, to the extent practicable, of domestic origin.

(2) Federal Buy American statutory requirements seek to ensure that purchases made with Federal funds benefit domestic producers.

(3) The Richard B. Russell National School Lunch Act requires the use of domestic food products for all meals served under the program, including foods products purchased with local funds.

(b) BUY AMERICAN STATUTORY REQUIREMENTS.—The Department of Agriculture should undertake training, guidance, and enforcement of the various current Buy American statutory requirements and regulations, including those of the National School Lunch Act and the DOD Fresh program.

SEC. 4303. EXPANSION OF FRESH FRUIT AND VEGETABLE PROGRAM.

Section 18 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769) is amended in subsection (g)—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking ''July 2004'' and inserting ''July 2007''; and

(B) in paragraph (1) by amending subparagraphs (A) and (B) to read as follows:

''(A) 35 elementary or secondary schools in each State;

''(B) additional elementary or secondary schools in each State in proportion to the student population of the State; and'';

(2) in paragraph (3)(A)—

(A) in the matter preceding clause (i) by striking ''paragraph (1)(B)'' and inserting ''paragraph (1)'';

(B) in clause (iii) by striking ''and'' at the end;

(C) in clause (iv) by striking the period at the end and inserting ''; and''; and

(D) by adding at the end the following:

''(v) encourage plans for implementation that include locally grown foods, where geographically available, in accordance with section 9(j).''.

(3) in paragraph (5) in each of subparagraphs (A) and (B), by striking ''2008'' and inserting ''2012''; and

(4) in paragraph (6)(B)—

(A) in clause (i)—

(i) by striking ''October 1, 2004, and on each October 1 thereafter,'' and inserting ''October 1, 2007, and on each October 1 thereafter,''; and

(ii) by striking ''$9,000,000'' and inserting ''$70,000,000''; and

(B) by adding at the end the following:

''(iii) ADMINISTRATIVE EXPENSES.—For fiscal year 2009 and each fiscal year thereafter, of the amount available to carry out this subsection, the Secretary may reserve not more than 1 percent of that amount for administrative expenses in carrying out this subsection.

''(iv) STATE ADMINISTRATIVE COSTS.—For fiscal year 2009 and each fiscal year thereafter, of the amount received by a State to carry out this subsection, the State may use not more than 5 percent of that amount for administrative expenses in

carrying out this subsection. To be eligible to use such funds for such expenses, the State must submit to the Secretary a plan indicating how the State intends to use such funds.

"(v) FEDERAL REQUIREMENTS.—The Secretary shall establish requirements to be followed by States in administering this subsection. The initial set of requirements shall be established not later than 1 year after the date of the enactment of this clause.".

SEC. 4304. PURCHASES OF LOCALLY PRODUCED FOODS.

Section 9(j) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(j)) is amended to read as follows:

"(j) PURCHASES OF LOCALLY PRODUCED FOODS.—The Secretary shall—

"(1) encourage institutions receiving funds under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) to purchase locally produced foods, to the maximum extent practicable and appropriate;

"(2) advise institutions participating in a program described in paragraph (1) of the policy de-

scribed in that paragraph and post information concerning the policy on the website maintained by the Secretary; and

''(3) allow institutions receiving funds under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), including the Department of Defense Fresh Fruit and Vegetable Program, to use a geographic preference for the procurement of locally produced foods.''.

Subtitle D—Miscellaneous

SEC. 4401. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

Section 4402 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3007) is amended—

(1) by amending subsection (a) to read as follows:

''(a) AUTHORIZATION.—

''(1) The Secretary of Agriculture shall use $15,000,000 for each of fiscal years 2008 through 2012 of the funds available to the Commodity Credit Corporation to carry out and expand the seniors farmers' market nutrition program.

''(2) There are authorized to be appropriated $20,000,000 for fiscal year 2008, $30,000,000 for fiscal year 2009, $45,000,000 for fiscal year 2010,

$60,000,000 for fiscal year 2011, and $75,000,000 for fiscal year 2012 to carry out and expand the seniors farmers' market nutrition program.'';

(2) in subsection (b)(1) by inserting ''honey,'' after ''vegetables,'';

(3) by amending subsection (c) to read as follows:

''(c) EXCLUSION OF BENEFITS IN DETERMINING ELIGIBILITY FOR OTHER PROGRAMS.—The value of any benefit provided to any eligible seniors farmers' market nutrition program recipient under this section shall not be considered to be income or resources for any purposes under any Federal, State, or local law.''; and

(4) by adding at the end the following:

''(d) PROHIBITION ON COLLECTION OF SALES TAX.—The State shall ensure that no State or local taxes are collected within the State on purchases of food with coupons distributed under the seniors farmers' market nutrition program.

''(e) REGULATIONS.—The Secretary may issue such regulations as the Secretary considers necessary to carry out the seniors farmers' market nutrition program.''.

SEC. 4402. CONGRESSIONAL HUNGER CENTER.

Section 4404 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1621 note) is amended to read as follows:

"SEC. 4404. BILL EMERSON NATIONAL HUNGER FELLOWS AND MICKEY LELAND INTERNATIONAL HUNGER FELLOWS.

''(a) SHORT TITLE.—This section may be cited as the 'Bill Emerson National Hunger Fellows and Mickey Leland International Hunger Fellows Program Act of 2007'.

''(b) FINDINGS.—The Congress finds as follows:

''(1) There is a critical need for compassionate individuals who are committed to assisting people who suffer from hunger to initiate and administer solutions to the hunger problem.

''(2) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated his commitment to solving the problem of hunger in a bipartisan manner, his commitment to public service, and his great affection for the institution and ideals of the Congress of the United States.

''(3) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated his compassion for those in need, his high regard for public service, and his lively exercise of political talents.

"(4) The special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all.

"(5) These two outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, and therefore it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by creating a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

"(c) DEFINITIONS.—In this section:

"(1) ADMINISTRATOR.—The term 'Administrator' means—

"(A) if the Secretary of Agriculture enters into a contract described in subsection (d)(3), the head of the Congressional Hunger Center; or

"(B) if the Secretary does not enter into such a contract, the Secretary.

"(2) FELLOW.—The term 'fellow' means—

"(A) a Bill Emerson Hunger Fellow; or

"(B) a Mickey Leland Hunger Fellow

"(3) FELLOWSHIP PROGRAMS.—The term 'Fellowship Programs' means the Bill Emerson National Hunger Fellowship Program and the Mickey Leland International Hunger Fellowship Program established by subsection (d).

"(d) FELLOWSHIP PROGRAM.—There is established in the Department of Agriculture the Bill Emerson National Hunger Fellowship Program and the Mickey Leland International Hunger Fellowship Program.

"(1) PURPOSES.—The purposes of the Fellowship Programs are—

"(A) to encourage future leaders of the United States to pursue careers in humanitarian and public service, to recognize the needs of low-income people and hungry people, and to provide assistance to people in need; and

"(B) to seek public policy solutions to the challenges of hunger and poverty, to provide training and development opportunities for such leaders through placement in programs operated by appropriate organizations or entities.

"(2) FOCUS OF PROGRAMS.—

"(A) FOCUS OF BILL EMERSON HUNGER FELLOWSHIP PROGRAM.—The Bill Emerson

1 Hunger Fellowship Program shall address hun-
2 ger and poverty in the United States.
3 "(B) FOCUS OF MICKEY LELAND HUNGER
4 FELLOWSHIP PROGRAM.—The Mickey Leland
5 Hunger Fellowship Program shall address
6 international hunger and other humanitarian
7 needs.
8 "(3) ADMINISTRATION.—
9 "(A) IN GENERAL.—Subject to subpara-
10 graph (B), the Secretary shall offer to enter
11 into a contract with the Congressional Hunger
12 Center to administer the Fellowship Programs.
13 "(B) REQUIREMENT.—As a condition of a
14 contract described in subparagraph (A), the
15 Congressional Hunger Center shall agree to
16 submit to Congress each year the results of an
17 independent financial audit that demonstrates
18 that the Congressional Hunger Center uses ac-
19 counting procedures that conform to generally
20 accepted accounting principles and auditing
21 procedures that conform to chapter 75 of title
22 31, United States Code (commonly known as
23 the 'Single Audit Act of 1984').
24 "(e) FELLOWSHIPS.—

"(1) IN GENERAL.—The Administrator shall make available Bill Emerson Hunger Fellowships and Mickey Leland Hunger Fellowships in accordance with this subsection.

"(2) CURRICULUM.—

"(A) IN GENERAL.—The fellowship programs shall provide experience and training to develop the skills necessary to train fellows to carry out the purposes described in subsection (d)(1), including—

"(i) training in direct service programs for the hungry and other anti-hunger programs in conjunction with community-based organizations through a program of field placement; and

"(ii) providing experience in policy development through placement in a governmental entity or nongovernmental, nonprofit, or private sector organization.

"(B) WORK PLAN.—To carry out subparagraph (A) and assist in the evaluation of the fellowships under paragraph (6), the Administrator shall, for each fellow, approve a work plan that identifies the target objectives for the

fellow in the fellowship, including specific duties and responsibilities relating to those objectives.

"(3) PERIOD OF FELLOWSHIP.—

"(A) EMERSON FELLOW.—A Bill Emerson Hunger Fellowship awarded under this subsection shall be for not more than 15 months.

"(B) LELAND FELLOW.—A Mickey Leland Hunger Fellowship awarded under this subsection shall be for not more than 2 years.

"(4) SELECTION OF FELLOWS.—

"(A) IN GENERAL.—Fellowships shall be awarded pursuant to a nationwide competition established by the Administrator.

"(B) QUALIFICATIONS.—A successful program applicant shall be an individual who has demonstrated—

"(i) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

"(ii) leadership potential or actual leadership experience;

"(iii) diverse life experience;

"(iv) proficient writing and speaking skills;

"(v) an ability to live in poor or diverse communities; and

"(vi) such other attributes as are considered to be appropriate by the Administrator.

"(5) AMOUNT OF AWARD.—

"(A) IN GENERAL.—A fellow shall receive a living allowance during the term of the Fellowship and, subject to subparagraph (B), an end-of-service award.

"(B) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each fellow shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service completed, as determined by the Administrator.

"(C) TERMS OF FELLOWSHIP.—A fellow shall not be considered an employee of—

"(i) the Department of Agriculture;

"(ii) the Congressional Hunger Center; or

"(iii) a host agency in the field or policy placement of the fellow.

"(D) RECOGNITION OF FELLOWSHIP AWARD.—

"(i) EMERSON FELLOW.—An individual awarded a fellowship from the Bill Emerson Hunger Fellowship shall be known as an 'Emerson Fellow'.

"(ii) LELAND FELLOW.—An individual awarded a fellowship from the Mickey Leland Hunger Fellowship shall be known as a 'Leland Fellow'.

"(6) EVALUATION.—The Administrator shall conduct periodic evaluations of the Fellowship Programs.

"(f) AUTHORITY.—

"(1) IN GENERAL.—Subject to paragraph (2), in carrying out this section, the Administrator may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of facilitating the work of the Fellowship Programs.

"(2) LIMITATION.—Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be used exclusively for the purposes of the Fellowship Programs.

"(g) REPORT.—Each year, the Administrator shall submit to the Committee on Agriculture of the House of

Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the activities and expenditures of the Fellowship Programs during the preceding fiscal year.

"(h) FUNDING.—There is authorized to be appropriated to the Secretary to carry out this section $3,000,000 for each of the fiscal years 2008 through 2012.".

SEC. 4403. JOINT NUTRITION MONITORING AND RELATED RESEARCH ACTIVITIES.

Subtitle D of title IV of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171; 116 Stat. 333) is amended—

(1) by redesignating section 4405 (2 U.S.C. 1161 note; Public Law 107–171) as section 4406; and

(2) by inserting after section 4404 the following:

"SEC. 4405. JOINT NUTRITION MONITORING AND RELATED RESEARCH ACTIVITIES.

"The Secretary of Agriculture and the Secretary of Health and Human Services shall continue to provide jointly for national nutrition monitoring and related research activities carried out as of the date of enactment of this section—

"(1) to collect continuous dietary, health, physical activity, and diet and health knowledge data on a nationally representative sample;

"(2) to periodically collect data on special at-risk populations, as identified by the Secretaries;

"(3) to distribute information on health, nutrition, the environment, and physical activity to the public in a timely fashion;

"(4) to analyze new data that becomes available;

"(5) to continuously update food composition tables; and

"(6) to research and develop data collection methods and standards.".

SEC. 4404 SENSE OF THE CONGRESS.

It is the sense of the Congress that food items provided pursuant to the Federal school breakfast and school lunch program should be selected so as to reduce the incidence of juvenile obesity and to maximize nutritional value.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

Sec. 5001. Conservation loan guarantee program.
Sec. 5002. Limitations on amount of ownership loans.
Sec. 5003. Down payment loan program.
Sec. 5004. Beginning farmer and rancher contract land sales program.
Sec. 5005. Loans to purchasers of highly fractioned lands.

Subtitle B—Operating Loans

Sec. 5011. Limitations on amount of operating loans.
Sec. 5012. Suspension of limitation on period for which borrowers are eligible for guaranteed assistance.

Subtitle C—Administrative Provisions

Sec. 5021. Inventory sales preferences.
Sec. 5022. Loan fund set-asides.
Sec. 5023. Transition to private commercial or other sources of credit.
Sec. 5024. Extension of the right of first refusal to reacquire homestead property to immediate family members of borrower-owner.
Sec. 5025. Rural development and farm loan program activities.

Subtitle D—Farm Credit

Sec. 5031. Bank for cooperatives voting stock.
Sec. 5032. Rural utility loans.
Sec. 5033. Farm Credit System Insurance Corporation.
Sec. 5034. Risk-based capital levels.

Subtitle A—Farm Ownership Loans

SEC. 5001. CONSERVATION LOAN GUARANTEE PROGRAM.

Section 304 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924) is amended to read as follows:

"SEC. 304. CONSERVATION LOAN GUARANTEE PROGRAM.

"(a) IN GENERAL.—The Secretary may provide a loan guarantee, an interest subsidy, or both, to enable an eligible borrower to obtain a qualified conservation loan.

"(b) PRIORITY.—In providing loan guarantees under this section, the Secretary shall give priority to—

"(1) qualified beginning farmers or ranchers;

"(2) socially disadvantaged farmers or ranchers (as defined in section 355(e)(2));

"(3) owners or tenants who use the loans to covert to sustainable or organic agricultural production systems; and

"(4) producers who use the loans to build conservation structures or establish conservation practices to comply with section 1212 of the Food Security Act of 1985.

"(c) DEFINITIONS.—In this section:

"(1) ELIGIBLE BORROWER.—The term 'eligible borrower' means a farmer, rancher, farm cooperative, private domestic corporation, partnership, joint operation, trust, or limited liability company, that is engaged primarily and directly in agricultural production in the United States.

"(2) QUALIFIED CONSERVATION LOAN.—The term 'qualified conservation loan' means a loan that meets the following requirements:

"(A) PURPOSE.—The loan proceeds are required to be used to cover the costs to the borrower of carrying out a qualified conservation project.

"(B) PRINCIPAL AMOUNT.—The principal amount of the loan is not more than $1,000,000,000.

"(C) REPAYMENT PERIOD.—The loan repayment period shall not exceed 10 years.

"(D) LIMITED PROCESSING FEE.—The total of all processing fees charged with respect

to the loan does not exceed such amount as shall be prescribed by the Secretary.

"(3) QUALIFIED CONSERVATION PROJECT.—The term 'qualified conservation project' means, with respect to an eligible borrower, conservation measures that address provisions of a conservation plan of the borrower.

"(4) CONSERVATION PLAN.—The term 'conservation plan' means a plan, approved by the Secretary, that, for a farming or ranching operation, identifies the conservation activities that will be addressed with guaranteed loan funds provided under this section, including—

"(A) the installation of conservation structures;

"(B) the establishment of forest cover for sustained yield timber management, erosion control, or shelter belt purposes;

"(C) the installation of water conservation measures;

"(D) the installation of waste management systems;

"(E) the establishment or improvement of permanent pasture;

"(F) compliance with section 1212 of the Food Security Act of 1985;

"(G) other purposes consistent with the plan; and

"(H) any other emerging or existing conservation practices, techniques, or technologies approved by the Secretary.

"(d) LIMITATIONS APPLICABLE TO LOAN GUARANTEES.—

"(1) LIMITATION ON AMOUNT OF GUARANTEE.—The portion of a loan that the Secretary may guarantee under this section shall be not less than 80 percent and not more than 90 percent of the principal amount of the loan.

"(2) LIMITATION ON TOTAL AMOUNT OUTSTANDING.—The aggregate principal amount of outstanding loans guaranteed by the Secretary under this section shall not exceed $1,000,000.

"(e) LIMITATION ON AMOUNT OF INTEREST SUBSIDY.—The interest subsidy which the Secretary may provide under this section with respect to a loan shall result in a reduction of the interest rate agreed upon by the borrower and the lender (but to not less than zero) by—

"(1) 500 basis points, if the principal amount of the loan is less than $100,000;

"(2) 400 basis points, if the principal amount of the loan is not less than $100,000 and is less than $500,000; and

"(3) 300 basis points, in any other case.

"(f) ADMINISTRATIVE PROVISIONS.—

"(1) AUTHORITY TO COLLECT PROCESSING FEE.—The Secretary may assess a fee to cover the cost of processing an application under this section equal to not more than 1 percent of the principal amount of the loan sought by the applicant, as described in the application.

"(2) APPROVAL OF APPLICATION.—The Secretary shall not approve an application submitted pursuant to this section, unless the Secretary has determined that—

"(A) the loan sought by the applicant, as described in the application, would be a qualified conservation loan; and

"(B) the project for which the loan is sought is likely to result in a net benefit to the environment.

"(3) EQUITABLE DISTRIBUTION OF LOAN GUARANTEES AND INTEREST SUBSIDIES.—The Secretary shall ensure that loan guarantees and interest subsidies under this section are equitably distributed

among agricultural producers according to the scale of the operations.

"(g) RELATIONSHIP WITH OTHER CONSERVATION PROGRAMS.—Neither the application for, nor the receipt of, a loan guarantee or an interest subsidy under this section shall affect the eligibility of the recipient for assistance under title XII of the Food Security Act of 1985 or the Watershed Protection and Flood Prevention Act.

"(h) AUTHORIZATION OF APPROPRIATIONS.—For each of fiscal years 2008 through 2012, there are authorized to be appropriated to the Secretary such funds as are necessary to carry out this section.".

SEC. 5002. LIMITATIONS ON AMOUNT OF OWNERSHIP LOANS.

Section 305 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925) is amended—

(1) in subsection (a)(2), by striking "$200,000" and inserting "$300,000"; and

(2) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and inserting after subsection (a) the following:

"(b) GRADUATION PLAN.—The Secretary shall establish a plan, in coordination with activities under sections 359, 360, 361, and 362, to encourage each borrower with

an outstanding loan under this subtitle to graduate to private commercial or other sources of credit.''.

SEC. 5003. DOWN PAYMENT LOAN PROGRAM.

Section 310E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935) is amended—

(1) in subsection (a)(1), by striking ''and ranchers'' and inserting ''or ranchers and socially disadvantaged farmers or ranchers'';

(2) in subsection (b)—

(A) by striking paragraph (1) and inserting the following;

''(1) PRINCIPAL.—Each loan made under this section shall be in an amount that does not exceed 45 percent of the least of—

''(A) the purchase price of the farm or ranch to be acquired;

''(B) the appraised value of the farm or ranch to be acquired; or

''(C) $500,000.

''(2) INTEREST RATE.—The interest rate on any loan made by the Secretary under this section shall be a rate equal to the greater of—

''(A) the difference obtained by subtracting 4 percent from the interest rate for farm ownership loans under this subtitle; or

"(B) 1 percent."; and

(B) in paragraph (3), by striking "15" and inserting "20";

(3) in subsection (c)—

(A) in paragraph (1), by striking "10" and inserting "5";

(B) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2); and

(C) in paragraph (2)(B) (as so redesignated), by striking "15-year" and inserting "20-year"; and

(4) in subsection (d)—

(A) in paragraph (3)—

(i) by inserting "and socially disadvantaged farmers and ranchers (as defined in section 355(e)(2))" after "ranchers"; and

(ii) by striking "and" at the end;

(B) in paragraph (4), by striking "ranchers." and inserting "ranchers and socially disadvantaged farmers and ranchers (as defined in section 355(e)(2)); and"; and

(C) by adding at the end the following:

"(5) establish annual performance goals to promote the use of the down payment loan program and

other joint financing participation loans as the preferred choice for direct real estate loans made by any lender to a qualified beginning farmer or rancher or socially disadvantaged farmer or rancher (as so defined).''.

SEC. 5004. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

Section 310F of the Consolidated Farm and Rural Development Act (7 U.S.C. 1936) is amended to read as follows:

''SEC. 310F. BEGINNING FARMER AND RANCHER AND SOCIALLY DISADVANTAGED FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

''(a) IN GENERAL.—The Secretary shall, in accordance with this section, guarantee a loan made by a private seller of a farm or ranch to a qualified beginning farmer or rancher or socially disadvantaged farmer or rancher (as defined in section 355(e)(2)) on a contract land sales basis.

''(b) ELIGIBILITY.—In order to be eligible for a loan guarantee under subsection (a)—

''(1) the qualified beginning farmer or rancher or socially disadvantaged farmer or rancher shall—

''(A) on the date the contract land sale that is subject of the loan is complete, own or

operate the farm or ranch that is the subject of the contract land sale;

"(B) have a credit history that—

"(i) includes a record of satisfactory debt repayment, as determined by the Secretary; and

"(ii) is acceptable to the Secretary; and

"(C) demonstrate to the Secretary that the farmer or rancher, as the case may be, is unable to obtain sufficient credit without a guarantee to finance any actual need of the farmer or rancher, as the case may be, at a reasonable rate or term;

"(2) the loan shall meet applicable underwriting criteria, as determined by the Secretary; and

"(3) to carry out the loan—

"(A) a commercial lending institution shall agree to serve as an escrow agent; or

"(B) the private seller, in cooperation with the farmer or rancher, shall use an appropriate alternate arrangement, as determined by the Secretary.

"(c) LIMITATIONS.—

"(1) DOWN PAYMENT.—The Secretary shall not provide a loan guarantee under subsection (a) if the contribution of the qualified beginning farmer or rancher or socially disadvantaged farmer or rancher to the down payment for the farm or ranch that is the subject of the contract land sale would be less than 5 percent of the purchase price of the farm or ranch.

"(2) MAXIMUM PURCHASE PRICE.—The Secretary shall not provide a loan guarantee under subsection (a) if the purchase price or the appraisal value of the farm or ranch that is the subject of the contract land sale is greater than $500,000.

"(d) PERIOD OF GUARANTEE.—The period during which a loan guarantee under this section is in effect shall be the 10-year period beginning with the date the guarantee is provided.

"(e) GUARANTEE PLAN.—A private seller of a farm or ranch who makes a loan that is guaranteed by the Secretary under subsection (a) may select—

"(1) a prompt payment guarantee plan, which shall cover—

"(A) 3 amortized annual installments; or

"(B) an amount equal to 3 annual installments (including an amount equal to the total

cost of any tax and insurance incurred during the period covered by the annual installments); or

''(2) a standard guarantee plan, which shall cover an amount equal to 90 percent of the outstanding principal of the loan.''.

SEC. 5005. LOANS TO PURCHASERS OF HIGHLY FRACTIONED LANDS.

Section 1 of Public Law 91–229 (25 U.S.C. 488) is amended by adding at the end the following: ''The Secretary of Agriculture may make and insure loans as provided in section 309 of the Consolidated Farm and Rural Development Act to eligible purchasers of highly fractionated land pursuant to section 204(c) of the Indian Land Consolidation Act. Section 4 of this Act shall not apply to trust or restricted tribal or tribal corporation property mortgaged pursuant to the preceding sentence.''.

Subtitle B—Operating Loans

SEC. 5011. LIMITATIONS ON AMOUNT OF OPERATING LOANS.

Section 313(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1943(a)(1)) is amended by striking ''$200,000'' and inserting ''$300,000''.

SEC. 5012. SUSPENSION OF LIMITATION ON PERIOD FOR WHICH BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.

Section 5102 of the Farm Security And Rural Investment Act of 2002 (7 U.S.C. 1949 note; Public Law 107–171) is amended by striking ''September 30, 2007'' and inserting ''January 1, 2008''.

Subtitle C—Administrative Provisions

SEC. 5021. INVENTORY SALES PREFERENCES.

Section 335(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B)—

(i) in the subparagraph heading, by inserting ''; SOCIALLY DISADVANTAGED FARMER OR RANCHER'' after ''OR RANCHER'';

(ii) in clause (i), by inserting ''or a socially disadvantaged farmer or rancher'' after ''or rancher'';

(iii) by redesignating clauses (ii) through (iv) as clauses (iii) through (v), respectively;

(iv) by inserting after clause (i) the following:

"(ii) PRIORITY TO BE GIVEN TO SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.—In carrying out this subparagraph, the Secretary shall give priority to socially disadvantaged farmers and ranchers.";

(v) in clause (iii) (as so redesignated)—

(I) by inserting "or socially disadvantaged farmer or rancher" after "or rancher"; and

(II) by inserting ", subject to clause (ii)" before the period;

(vi) in clause (iv) (as so redesignated), by inserting "or a socially disadvantaged farmer or rancher" after "or rancher"; and

(vii) in clause (v) (as so redesignated), by inserting "and socially disadvantaged farmers and ranchers" after "and ranchers"; and

(B) in subparagraph (C), by inserting "or a socially disadvantaged farmer or rancher" after "or rancher";

(2) in paragraph (5)(B)—

(A) in clause (i)—

(i) in the clause heading, by inserting ''; SOCIALLY DISADVANTAGED FARMER OR RANCHER'' after ''OR RANCHER'';

(ii) by inserting ''or a socially disadvantaged farmer or rancher'' after ''a beginning farmer or rancher''; and

(iii) by inserting ''or the socially disadvantaged farmer or rancher'' after ''the beginning farmer or rancher'';

(B) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively;

(C) by inserting after clause (i) the following:

''(ii) PRIORITY TO BE GIVEN TO SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.—In carrying out clause (i), the Secretary shall give priority to socially disadvantaged farmers and ranchers.''; and

(D) in clause (iii) (as so redesignated)—

(i) in the matter preceding subclause (I), by inserting ''or a socially disadvantaged farmer or rancher'' after ''or rancher''; and

(ii) in subclause (II), by inserting ''or the socially disadvantaged farmer or rancher'' after ''or rancher'';

(3) in paragraph (6)—

(A) in subparagraph (A), by inserting ''or a socially disadvantaged farmer or rancher'' after ''or rancher''; and

(B) in subparagraph (C)—

(i) in clause (i)(I), by inserting ''and socially disadvantaged farmers and ranchers'' after ''and ranchers''; and

(ii) in clause (ii), by inserting ''or socially disadvantaged farmers or ranchers'' after ''or ranchers''; and

(4) by adding at the end the following:

''(7) In this subsection, the term 'socially disadvantaged farmer or rancher' has the meaning given in section 355(e)(2).''.

SEC. 5022. LOAN FUND SET-ASIDES.

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

(1) in subparagraph (A)—

(A) in clause (i)—

(i) in subclause (I), by striking ''70 percent'' and inserting ''not less than 75 percent of the total amount made available under paragraph (1)''; and

(ii) in subclause (II)—

(I) in the subclause heading, by inserting ''; PARTICIPATION LOANS'' after ''PAYMENT LOANS'';

(II) by striking ''60 percent'' and inserting ''not less than ⅔ of the amount reserved under subclause (I)''; and

(III) by inserting ''and participation loans'' after ''section 310E''; and

(B) in clause (ii)(III), by striking ''2003 through 2007, 35 percent'' and inserting ''2008 through 2012, not less than 50 percent of the total amount made available under paragraph (1)''; and

(2) in subparagraph (B)(i), by striking ''25 percent'' and inserting ''not less than 40 percent of the total amount made available under paragraph (1)''.

SEC. 5023. TRANSITION TO PRIVATE COMMERCIAL OR OTHER SOURCES OF CREDIT.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981–2008r) is amended by inserting after section 344 the following:

"SEC. 345. TRANSITION TO PRIVATE COMMERCIAL OR OTHER SOURCES OF CREDIT.

"(a) IN GENERAL.—In making or insuring a farm loan under subtitle A or B, the Secretary shall establish a plan and promulgate regulations (including performance criteria) that promote the goal of transitioning borrowers to private commercial credit and other sources of credit in the shortest practicable period of time.

"(b) COORDINATION.—In carrying out this section, the Secretary shall integrate and coordinate the transition policy described in subsection (a) with—

"(1) the borrower training program established by section 359;

"(2) the loan assessment process established by section 360;

"(3) the supervised credit requirement established by section 361;

"(4) the market placement program established by section 362; and

"(5) other appropriate programs and authorities, as determined by the Secretary.".

SEC. 5024. EXTENSION OF THE RIGHT OF FIRST REFUSAL TO REACQUIRE HOMESTEAD PROPERTY TO IMMEDIATE FAMILY MEMBERS OF BORROWER-OWNER.

Section 352(c)(4)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2000(c)(4)(B)) is amended—

(1) in the 1st sentence, by striking ‘‘, the borrower-owner’’ inserting ‘‘of a borrower-owner who is a socially disadvantaged farmer or rancher (as defined in section 355(e)(2)), the borrower-owner or a member of the immediate family of the borrower-owner’’; and

(2) in the 2nd sentence, by inserting ‘‘or immediate family member, as the case may be,’’ before ‘‘from’’.

SEC. 5025. RURAL DEVELOPMENT AND FARM LOAN PROGRAM ACTIVITIES.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981–2008r) is amended by inserting after section 364 the following:

‘‘SEC. 365. RURAL DEVELOPMENT AND FARM LOAN PROGRAM ACTIVITIES.

‘‘The Secretary may not complete a study of, or enter into a contract with a private party to carry out, without specific authorization in a subsequent Act of Congress, a

competitive sourcing activity of the Secretary, including support personnel of the Department of Agriculture, relating to rural development or farm loan programs.''.

Subtitle D—Farm Credit

SEC. 5031. BANK FOR COOPERATIVES VOTING STOCK.

(a) IN GENERAL.—Section 3.3(c) of the Farm Credit Act of 1971 (12 U.S.C. 2124(c)) is amended by striking ''and (ii)'' and inserting ''(ii) other categories of persons and entities described in sections 3.7 and 3.8 eligible to borrow from the bank, as determined by the bank's board of directors; and (iii)''.

(b) CONFORMING AMENDMENTS.—Section 4.3A(c)(1)(D) of such Act (12 U.S.C. 2154a(c)(1)(D)) is amended by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively, and inserting after clause (i) the following:

> ''(ii) persons and entities eligible to borrow from the banks for cooperatives, as described in section 3.3(c)(ii);''.

SEC. 5032. RURAL UTILITY LOANS.

Section 8.0(9) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)) is amended—

(1) by striking ''or'' at the end of subparagraph (A)(iii);

(2) by striking the period at the end of subparagraph (B) and inserting "; or"; and

(3) by adding at the end the following:

"(C) that is a loan or interest in a loan for electric or telephone facilities by a cooperative lender to a borrower who has received or is eligible to receive a loan under the Rural Electrification Act (7 U.S.C. 901 et seq.), except that—

"(i) subsections (c) and (d) of section 8.6, and sections 8.8 and 8.9 shall not apply to the loan or interest in the loan or to an obligation backed by a pool of obligations relating to the loan or interest in the loan; and

"(ii) the loan or interest in the loan shall be considered to meet all standards for qualified loans for all purposes under this Act, subject to reasonable underwriting, security appraisal, and repayment standards established by the Corporation.".

SEC. 5033. FARM CREDIT SYSTEM INSURANCE CORPORATION.

(a) AUTHORITY TO PASS ALONG COST OF INSURANCE PREMIUMS.—Section 1.12(b) of the Farm Credit Act of 1971 (12 U.S.C. 2020(b)) is amended by striking the last sentence and inserting ''The assessment on any such association or other financing institution for any period shall be computed in an equitable manner.''.

(b) PREMIUMS; AMOUNT IN FUND NOT EXCEEDING SECURE BASE AMOUNT.—Section 5.55(a) of such Act (12 U.S.C. 2277a–4(a)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking ''(2), the annual'' and inserting ''(3), the'';

(B) by striking subparagraphs (A) through (D) and inserting the following:

''(A) the average outstanding insured obligations issued by the bank for the calendar year, after deducting therefrom the percentages of the guaranteed portions of loans and investments described in paragraph (2), multiplied by 0.0020;

''(B) the average principal outstanding for the calendar year on loans made by the bank

that are in nonaccrual status, multiplied by 0.0010; and

"(C) the average amount outstanding for the calendar year of other-than-temporarily impaired investments made by the bank, multiplied by 0.0010.";

(2) in paragraph (2), by striking "annual";

(3) in paragraph (3), in the matter preceding subparagraph (A), by striking "As used" and all that follows through "that" and inserting "As used in this section, the term 'government-guaranteed' when applied to loans or investments, means loans, credits, or investments, or portions of loans, credits, or investments, that"; and

(4) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and inserting after paragraph (1) the following:

"(2) DEDUCTIONS FROM AVERAGE OUTSTANDING INSURED OBLIGATIONS.—The average outstanding insured obligations issued by the bank for the calendar year referred to in subsection (a)(1)(A) of this section shall be reduced by deducting therefrom the sum of—

"(A) 90 percent of the sum of—

"(i) the average principal outstanding for such calendar year on the guaranteed portions of Federal government-guaranteed loans made by the bank that are in accrual status; and

"(ii) the average amount outstanding for the calendar year of the guaranteed portions of Federal government-guaranteed investments made by the bank that are not permanently impaired, as determined by the Corporation; and

"(B) 80 percent of the sum of—

"(i) the average principal outstanding for the calendar year on the guaranteed portions of State government-guaranteed loans made by the bank that are in accrual status; and

"(ii) the average amount outstanding for the calendar year of the guaranteed portions of State government-guaranteed investments made by the bank that are not permanently impaired, as determined by the Corporation.".

(c) PREMIUMS; AMOUNT IN FUND EXCEEDING SECURE BASE AMOUNT.—Section 5.55(b) of such Act (12 U.S.C. 2277a–4(b)) is amended by striking ''annual''.

(d) SECURE BASE AMOUNT.—Section 5.55(c) of such Act (12 U.S.C. 2277a–4(c)) is amended by striking the parenthetical phrase and inserting ''(adjusted downward to exclude an amount equal to the sum of: (1) 90 percent of: (A) the guaranteed portions of principal outstanding on Federal government-guaranteed loans in accrual status made by the banks; and (B) the guaranteed portions of the amount of Federal government-guaranteed investments made by the banks that are not permanently impaired; and (2) 80 percent of: (A) the guaranteed portions of principal outstanding on State government-guaranteed loans in accrual status made by the banks; and (B) the guaranteed portions of the amount of State government-guaranteed investments made by the banks that are not permanently impaired, as determined by the Corporation)''.

(e) DETERMINATION OF LOAN AND INVESTMENT AMOUNTS.—Section 5.55(d) of such Act (12 U.S.C. 2277a–4(d)) is amended—

(1) in the subsection heading, by striking ''PRINCIPAL OUTSTANDING'' and inserting ''LOAN AND INVESTMENT AMOUNTS'';

(2) in the matter preceding paragraph (1), by striking ''For'' and all that follows through ''—'' and inserting ''For the purpose of subsections (a) and (c) of this section, the principal outstanding on all loans made by an insured System bank or the amount outstanding on all investments made by an insured System bank shall be determined based on all loans or investments made—''; and

(3) in each of paragraphs (1) and (2), by inserting ''or investments'' before ''because''.

(f) ALLOCATION TO SYSTEM INSTITUTIONS OF EXCESS RESERVES.—Section 5.55(e) of such Act (12 U.S.C. 2277a–4(e)) is amended—

(1) in paragraph (3), by striking ''the average secure base amount for the calendar year (as calculated on an average daily balance basis)'' and inserting ''the secure base amount'';

(2) in paragraph (4), by striking subparagraph (B) and inserting the following:

''(B) there shall be credited to the Allocated Insurance Reserves Account of each insured System bank an amount that bears the same ratio to the total amount (less any amount credited under subparagraph (A) of this paragraph) as the average principal out-

standing for the calendar year on insured obligations issued by the bank (after deducting therefrom the percentages of the guaranteed portions of loans and investments described in subsection (a)(2) of this section), bears to the average principal outstanding for the calendar year on insured obligations issued by all insured System banks (after deducting therefrom the percentages of the guaranteed portions of loans and investments so described).''; and

(3) in paragraph (6)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i), by striking ''beginning'' and all that follows through ''2005'';

(ii) by striking clause (i) and inserting the following:

''(i) subject to subparagraph (D), pay to each insured System bank, in a manner determined by the Corporation, an amount equal to the balance in its Allocated Insurance Reserves Account; and''; and

(iii) in clause (ii)—

(I) by striking ''(C), (E), and (F)'' and inserting ''(C) and (E)''; and

(II) by striking ''outstanding,'' and all that follows and inserting ''at the time of the termination of the Financial Assistance Corporation, of the balance in the Allocated Insurance Reserves Account established under subparagraph (1)(B).'';

(B) in subparagraph (C)—

(i) in clause (i), by striking ''(in addition to the amounts described in subparagraph (F)(ii))''; and

(ii) by striking clause (ii) and inserting the following:

''(ii) TERMINATION OF ACCOUNT.—On disbursement of $56,000,000, the Corporation shall close the Account established under paragraph (1)(B) and transfer any remaining funds in the Account to the remaining Allocated Insurance Reserves Accounts in accordance with paragraph (4)(B) for the calendar year in which the transfer occurs.''; and

(C) by striking subparagraph (F).

(g) CERTIFICATION OF PREMIUMS.—

(1) FILING CERTIFIED STATEMENT.—Section 5.56(a) of such Act (12 U.S.C. 2277a–5(a)) is amended to read as follows:

"(a) FILING CERTIFIED STATEMENT.—On a date to be determined in the sole discretion of the Corporation's Board of Directors, each insured System bank that became insured before the beginning of the period for which premiums are being assessed (in this section referred to as the 'period') shall file with the Corporation a certified statement showing—

"(1) the average outstanding insured obligations for the period issued by the bank;

"(2) the average principal outstanding for the period on the guaranteed portion of Federal government-guaranteed loans that are in accrual status and the average amount outstanding for the period of Federal government-guaranteed investments that are not permanently impaired (as defined in section 5.55(a)(4));

"(3) the average principal outstanding for the period on State government-guaranteed loans that are in accrual status and the average amount outstanding for the period of State government-guaran-

teed investments that are not permanently impaired (as defined in section 5.55(a)(4));

''(4) the average principal outstanding for the period on loans that are in nonaccrual status and the average amount outstanding for the period of other-than-temporarily impaired investments; and

''(5) the amount of the premium due the Corporation from the bank for the period.''.

(2) PREMIUM PAYMENTS.—Section 5.56(c) of such Act (12 U.S.C. 2277a–5(c)) is amended to read as follows:

''(c) PREMIUM PAYMENTS.—Each insured System bank shall pay to the Corporation the premium payments required under subsection (a), not more frequently than once in each calendar quarter, in such manner and at such time or times as the Board of Directors shall prescribe, except that the amount of the premium shall be established not later than 60 days after filing the certified statement setting forth the amount of the premium.''.

(3) CONFORMING AMENDMENTS.—Section 5.56 of such Act (12 U.S.C. 2277a–5) is amended by striking subsection (d) and redesignating subsection (e) as subsection (d).

(h) RULES AND REGULATIONS.—Section 5.58(10) of such Act (12 U.S.C. 2277a–7(10)) is amended by inserting ''and section 1.12(b)'' after ''part''.

SEC. 5034. RISK-BASED CAPITAL LEVELS.

Section 8.32(a)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–1(a)(1)) is amended by striking all through ''a pool of'' and inserting the following:

''(1) CREDIT RISK.—

''(A) With respect to securities representing an interest in, or obligations backed by, a pool of qualified loans (as defined in section 8.0(9)(C)), owned or guaranteed by the Corporation, losses occur at a rate of default and severity reasonably related to risks in electric and telephone facility loans, respectively, as determined by the Director.

''(B) With respect to securities representing an interest in, or obligations backed by, a pool of other''.

TITLE VI—RURAL DEVELOPMENT

Sec. 6001. Definition of rural.
Sec. 6002. Water, waste disposal, and wastewater facility grants.
Sec. 6003. Rural business opportunity grants.
Sec. 6004. Rural water and wastewater circuit rider program.
Sec. 6005. Tribal college and university essential community facilities.
Sec. 6006. Emergency and imminent community water assistance grant program.
Sec. 6007. Water systems for rural and native villages in Alaska.

Sec. 6008. Grants to nonprofit organizations to finance the construction, refurbishing, and servicing of individually-owned household water well systems in rural areas for individuals with low or moderate incomes.
Sec. 6009. Rural cooperative development grants.
Sec. 6010. Criteria to be applied in providing loans and loan guarantees under the business and industry loan program.
Sec. 6011. Appropriate technology transfer for rural areas program.
Sec. 6012. Grants to improve technical infrastructure and improve quality of rural health care facilities.
Sec. 6013. Rural entrepreneur and microenterprise assistance program.
Sec. 6014. Criteria to be applied in considering applications for rural development projects.
Sec. 6015. National sheep industry improvement center.
Sec. 6016. National rural development partnership.
Sec. 6017. Historic barn preservation.
Sec. 6018. Grants for NOAA weather radio transmitters.
Sec. 6019. Delta regional authority.
Sec. 6020. Northern great plains regional authority.
Sec. 6021. Rural strategic investment program.
Sec. 6022. Expansion of 911 access.
Sec. 6023. Access to broadband telecommunications services in rural areas.
Sec. 6024. Community connect grant program.
Sec. 6025. Agriculture innovation center demonstration program.
Sec. 6026. Rural firefighters and emergency medical service assistance program.
Sec. 6027. Value-added agricultural market development program.
Sec. 6028. Assistance for rural public television stations.
Sec. 6029. Telemedicine and distance learning services in rural areas.
Sec. 6030. Guarantees for bonds and notes issued for electrification or telephone purposes.
Sec. 6031. Comprehensive rural broadband strategy.
Sec. 6032. Study of railroad issues.

1 **SEC. 6001. DEFINITION OF RURAL.**

2 Not later than 60 days after the date of the enact-
3 ment of this Act, the Secretary of Agriculture shall pre-
4 pare and submit to the Committee on Agriculture of the
5 House of Representatives and the Committee on Agri-
6 culture, Nutrition, and Forestry of the Senate a report
7 that—

8 (1) assesses the varying definitions of ''rural''
9 used by the Department of Agriculture;

(2) describes the effects those varying definitions have on the programs administered by the Department of Agriculture; and

(3) makes recommendations for ways to better target funds provided through rural development programs.

SEC. 6002. WATER, WASTE DISPOSAL, AND WASTEWATER FACILITY GRANTS.

Section 306(a)(2)(B)(vii) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)(B)(vii)) is amended by striking ''2002 through 2007'' and inserting ''2008 through 2012''.

SEC. 6003. RURAL BUSINESS OPPORTUNITY GRANTS.

Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 6004. RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.

Section 306(a)(22)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(22)(C)) is amended by striking ''$15,000,000 for fiscal year 2003'' and inserting ''$25,000,000 for fiscal year 2008''.

SEC. 6005. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL COMMUNITY FACILITIES.

Section 306(a)(25) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(25)) is amended—

(1) by striking subparagraph (B) and inserting the following:

"(B) FEDERAL SHARE.—The Secretary shall establish the maximum percentage of the cost of the facility that may be covered by a grant under this paragraph, except that the Secretary may not require non-Federal financial support in an amount that is greater than 5 percent of the total cost."; and

(2) in subparagraph (C), by striking "2003 through 2007" and inserting "2008 through 2012".

SEC. 6006. EMERGENCY AND IMMINENT COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

Section 306A(i)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)(2)) is amended by striking "2003 through 2007" and inserting "2008 through 2012".

SEC. 6007. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

Section 306D(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d(d)(1)) is amend-

ed by striking ''2001 through 2007'' and inserting ''2008 through 2012''.

SEC. 6008. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 306E(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926e(d)) is amended by striking ''2003 through 2007'' and inserting ''2008 through 2012''.

(b) ADDITIONAL PRIORITY IN AWARDING GRANTS.—Section 306E(c) of such Act (7 U.S.C. 1926e(c)) is amended by inserting '', and to an applicant that has substantial expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water. The ability of an applicant to provide matching funds shall not be taken into account in determining any priority in awarding grants under this section. The payment by a grantee of audit fees, business insurance, salary, wages, employee benefits, printing costs, postage costs, and legal fees associated with providing the assistance described in paragraph (1) shall be considered

the provision of matching funds by the grantee for purposes of this section'' before the period.

SEC. 6009. RURAL COOPERATIVE DEVELOPMENT GRANTS.

(a) ELIGIBILITY.—Section 310B(e)(5) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(5)) is amended—

(1) in subparagraph (A), by striking ''a nationally coordinated, regionally or State-wide operated project'' and inserting ''activities to promote and assist the development of cooperatively and mutually owned businesses'';

(2) in subparagraph (B), by inserting ''to promote and assist the development of cooperatively and mutually owned businesses'' before the semicolon;

(3) by striking subparagraph (D) and redesignating subparagraph (E) as subparagraph (D);

(4) inserting after subparagraph (D) (as so redesignated):

''(E) demonstrate a commitment to—

''(i) networking with and sharing the results of its efforts with other cooperative development centers and other organizations involved in rural economic development efforts; and

"(ii) developing multi-organization and multi-State approaches to addressing the cooperative and economic development needs of rural areas."; and

(5) in subparagraph (F), by striking "greater than" the 1st place it appears.

(b) AUTHORITY TO AWARD MULTI-YEAR GRANTS.—Section 310(B)(e)(6) of such Act (7 U.S.C. 1932(e)(6)) is amended to read as follows:

"(6) Grants awarded to centers that have received no prior funding under this subsection shall be made for a period of 1 year. The Secretary shall evaluate programs receiving assistance under this subsection. The Secretary may award grants for a period of more than 1 year, but not more than 3 years, to centers that have successfully met the criteria under paragraph (5).".

(c) AUTHORITY TO EXTEND GRANT PERIOD FOR 1 YEAR.—Section 310B(e) of such Act (7 U.S.C. 1932(e)) is amended by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively, and inserting after paragraph (6) the following:

"(7) The Secretary may extend for only 1 additional 12-month period the period in which a grantee may use a grant made under this subsection.".

(d) COOPERATIVE RESEARCH PROGRAM.—Section 310B(e) of such Act (7 U.S.C. 1932(e)), as amended by subsection (c) of this section, is amended by redesignating paragraphs (9) and (10) as paragraphs (10) and (11), respectively, and inserting after paragraph (9) the following:

"(10) The Secretary shall enter into a cooperative research agreement with 1 or more qualified academic institutions in each fiscal year to conduct research on the national economic effects of all types of cooperatives.".

(e) ADDRESSING NEEDS OF MINORITY COMMUNITIES.—Section 310B(e) of such Act (7 U.S.C. 1932(e)), as amended by subsections (c) and (d) of this section, is amended by redesignating paragraph (11) as paragraph (12) and inserting after paragraph (10) the following:

"(11)(A) If the total amount appropriated under paragraph (12) of this subsection for a fiscal year exceeds $7,500,000, the Secretary shall reserve an amount equal to 20 percent of the amount so appropriated for grants for cooperative development centers, individual cooperatives, or groups of cooperatives, serving socially disadvantaged (within the meaning of section 355(e)) communities, a majority of the boards of directors or governing boards of

which are comprised of socially disadvantaged (withing such meaning) individuals.

"(B) To the extent that the Secretary determines that funds reserved under subparagraph (A) will not be used for grants described in subparagraph (A) because of insufficient applications for the grants, the Secretary shall use the funds as otherwise authorized by this subsection.".

(f) AUTHORIZATION OF APPROPRIATIONS.—Section 310B(e)(12) of such Act (7 U.S.C. 1932(e)(12)), as so redesignated by subsections (c) through (e) of this section, is amended by striking "2007" and inserting "2012".

SEC. 6010. CRITERIA TO BE APPLIED IN PROVIDING LOANS AND LOAN GUARANTEES UNDER THE BUSINESS AND INDUSTRY LOAN PROGRAM.

Section 310B(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)) is amended by adding at the end the following:

"(9)(A) In providing loans and loan guarantees under this section, the Secretary shall consider an application more favorably when compared to other applications to the extent that the project described in the application supports community development and farm and ranch income by marketing, distributing, storing, aggregating, or proc-

essing a locally or regionally produced agricultural product.

"(B) In subparagraph (A), the term 'locally or regionally produced agricultural product' means an agricultural product—

"(I) which is produced and distributed in the locality or region where the finished product is marketed;

"(ii) which has been shipped a total distance of 400 or fewer miles, as determined by the Secretary; and

"(iii) about which the distributor has conveyed to the end-use consumers information regarding the origin of the product or production practices, or other valuable information.".

SEC. 6011. APPROPRIATE TECHNOLOGY TRANSFER FOR RURAL AREAS PROGRAM.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding at the end the following:

"(i) APPROPRIATE TECHNOLOGY TRANSFER FOR RURAL AREAS PROGRAM.—

"(1) DEFINITION OF NATIONAL NONPROFIT AGRICULTURAL ASSISTANCE INSTITUTION.—In this

subsection, the term 'national nonprofit agricultural assistance institution' means an organization that—

"(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under 501(a) of that Code;

"(B) has staff and offices in multiple regions;

"(C) operates national sustainable agriculture technical assistance programs; and

"(D) provides the technical assistance through toll-free hotlines, a website, publications, and work shops.

"(2) ESTABLISHMENT.—The Secretary shall establish a national appropriate technology transfer for rural areas program to assist agricultural producers that are seeking information to help agricultural producers—

"(A) reduce input costs;

"(B) conserve energy resources;

"(C) diversify operations through new energy crops and energy generation facilities; and

"(D) expand markets for the agricultural commodities produced by the producers through use of sustainable farming practices.

"(3) IMPLEMENTATION.—

"(A) IN GENERAL.—The Secretary shall carry out the program under this subsection by making a grant to, or offering to enter into a cooperative agreement with, a national non-profit agricultural assistance organization.

"(B) COST SHARE.—A grant made, or cooperative agreement entered into, under subparagraph (A) shall provide 100 percent of the cost of providing information pursuant to paragraph (2).

"(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this subsection $5,000,000 for each fiscal year.".

SEC. 6012. GRANTS TO IMPROVE TECHNICAL INFRASTRUCTURE AND IMPROVE QUALITY OF RURAL HEALTH CARE FACILITIES.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981–2008r), as amended by section 5025 of this Act, is amended by inserting after section 365 the following:

"SEC. 366. GRANTS TO IMPROVE TECHNICAL INFRASTRUCTURE AND IMPROVE QUALITY OF RURAL HEALTH CARE FACILITIES.

"(a) IN GENERAL.—The Secretary shall establish a program to award grants to rural health facilities for the purpose of assisting the facilities in—

"(1) purchasing health information technology to improve quality in health care and patient safety; or

"(2) improving health care quality and patient safety, including the development of—

"(A) quality improvement support structures to assist rural health systems and professionals—

"(i) achieve greater integration of personal and population health services; and

"(ii) address safety, effectiveness, patient- or community-centeredness, timeliness, efficiency, and equity; and

"(B) innovative approaches to the financing and delivery of health services to achieve rural health quality goals.

"(b) DEFINITIONS.—In this section:

"(1) HEALTH INFORMATION TECHNOLOGY.—The term 'health information technology' includes total expenditures incurred for—

"(A) purchasing, leasing, and installing computer software and hardware, including handheld computer technologies, and related services;

"(B) making improvements to computer software and hardware;

"(C) purchasing or leasing communications capabilities necessary for clinical data access, storage, and exchange;

"(D) services associated with acquiring, implementing, operating, or optimizing the use of computer software and hardware and clinical health care informatics systems;

"(E) providing education and training to eligible entity staff on information systems and technology designed to improve patient safety and quality of care; and

"(F) purchasing, leasing, subscribing, or servicing support to establish interoperability that—

"(i) integrates patient-specific clinical data with well-established national treatment guidelines;

"(ii) provides ongoing, continuous quality improvement functions that allow

providers to assess improvement rates over time and against averages for similar providers; and

"(iii) integrates with larger health networks.

"(2) RURAL AREA.—The term 'rural area' means any area of the United States that is not—

"(A) included within the boundaries of any city, town, borough, or village, whether incorporated or unincorporated, with a population of more than 20,000 inhabitants; or

"(B) the urbanized area contiguous and adjacent to such a city or town.

"(3) RURAL HEALTH FACILITY.—The term 'rural health facility' means any of the following:

"(A) SOLE COMMUNITY HOSPITAL.—A hospital (as defined in section 1886(a)(2) of the Social Security Act (42 U.S.C. 1395ww(a)(2))).

"(B) CRITICAL ACCESS HOSPITAL.—A critical access hospital (as defined in section 1861(mm)(1) of the Social Security Act (42 U.S.C. 1395x(mm)(1))).

"(C) FEDERALLY QUALIFIED HEALTH CENTER IN RURAL AREAS.—A federally qualified health center (as defined in section

1861(aa)(4) of the Social Security Act (42 U.S.C. 1395x(aa)(4)) that is located in a rural area.

"(D) RURAL PHYSICIAN OR RURAL PHYSICIAN GROUP PRACTICE.—A physician or physician group practice that is located in a rural area.

"(E) RURAL HEALTH CLINIC.—A rural health clinic (as defined in section 1861(aa)(2) of the Social Security Act (42 U.S.C. 1395x(aa)(2))).

"(F) MEDICARE DEPENDENT HOSPITAL.—A medicare-dependent, small rural hospital (as defined in section 1886(d)(5)(G)(iv) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(G)(iv))).

"(c) AMOUNT OF GRANT.—The Secretary shall determine the amount of a grant awarded under this section.

"(d) FURNISHING THE SECRETARY WITH INFORMATION.—An eligible entity receiving a grant under this section shall furnish the Secretary with such information as the Secretary may require to—

"(1) evaluate the project for which the grant is made; and

"(2) ensure that assistance provided under the grant is expended for the purposes for which the grant is made.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section not more than $30,000,000 for each of the fiscal years 2008 through 2012.".

SEC. 6013. RURAL ENTREPRENEUR AND MICROENTERPRISE ASSISTANCE PROGRAM.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981–2008r), as amended by sections 5025 and 6012 of this Act, is amended by inserting after section 366 the following:

"SEC. 367. RURAL ENTREPRENEUR AND MICROENTERPRISE ASSISTANCE PROGRAM.

"(a) DEFINITIONS.—In this section:

"(1) ECONOMICALLY DISADVANTAGED MICROENTREPRENEUR.—The term 'economically disadvantaged microentrepreneur' means an owner, majority owner, or developer of a microenterprise that has the ability to compete in the private sector but has been impaired because of diminished capital and credit opportunities, as compared to other microentrepreneurs in the industry.

"(2) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(3) INTERMEDIARY.—The term 'intermediary' means a nonprofit entity that provides assistance—

"(A) to a microenterprise development organization; or

"(B) for a microenterprise development program.

"(4) LOW-INCOME INDIVIDUAL.—The term 'low-income individual' means an individual with an income (adjusted for family size) of not more than 80 percent of the national median income.

"(5) MICROCREDIT.—The term 'microcredit' means a business loan or loan guarantee of not more than $50,000 that is provided to a rural entrepreneur.

"(6) MICROENTERPRISE.—The term 'microenterprise' means—

"(A) a sole proprietorship; or

"(B) a business entity with not more than 10 full-time-equivalent employees.

"(7) MICROENTERPRISE DEVELOPMENT ORGANIZATION.—

"(A) IN GENERAL.—The term 'microenterprise development organization' means a nonprofit entity that—

"(i) provides training and technical assistance to rural entrepreneurs; and

"(ii) facilitates access to capital or another service described in subsection (b) for rural entrepreneurs.

"(B) INCLUSIONS.—The term 'microenterprise development organization' includes an organization described in subparagraph (A) with a demonstrated record of delivering services to economically disadvantaged microentrepreneurs, or an effective plan to develop a program to deliver microenterprise services to rural entrepreneurs effectively, as determined by the Secretary.

"(8) MICROENTERPRISE DEVELOPMENT PROGRAM.—The term 'microenterprise development program' means a program administered by a qualified organization serving a rural area.

"(9) MICROENTREPRENEUR.—The term 'microentrepreneur means' the owner, operator, or developer of a microenterprise.

"(10) PROGRAM.—The term 'program' means the rural entrepreneur and microenterprise program established under subsection (b)(1).

"(11) QUALIFIED ORGANIZATION.—The term 'qualified organization' means—

"(A) a microenterprise development organization or microenterprise development program that has a demonstrated record of delivering microenterprise services to rural entrepreneurs, or an effective plan to develop a program to deliver microenterprise services to rural entrepreneurs effectively, as determined by the Secretary;

"(B) an intermediary that has a demonstrated record of delivering assistance to microenterprise development organizations or microenterprise development programs;

"(C) an Indian tribe, the tribal government of which certifies to the Secretary that there is no microenterprise development organization or microenterprise development program under the jurisdiction of the Indian tribe;

"(D) a group of 2 or more organizations or Indian tribes described in any of subparagraphs

(A) through (C) that agree to act jointly as a qualified organization under this section; or

"(E) for purposes of subsection (b), a public college or university that has a demonstrated record of delivering assistance to microenterprise development organizations or microenterprise development programs.

"(12) RURAL AREA.—The term 'rural area' means any area of the United States that is not—

"(A) included within the boundaries of any city, town, borough, or village, whether incorporated or unincorporated, with a population of more than 20,000 inhabitants; or

"(B) the urbanized area contiguous and adjacent to such a city or town.

"(13) RURAL CAPACITY-BUILDING SERVICE.—The term 'rural capacity-building service' means a service provided to an organization that—

"(A) is, or is in the process of becoming, a microenterprise development organization or microenterprise development program; and

"(B) serves rural areas for the purpose of enhancing the ability of the organization to provide training, technical assistance, and other related services to rural entrepreneurs.

1 "(14) RURAL ENTREPRENEUR.—The term
2 'rural entrepreneur' means a microentrepreneur, or
3 prospective microentrepreneur—
4 "(A) the principal place of business of
5 which is in a rural area; and
6 "(B) that is unable to obtain sufficient
7 training, technical assistance, or microcredit
8 elsewhere, as determined by the Secretary.
9 "(15) TRIBAL GOVERNMENT.—The term 'tribal
10 government' means the governing body of an Indian
11 tribe.
12 "(b) RURAL ENTREPRENEURSHIP AND MICRO-
13 ENTERPRISE PROGRAM.—
14 "(1) ESTABLISHMENT.—The Secretary shall es-
15 tablish a rural entrepreneurship and microenterprise
16 program.
17 "(2) PURPOSE.—The purpose of the program
18 shall be to provide low-income individuals and mod-
19 erate-income individuals with—
20 "(A) the skills necessary to establish new
21 small businesses in rural areas; and
22 "(B) continuing technical and financial as-
23 sistance as individuals and business starting or
24 operating small businesses.
25 "(3) GRANTS.—

"(A) IN GENERAL.—The Secretary may make a grant under the program to a qualified organization—

"(i) to provide training, operational support, or a rural capacity-building service to a qualified organization to assist the qualified organization in developing micro-enterprise training, technical assistance, market development assistance, and other related services, primarily for business with 10 or fewer full-time-equivalent employees;

"(ii) to assist in researching and developing the best practices in delivering training, technical assistance, and micro-credit to rural entrepreneurs; and

"(iii) to carry out such other projects and activities as the Secretary determines to be consistent with the purposes of this section.

"(B) DIVERSITY.—In making grants under this paragraph, the Secretary shall ensure, to the maximum extent practicable, that grant recipients include qualified organizations—

"(i) of varying sizes; and

"(ii) that serve racially and ethnically diverse populations.

"(C) MATCHING REQUIREMENT.—

"(i) IN GENERAL.—As a condition of any grant made to a qualified organization under this paragraph, the Secretary shall require the qualified organization to match not less than 25 percent of the total amount of the grant.

"(ii) SOURCES.—In addition to cash from non-Federal sources, a matching share provided by the qualified organization may include indirect costs or in-kind contributions funded under non-Federal programs.

"(4) RURAL MICROLOAN AND TECHNICAL ASSISTANCE PROGRAM.—

"(A) ESTABLISHMENT.—In carrying out the program, the Secretary may carry out a rural microloan program.

"(B) PURPOSE.—The purpose of the rural microloan program shall be to provide technical and financial assistance through qualified organizations to sole proprietorships and small businesses located in rural areas with a particular

1 focus on businesses with 10 or fewer full-time
2 equivalent employees.
3 "(C) AUTHORITY OF SECRETARY.—In car-
4 rying out the rural microloan program, the Sec-
5 retary may—
6 "(i) make loans to qualified organiza-
7 tions for the purpose of making short-
8 term, fixed interest rate microloans to
9 startup, newly established, and growing
10 rural microbusiness concerns; and
11 "(ii) in conjunction with the loans,
12 provide grants in accordance with subpara-
13 graph (E) to the organizations for the pur-
14 pose of providing intensive marketing,
15 management, and technical assistance to
16 small business concerns that are borrowers
17 under this paragraph.
18 "(D) LOAN DURATION; INTEREST RATES;
19 CONDITIONS.—
20 "(i) LOAN DURATION.—A loan made
21 by the Secretary under this paragraph
22 shall be for a term of 20 years.
23 "(ii) APPLICABLE INTEREST RATES.—
24 A loan made by the Secretary under this
25 paragraph to a qualified organization shall

bear an annual interest rate of at least 1 percent.

"(iii) DEFERRAL OF INTEREST AND PRINCIPAL.—The Secretary may permit the deferral of payments, for principal and interest, on a loan made under this paragraph for a period of not more than 2 years, beginning on the date the loan is made.

"(E) GRANT AMOUNTS.—

"(i) IN GENERAL.—Except as otherwise provided in this section, each qualified organization that receives a loan under this paragraph shall be eligible to receive a grant to provide marketing, management, and technical assistance to small business concerns that are borrowers or potential borrowers under this subsection.

"(ii) MAXIMUM AMOUNT FOR MICROENTERPRISE DEVELOPMENT ORGANIZATIONS.—Each microenterprise development organization that receives a loan under this paragraph shall receive an annual grant in an amount equal to not more than 25 percent of the total outstanding balance of

loans made to the microenterprise development organization under this paragraph, as of the date the grant is made.

"(iii) MATCHING REQUIREMENT.—

"(I) IN GENERAL.—As a condition of any grant made to a qualified organization under this subparagraph, the Secretary shall require the qualified organization to match not less than 15 percent of the total amount of the grant.

"(II) SOURCES.—In addition to cash from non-Federal sources, a matching share provided by the qualified organization may include indirect costs or in-kind contributions funded under non-Federal programs.

"(c) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of assistance received by a qualified organization for a fiscal year under this section may be used to pay administrative expenses.

"(d) FURNISHING THE SECRETARY WITH INFORMATION.—A qualified organization that receives a grant under subsection (b)(3) or loan under subsection (b)(4) shall furnish the Secretary by December 1 such informa-

tion as the Secretary may require to ensure that assistance provided under the grant or loan is expended for the purposes for which the grant or loan is made.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section not more than $20,000,000 for each of the fiscal years 2008 through 2012.".

SEC. 6014. CRITERIA TO BE APPLIED IN CONSIDERING APPLICATIONS FOR RURAL DEVELOPMENT PROJECTS.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981–2008r), as amended by sections 5025, 6012, and 6013 of this Act, is amended by inserting after section 367 the following:

"SEC. 368. CRITERIA TO BE APPLIED IN CONSIDERING APPLICATIONS FOR RURAL DEVELOPMENT PROJECTS.

"(a) IN GENERAL.—The Secretary shall review the income demographics, population, seasonal increases, and other factors as determined by the Secretary, of eligible communities for each program authorized or modified by, or funded pursuant to, an amendment made by title VI of the Farm, Nutrition, and Bioenergy Act of 2007 or section 306, 306A, 306C, 306D, 306E, 310(c), 310(e), 310B(b), 310B(c), 310B(e), or 379B, or subtitle F, G,

H, or I of this Act, and which proposes to serve a rural area (as defined by the applicable law).

"(b) REGULATIONS.—The Secretary shall issue regulations to establish the applicable limitations that a rural area cannot exceed in order to remain eligible for a program referred to in subsection (a).".

SEC. 6015. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.

(a) FUNDING.—Section 375(e)(6) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008j(e)(6)) is amended by striking paragraphs (B) and (C) and inserting the following:

"(B) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section $10,000,000 for each of the fiscal years 2008 through 2012.".

(b) ELIMINATION OF REQUIREMENT TO PRIVATIZE REVOLVING FUND.— Section 375 of such Act (7 U.S.C. 2008j) is amended by striking subsection (j).

SEC. 6016. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

Section 378(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008m(g)(1)) is amend-

ed by striking ''2003 through 2007'' and inserting ''2008 through 2012''.

SEC. 6017. HISTORIC BARN PRESERVATION.

(a) GRANT PRIORITY.—Section 379A(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008o(c)) is amended by redesignating paragraphs (3) and (4) as paragraphs (4) and (5) and inserting after paragraph (2) the following:

''(3) PRIORITY.—In making grants under this subsection, the Secretary shall give the highest priority to funding projects described in paragraph (2)(C).''.

(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—Section 379A(c)(5) of such Act (7 U.S.C. 2008o(c)(5)), as so redesignated by subsection (a) of this section, is amended by striking ''2002 through 2007'' and inserting ''2008 through 2012''.

SEC. 6018. GRANTS FOR NOAA WEATHER RADIO TRANSMITTERS.

Section 379B(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008p(d)) is amended by striking ''2002 through 2007'' and inserting ''2008 through 2012''.

SEC. 6019. DELTA REGIONAL AUTHORITY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 382M(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–12(a)) is amended by striking ''2001 through 2007'' and inserting ''2008 through 2012''.

(b) TERMINATION OF AUTHORITY.—Section 382N of such Act (7 U.S.C. 2009aa–13) is amended by striking ''2007'' and inserting ''2012''.

SEC. 6020. NORTHERN GREAT PLAINS REGIONAL AUTHORITY.

(a) FEDERAL SHARE OF ADMINISTRATIVE EXPENSES.—Section 383B(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb–1(g)(1)) is amended—

(1) in subparagraph (A), by striking ''2002'' and inserting ''2007'';

(2) in subparagraph (B), by striking ''2003'' and inserting ''2008''; and

(3) in subparagraph (C), by striking ''2004'' and inserting ''2009''.

(b) TECHNICAL AMENDMENT.—Section 383B(d)(6)(A) of such Act (7 U.S.C. 2009bb–1(d)(6)(A)) is amended by inserting ''and resource conservation'' after ''development''.

(c) ELIMINATION OF PRIORITIZATION RANKING OF ACTIVITIES TO BE FUNDED.—Section 383C(b)(2) of such Act (7 U.S.C. 2009bb–2(b)(2)) is amended by striking ''activities in the following order of priority'' and inserting ''following activities''.

(d) ELIMINATION OF ISOLATED AREA OF DISTRESS DESIGNATION.—

(1) IN GENERAL.—Section 383F(a) of such Act (7 U.S.C. 2009bb–5(a)) is amended—

(A) by adding ''and'' at the end of paragraph (1);

(B) by striking ''; and'' at the end of paragraph (2) and inserting a period; and

(C) by striking paragraph (3).

(2) CONFORMING AMENDMENTS.—Section 383F(b) of such Act (7 U.S.C. 2009bb–5(b)) is amended—

(A) in paragraph (1), by striking ''and isolated areas of distress''; and

(B) in paragraph (2), by striking ''or isolated areas of distress''.

(e) REDUCTION OF MINIMUM FUNDS ALLOCATION FOR DISTRESSED COUNTIES.—Section 383F(b)(1) of such Act (7 U.S.C. 2009bb–5(b)(1)) is amended by striking ''75'' and inserting ''50''.

(f) ELIMINATION OF PROHIBITION ON PROVIDING FUNDS TO NONDISTRESSED COUNTIES.—Section 383F of such Act (7 U.S.C. 2009bb–5) is amended by striking subsection (c) and redesignating subsection (d) as subsection (c).

(g) INCLUSION OF RENEWABLE ENERGY AMONG OBJECTS OF MINIMUM FUNDS ALLOCATION.—Section 383F(c) of such Act (7 U.S.C. 2009bb–5(c)), as so redesignated by subsection (a) of this section, is amended—

(1) in the subsection heading, by inserting ''RENEWABLE ENERGY,'' after ''TELECOMMUNICATION,''; and

(2) by inserting ''renewable energy,'' after ''telecommunication''.

(h) AUTHORIZATION OF APPROPRIATIONS.—Section 383M(a) of such Act (7 U.S.C. 2009bb–12(a)) is amended by striking ''2002 through 2007'' and inserting ''2008 through 2012''.

(i) TERMINATION OF AUTHORITY.—Section 383N of such Act (7 U.S.C. 2009bb–13) is amended by striking ''2007'' and inserting ''2012''.

SEC. 6021. RURAL STRATEGIC INVESTMENT PROGRAM.

(a) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—Section 385E of the Consolidated Farm and

Rural Development Act (7 U.S.C. 2009dd–4) is amended to read as follows:

"SEC. 385E. LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Secretary to carry out this subtitle not more than $25,000,000 for each of the fiscal years 2008 through 2012.".

(b) PRESERVATION AND PROMOTION OF RURAL HERITAGE.—

(1) DEFINITION.—Section 385B of such Act (7 U.S.C. 2009dd–1) is amended by adding at the end the following:

"(12) RURAL HERITAGE.—The term 'rural heritage' means historic sites, structures, and districts which may include rural downtown areas and main streets, neighborhoods, farmsteads, scenic and historic trails, and heritage areas and historic landscapes.".

(2) RURAL STRATEGIC INVESTMENT PLANNING GRANTS.—Section 385F(b) of such Act (7 U.S.C. 2009dd–5(b)) is amended—

(A) by striking "and" at the end of paragraph (6); and

(B) by redesignating paragraph (7) as paragraph (8) and inserting after paragraph (6) the following:

''(7) preservation and promotion of rural heritage; and''.

(3) INNOVATION GRANTS.—Section 385G(d) of such Act (7 U.S.C. 2009dd–66–(d)) is amended—

(A) by striking ''and'' at the end of paragraph (6); and

(B) by redesignating paragraph (7) as paragraph (8) and inserting after paragraph (6) the following:

''(7) demonstrate a plan to protect and promote rural heritage; and''.

SEC. 6022. EXPANSION OF 911 ACCESS.

Section 315(b) of the Rural Electrification Act of 1936 (7 U.S.C. 904e(b)) is amended by striking ''2002 through 2007'' and inserting ''2008 through 2012''.

SEC. 6023. ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.

(a) DEFINITIONS.—Section 601(b) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(b)) is amended by striking paragraph (2) and inserting the following:

"(2) ELIGIBLE RURAL COMMUNITY.—The term 'eligible rural community' means any area of the United States that is not—

"(A) included within the boundaries of any city, town, borough, or village, whether incorporated or unincorporated, with a population of more than 20,000 inhabitants; or

"(B) the urbanized area contiguous and adjacent to such a city or town.".

(b) PRIORITIZATION OF APPLICATIONS.—

(1) DEFINITION.—Section 601(b) of such Act (7 U.S.C. 950bb(b)), as amended by subsection (a) of this section, is amended by adding at the end the following:

"(3) INCUMBENT SERVICE PROVIDER.—The term 'incumbent service provider' means, with respect to an application submitted pursuant to this section, an entity that is providing broadband service to at least 5 percent of the households in the service area proposed in the application.".

(2) PRIORITY BASED ON NUMBER OF INCUMBENT SERVICE PROVIDERS.—Section 601(c) of such Act (7 U.S.C. 950bb(c)) is amended by adding at the end the following:

"(3) APPLICATIONS PRIORITIZED BASED ON NUMBER OF INCUMBENT SERVICE PROVIDERS.—

"(A) IN GENERAL.—In making or guaranteeing loans under paragraph (1), the Secretary shall give priority, in the following order, to applications from eligible rural communities that have—

"(i) no incumbent service provider;

"(ii) 1 incumbent service provider; or

"(iii) 2 incumbent service providers who, together, serve not more than 25 percent of the households in the service area proposed in the application.

"(B) PROHIBITIONS.—In carrying out this section, the Secretary may not—

"(i) make a loan to an eligible community in which there are 3 or more incumbent service providers, unless—

"(I) the loan is to an incumbent service provider of the community;

"(II) the other providers in that community are notified of the application before approval by the Secretary, and have sufficient time to comment on the application; and

"(III) the application includes substantially increasing—

"(aa) the quality of broadband service in the community; and

"(bb) the provision of broadband service to unserved households inside and outside the community; or

"(ii) make a loan for new construction to any community in which more than 75 percent of the households may obtain affordable broadband service, on request, from at least 1 incumbent service provider.".

(c) PAPERWORK REDUCTION.—Section 601(c) of such Act (7 U.S.C. 950bb(c)), as amended by subsection (b)(2) of this section, is amended by adding at the end the following:

"(4) PAPERWORK REDUCTION.—The Secretary shall take steps to reduce the cost and paperwork associated with applying for a loan or loan guarantee under this section by first-time applicants, particularly those who are smaller and start-up Internet providers, including by providing for a new

application which shall maintain the ability of the Secretary to make an analysis of the risk associated with the loan involved.''.

(d) INCREASE IN MAXIMUM NUMBER OF SUBSCRIBER LINES THAT MAY BE SERVED BY AN ELIGIBLE ENTITY.—Section 601(d)(3) of such Act (7 U.S.C. 950bb(d)(3)) is amended by striking ''2'' and inserting ''10''.

(e) LIMITATION ON FUNDS TO ENTITIES WITH MORE THAN 2 PERCENT OF SUBSCRIBER LINES.—Section 601(d) of such Act (7 U.S.C. 950bb(d)) is amended by adding at the end the following:

''(4) LIMITATION ON FUNDS TO ENTITIES WITH MORE THAN 2 PERCENT OF SUBSCRIBER LINES.—Not more than 25 percent of the loans made under this section in a single fiscal year may be approved for entities that serve more than 2 percent of the telephone subscriber lines in the United States.''.

(f) LOAN TERM NOT TO EXCEED 35 YEARS.—Section 601(g)(2) of such Act (7 U.S.C. 950bb(g)(2)) is amended by striking ''not to exceed the useful life of the assets constructed, improved, or acquired with the proceeds of the loan or extension of credit.'' and inserting ''of such length, not exceeding 35 years, as the borrower may request, so long as the Secretary determines that the

1 loan is adequately secured. In determining the term of a
2 loan or loan guarantee, the Secretary shall consider wheth-
3 er the recipient is or would be serving an area that is not
4 receiving broadband services.''

5 (g) ADEQUACY OF SECURITY.—Section 601 of such
6 Act (7 U.S.C. 950bb) is amended by redesignating sub-
7 sections (h) through (k) as subsections (i) through (l), re-
8 spectively, and inserting after subsection (g) the following:

9 ''(h) ADEQUACY OF SECURITY.—The Secretary shall
10 ensure that the type, amount, and method of security used
11 to secure any loan or loan guarantee provided under this
12 section is commensurate to the risk involved with the loan
13 or loan guarantee, particularly when the loan or loan guar-
14 antee is issued to a financially healthy, strong, and stable
15 entity. In determining the amount and method of security,
16 the Secretary shall consider reducing the security in areas
17 that do not have broadband service.''.

18 (h) GENERAL REPORT ON PROGRAM.—Section 601
19 of such Act (7 U.S.C. 950bb), as amended by subsection
20 (g) of this section, is amended by redesignating sub-
21 sections (k) and (l) as subsections (l) and (m), respec-
22 tively, and inserting after subsection (j) the following:

23 ''(k) GENERAL PROGRAM REPORT.—Not later than
24 December 1 of each year, the Secretary shall prepare and
25 submit to the Committee on Agriculture of the House of

Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that details for the preceding fiscal year—

"(1) the loans made under this section;

"(2) the communities served under this section;

"(3) the speed of the broadband service offered by applicants for, and recipients of, loans or loan guarantees under this section;

"(4) the type of services offered by the applicants and recipients;

"(5) the length of time to approve applications submitted pursuant to this section; and

"(6) the outreach efforts undertaken by the Department of Agriculture to encourage persons in areas without broadband service to submit applications pursuant to this section.".

(i) NATIONAL CENTER FOR RURAL TELECOMMUNICATIONS ASSESSMENT.—Section 601 of such Act (7 U.S.C. 950bb), as amended by subsections (g) and (h) of this section, is amended by redesignating subsections (l) and (m) as subsections (m) and (n), respectively, and inserting after subsection (k) the following:

"(l) NATIONAL CENTER FOR RURAL TELECOMMUNICATIONS ASSESSMENT.—

"(1) ESTABLISHMENT OF CENTER.—The Secretary shall designate a National Center for Rural Telecommunications Assessment (in this subsection referred to as the 'Center').

"(2) CRITERIA.—The Secretary shall use the following criteria in making the designation:

"(A) The Center must be an entity with a focus on rural policy research and a minimum of 5 years experience in rural telecommunications research and assessment.

"(B) The Center must be capable of assessing broadband services in rural areas.

"(C) The Center must have significant experience with other rural economic development centers and organizations in the assessment of rural policies and formulation of policy solutions at the local, State, and Federal level.

"(3) BOARD.—The management of the Center shall be vested in a board of directors that is capable of oversight of the duties set forth in paragraph (4).

"(4) DUTIES.—The Center shall—

"(A) assess the effectiveness of programs provided under subsection (d) in increasing broadband penetration and purchase in rural areas, especially in those rural communities

identified by the Secretary as having no service before award of a broadband loan or loan guarantee under subsection (d);

"(B) develop assessments of broadband availability in rural areas, working with existing rural development centers selected by the Center;

"(C) identify policies and initiatives at the local, State and Federal level that have increased broadband penetration and purchase in rural areas;

"(D) conduct a national study of rural households and businesses focusing on the adoption of, barriers to, and utilization of broadband services; and

"(E) provide reports to the public on the activities undertaken under this section.

"(5) REPORTING REQUIREMENTS.—The Center shall report by December 1 of each year to the Secretary its activities, the results of its research, and any such information the Secretary may request regarding the prior fiscal year. In reporting to the Secretary the Center shall include the following:

"(A) Assessments of the programs provided under subsection (b).

"(B) Annual assessments on broadband availability in rural areas under consideration by the Center.

"(C) Annual assessments on the effects of the policy initiatives identified in paragraph (2)(C).

"(D) Results from the national study of rural households and businesses conducted under paragraph (4)(D).

"(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this subsection not more than $1,000,000 for each of the fiscal years 2008 through 2012.".

(j) FUNDING.—Section 601(m) of such Act (7 U.S.C. 950bb(l)) as so redesignated by subsections (g) through (i) of this section, is amended—

(1) by striking paragraph (1);

(2) by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively;

(3) in paragraph (1)(B) (as so redesignated), by striking "2007" and inserting "2012";

(4) in paragraph (2) (as so redesignated), by striking "2003 through 2007" and inserting "2008 through 2012"; and

(5) in paragraph (3) (as so redesignated), by adding at the end the following:

"(D) ELIGIBLE TRIBAL COMMUNITIES.—Of the amounts made available under subparagraph (A) for a fiscal year, 10 percent shall be reserved for entities serving eligible tribal communities.

"(E) UNOBLIGATED AMOUNTS.—Any amounts in the reserve established for eligible tribal communities for a fiscal year under subparagraph (D) that are not obligated by June 30 of the fiscal year shall be available to the Secretary to make loans and loan guarantees under this section to eligible entities in any State, as determined by the Secretary.".

(k) EXTENSION OF AUTHORITY TO ISSUE LOANS.—Section 601(n) of such Act (7 U.S.C. 950bb(m)), as so redesignated by subsections (f) through (h) of this section, is amended by striking "2007" and inserting "2012".

SEC. 6024. COMMUNITY CONNECT GRANT PROGRAM.

Title VI of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) is amended by adding at the end the following:

"SEC. 602. COMMUNITY CONNECT GRANT PROGRAM.

''(a) ESTABLISHMENT.—The Secretary shall establish a grant program to be known as the 'Community Connect Grant Program' to provide financial assistance to eligible applicants to provide broadband transmission service that fosters economic growth and delivers enhanced educational, health care, and public safety services.

''(b) ELIGIBILITY.—To be eligible for a grant under this section, the applicant must—

''(1) be legally organized as an incorporated tribal organization, an Indian tribe, or tribal organization, as defined in subsections (b) and (c) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(b) and (c)), a State or local unit of government, or other legal entity, including a cooperative, private corporation, or limited liability company organized on a for-profit or not-for-profit basis;

''(2) have the legal capacity and authority to own and operate broadband facilities as proposed in its application, to enter into contracts, and to otherwise comply with applicable Federal statutes and regulations; or

''(3) be in an eligible rural community (as defined in section 601(b)(2) of the Rural Electrification Act of 1936).

1 "(c) INELIGIBLE GRANT PURPOSES.—A grant made
2 under this section may not be used—
3 "(1) to finance the duplication of any
4 broadband transmission service provided by another
5 entity; or
6 "(2) with respect to facilities, to provide local
7 exchange telecommunications service to any person
8 or entity receiving the service.
9 "(d) PRIORITY.—In making grants under this sec-
10 tion, the Secretary shall give priority to grants that will
11 enhance community access to telemedicine and distance
12 learning resources.
13 "(e) MATCHING CONTRIBUTIONS.—
14 "(1) IN GENERAL.—To be eligible to receive a
15 grant under subsection (a), a grant applicant shall
16 provide a matching contribution of at least 15 per-
17 cent of the grant amount requested, in funds and in-
18 kind contributions in a proportion to be determined
19 by the Secretary.
20 "(2) LIMITATIONS.—
21 "(A) Costs incurred by or on behalf of an
22 applicant, for facilities, installed equipment, or
23 other services rendered before submission of a
24 completed application shall not be considered to

be for an eligible grant purpose or a matching contribution.

"(B) Any financial assistance from Federal sources shall not be considered to be a matching contribution for purposes of this section, unless there is a Federal statutory exception specifically authorizing the Federal financial assistance to be so considered.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section not more than $25,000,000 for each of the fiscal years 2008 through 2012.".

SEC. 6025. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.

Section 6402(i) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1621 note; Public Law 107–171) is amended to read as follows:

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section $6,000,000 for each of the fiscal years 2008 through 2012.".

SEC. 6026. RURAL FIREFIGHTERS AND EMERGENCY MEDICAL SERVICE ASSISTANCE PROGRAM.

Section 6405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1621 note) is amended to read as follows:

"SEC. 6405. RURAL FIREFIGHTERS AND EMERGENCY MEDICAL SERVICE ASSISTANCE PROGRAM.

"(a) GRANTS.—The Secretary shall award grants to eligible entities to—

"(1) enable the entities to provide for improved emergency medical services in rural areas; and

"(2) pay the cost of training firefighters and emergency medical personnel in firefighting, emergency medical practices, and responding to hazardous materials and bioagents in rural areas.

"(b) ELIGIBILITY.—To be eligible to receive a grant under this section, an entity shall—

"(1) be—

"(A) a State emergency medical services office;

"(B) a State emergency medical services association;

"(C) a State office of rural health;

"(D) a local government entity;

"(E) an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b));

"(F) a State or local ambulance provider; or

"(G) any other entity determined appropriate by the Secretary; and

"(2) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, that includes—

"(A) a description of the activities to be carried out under the grant; and

"(B) an assurance that the applicant will comply with the matching requirement of subsection (e).

"(c) USE OF FUNDS.—An entity shall use amounts received under a grant made under subsection (a) only in rural areas to—

"(1) hire or recruit emergency medical service personnel;

"(2) recruit or retain volunteer emergency medical service personnel;

"(3) train emergency medical service personnel in emergency response, injury prevention, safety

1 awareness, and other topics relevant to the delivery
2 of emergency medical services;
3 ''(4) fund training to meet State or Federal
4 certification requirements;
5 ''(5) provide training for firefighters and emer-
6 gency medical personnel for improvements to the
7 training facility, equipment, curricula, and per-
8 sonnel;
9 ''(6) develop new ways to educate emergency
10 health care providers through the use of technology-
11 enhanced educational methods (such as distance
12 learning);
13 ''(7) acquire emergency medical services vehi-
14 cles, including ambulances;
15 ''(8) acquire emergency medical services equip-
16 ment, including cardiac defibrillators;
17 ''(9) acquire personal protective equipment for
18 emergency medical services personnel as required by
19 the Occupational Safety and Health Administration;
20 and
21 ''(10) educate the public concerning
22 cardiopulmonary resuscitation (CPR), first aid, in-
23 jury prevention, safety awareness, illness prevention,
24 and other related emergency preparedness topics.

1 "(d) PREFERENCE.—In awarding grants under this
2 section, the Secretary shall give preference to—
3 "(1) applications that reflect a collaborative ef-
4 fort by 2 or more of the entities described in sub-
5 paragraphs (A) through (G) of subsection (b)(1);
6 and
7 "(2) applications submitted by entities that in-
8 tend to use amounts provided under the grant to
9 fund activities described in any of paragraphs (1)
10 through (5) of subsection (c).
11 "(e) MATCHING REQUIREMENT.—The Secretary may
12 not make a grant under this section to an entity unless
13 the entity agrees that the entity will make available (di-
14 rectly or through contributions from other public or pri-
15 vate entities) non-Federal contributions toward the activi-
16 ties to be carried out under the grant in an amount equal
17 to 5 percent of the amount received under the grant.
18 "(f) EMERGENCY MEDICAL SERVICES.—In this sec-
19 tion, the term 'emergency medical services'—
20 "(1) means resources used by a qualified public
21 or private nonprofit entity, or by any other entity
22 recognized as qualified by the State involved, to de-
23 liver medical care outside of a medical facility under
24 emergency conditions that occur as a result of—
25 "(A) the condition of the patient; or

"(B) a natural disaster or similar situation; and

"(2) includes (compensated or volunteer) services delivered by an emergency medical services provider or other provider recognized by the State involved that is licensed or certified by the State as an emergency medical technician or the equivalent (as determined by the State), a registered nurse, a physician assistant, or a physician that provides services similar to services provided by such an emergency medical services provider.

"(g) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to the Secretary to carry out this section not more than $30,000,000 for each of fiscal years 2008 through 2012.

"(2) ADMINISTRATIVE COSTS.—Not more than 10 percent of the amount appropriated under paragraph (1) for a fiscal year may be used for administrative expenses.".

SEC. 6027. VALUE-ADDED AGRICULTURAL MARKET DEVELOPMENT PROGRAM.

(a) DEFINITION OF MID-TIER VALUE CHAIN.—Section 231(a) of the Agricultural Risk Protection Act of

2000 (7 U.S.C. 1621 note; Public Law 106–224) is amended by adding at the end the following:

"(3) MID-TIER VALUE CHAIN.—The term 'mid-tier value chain' means local and regional supply networks that link independent producers with businesses and cooperatives that market value-added agricultural products in a manner that—

"(A) targets and strengthens the profitability and competitiveness of small and medium-sized family farms, as defined in regulations pursuant to Section 302 of the Consolidated Farm and Rural Development Act; and

"(B) obtains agreement from the eligible agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture engaged in the value chain in the method for price determination.".

(b) FUNDING; RESERVATION OF FUNDS; GRANT AWARD CRITERIA.—Section 231(b) of such Act (7 U.S.C. 1621 note; Public Law 106–224) is amended—

(1) by striking paragraph (4) and inserting the following:

"(4) FUNDING.—Not later than 30 days after the date of the enactment of this paragraph, on October 1, 2008, and on each October 1 thereafter

through October 1, 2012, of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this subsection $30,000,000, to remain available until expended.

"(5) RESERVATION OF FUNDS FOR PROJECTS TO BENEFIT BEGINNING FARMERS AND RANCHERS OR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS AND MID-TIER VALUE CHAINS.—

"(A) IN GENERAL.—The Secretary shall reserve 10 percent of the amounts made available under paragraph (4) to fund projects that benefit beginning farmers and ranchers (as defined in section 343(a)(11) of the Consolidated Farm and Rural Development Act) or socially disadvantaged farmers and ranchers (as defined in section 355(e) of such Act).

"(B) MID-TIER VALUE CHAINS.—The Secretary shall reserve 10 percent of the amounts made available under paragraph (4) to fund applications of eligible entities described in paragraph (1) that propose to develop mid-tier value chains.

"(C) UNOBLIGATED AMOUNTS.—Any amounts in the reserves established under subparagraphs (A) and (B) that are not obligated

by June 30 of the fiscal year shall be available to the Secretary to make grants under this section to eligible entities in any State, as determined by the Secretary.''; and

(2) by adding at the end the following:

''(6) CRITERIA TO BE APPLIED IN AWARDING GRANTS.—In awarding grants under this section, the Secretary shall consider an application more favorably when compared to other applications to the extent that the project contributes to increasing opportunities for operators of small and medium-size farms and ranches structured as family farms (as defined in regulations prescribed under section 302 of the Consolidated Farm and Rural Development Act).''.

SEC. 6028. ASSISTANCE FOR RURAL PUBLIC TELEVISION STATIONS.

Section 2333 of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. Sec. 950aaa–2) is amended by adding at the end the following:

''(j) DIGITAL SERVICE TRANSITION ASSISTANCE FOR PUBLIC TELEVISION STATIONS.—The Secretary may provide grants under this section to noncommercial education television broadcast stations that serve rural areas for the

purposes of developing digital facilities, equipment, and infrastructure to enhance digital services to rural areas.''.

SEC. 6029. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 2335A of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking ''2007'' and inserting ''2012''.

(b) CONFORMING AMENDMENT.—Section 1(b) of Public Law 102–551 (7 U.S.C. 950aaa note) is amended by striking ''2007'' and inserting ''2012''.

SEC. 6030. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

Section 313A(f) of the Rural Electrification Act of 1936 (7 U.S.C. 940c–1(f)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 6031. COMPREHENSIVE RURAL BROADBAND STRATEGY.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report

1 describing a comprehensive rural broadband strategy that
2 includes—
3 (1) recommendations—
4 (A) to promote interagency coordination of
5 Federal agencies in regards to policies, proce-
6 dures, and targeted resources, and to improve
7 and streamline the polices, programs, and serv-
8 ices;
9 (B) to coordinate among Federal agencies
10 regarding existing rural broadband or rural ini-
11 tiatives that could be of value to rural
12 broadband development;
13 (C) to address both short- and long-term
14 solutions and needs assessments for a rapid
15 build-out of rural broadband solutions and ap-
16 plications for Federal, State, regional, and local
17 government policy makers;
18 (D) to identify how specific Federal agency
19 programs and resources can best respond to
20 rural broadband requirements and overcome ob-
21 stacles that currently impede rural broadband
22 deployment; and
23 (E) to promote successful model deploy-
24 ments and appropriate technologies being used
25 in rural areas so that State, regional, and local

governments can benefit from the cataloging and successes of other State, regional, and local governments; and

(2) a description of goals and timeframes to achieve the strategic plans and visions identified in the report.

SEC. 6032. STUDY OF RAILROAD ISSUES.

(a) IN GENERAL.—The Secretary of Agriculture, in coordination with the Secretary of Transportation, shall conduct a study of railroad issues regarding the movement of agricultural products, domestically produced renewable fuels and domestically produced resources for the production of electricity for rural America, and economic development in rural America. The study shall include an examination of the following:

(1) The importance of freight railroads to—

(A) the delivery of equipment, seed, fertilizer, and other such products important to the development of agricultural commodities and products;

(B) the movement of agricultural commodities and products to market;

(C) the delivery of ethanol and other renewable fuels;

(D) the delivery of domestically produced resources for use in the generation of electricity for rural America;

(E) the location of grain elevators, ethanol plants, and other facilities;

(F) the development of manufacturing facilities in rural America; and

(G) the vitality and economic development of rural communities.

(2) The sufficiency in rural America of railroad capacity, the sufficiency of competition in the railroad system, the reliability of rail service, and the reasonableness of railroad prices.

(3) The accessibility to rail customers in rural America of Federal processes for the resolution of rail customer grievances with the railroads.

(b) REPORT TO THE CONGRESS.—Within 9 months after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the Congress a report that contains the results of the study required by subsection (a), and the recommendations of the Secretary for new Federal policies to address any problems identified by the study.

TITLE VII—RESEARCH

Subtitle A—General Provisions

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Sec. 7301. National genetics resources program.
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Sec. 7507. Renewable Resources Extension Act of 1978.
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Subtitle A—General Provisions

SEC. 7101. DEFINITIONS.

For purposes of this title:

(1) CAPACITY PROGRAM.—The term ''capacity program'' means the capacity program in subparagraph (M) and each of the following agricultural research, extension, education, and related programs for which the Secretary has administrative or other authority as of the day before the date of enactment of this Act:

(A) Each program providing funding to any of the 1994 institutions under sections 533, 534(a), and 535 of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103–382; 7 U.S.C. 301 note) (commonly known as financial assistance, technical assistance, and

endowments to tribal colleges and the Navajo Community College).

(B) The program established under section 536 of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103–382; 7 U.S.C. 301 note) providing research grants for 1994 institutions.

(C) Each program established under subsections (b), (c), and (d) of section 3 of the Smith-Lever Act (7 U.S.C. 343).

(D) Each program established under the Hatch Act of 1887 (7 U.S.C. 361a et seq.).

(E) Each program established under section 1417(b)(4) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(b)(4)), including grant programs under that section (commonly known as the 1890 Institution Teaching and Research Capacity Building Grants Program).

(F) The animal health and disease research program established under subtitle E of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3191 et seq.).

(G) The program established under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222) (commonly known as the Evans-Allen Program).

(H) The program providing grants to upgrade agricultural and food sciences facilities at 1890 Institutions established under section 1447 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b).

(I) The program providing distance education grants for insular areas established under section 1490 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3362).

(J) The program providing resident instruction grants for insular areas established under section 1491 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3363).

(K) Each research and development and related program established under Public Law 87–788 (commonly known as the McIntire-

Stennis Cooperative Forestry Act; 16 U.S.C. 582a et seq.).

(L) Each program established under the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 et seq.).

(M) The capacity building grant program for ASCARR Institutions established under this Act.

(N) Such other programs or parts of programs as determined appropriate by the Secretary.

(O) The program providing competitive extension grants to eligible 1994 institutions under section 3(b)(3) of the Smith-Lever Act (7 U.S.C. 343(b)(3)).

(2) COMPETITIVE PROGRAMS.—The term ''competitive programs'' means the competitive program in subparagraph (N) and each of the following agricultural research, extension, education, and related programs for which the Secretary has administrative or other authority as of the day before the date of enactment of this Act:

(A) Competitive grant programs authorized or otherwise administered by the Department of Agriculture under the terms of section 2(b) of

the Competitive, Special and Facilities Research Grant (7 U.S.C. 450i).

(B) Institution Challenge Grants, administered under 1417(j) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3152(j)).

(C) Grants and related authorities authorized or otherwise administered by the Secretary of Agriculture under section 1417(b)(5) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3152(b)(5)) (commonly known as the Higher Education Multicultural Scholars Program).

(D) Programs authorized or otherwise administered under section 1455 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(e)) (commonly known as educational grant programs for Hispanic-serving institutions).

(E) Integrated research, education, or extension programs authorized under section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626).

(F) Sustainable Agriculture Research and Education (7 U.S.C. 5811).

(G) Organic Research and Extension Initiative (7 U.S.C. 5925b).

(H) Higher Education Challenge Grants (7 U.S.C. 3152(b)(1)).

(I) Food and Agriculture Sciences National Needs Graduate and Postgraduate Fellowship Grants (7 U.S.C. 3152(b)(6)).

(J) International Science and Education Competitive Grants (7 U.S.C. 3292b).

(K) Community Food Projects Competitive Grants (7 U.S.C. 2034).

(L) Risk Management Education (7 U.S.C. 1524).

(M) High Priority Research and Extension Areas (7 U.S.C. 5925).

(N) Such other programs or parts of programs as determined appropriate by the Secretary.

(3) CAPACITY PROGRAM CRITICAL BASE FUNDING.—The term ''capacity program critical base funding'' means the aggregate amount of Federal funds made available for all or individual capacity programs for fiscal year 2007, as appropriate.

(4) COMPETITIVE PROGRAM CRITICAL BASE FUNDING.—The term ''competitive program critical base funding'' means the aggregate amount of Federal funds made available for all or individual competitive programs for fiscal year 2007, as appropriate.

(5) ASCARR INSTITUTION.—

(A) IN GENERAL.—The term ''ASCARR Institution'' means a public college or university offering a baccalaureate or higher degree in the study of agriculture.

(B) EXCLUSIONS.—The term ''ASCARR Institution'' does not include Hispanic-serving agricultural colleges and universities or any institution designated under—

(i) the Act of July 2, 1862 (commonly known as the ''First Morrill Act''; 7 U.S.C. 301 et seq.);

(ii) the Act of August 30, 1890 (commonly known as the ''Second Morrill Act''; 7 U.S.C. 321 et seq.); or

(iii) the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103–382; 7 U.S.C. 301 note).

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

(7) DIRECTORS.—The term ''Directors'' refers to those directors appointed under section 7104.

(8) UNDER SECRETARY.—The term ''Under Secretary'' means the Under Secretary of Agriculture for Research, Education, and Economics.

(9) HISPANIC-SERVING AGRICULTURAL COLLEGE AND UNIVERSITY.—The term ''Hispanic-serving agricultural college and university'' means a college or university that—

(A) qualifies as an ''Hispanic-serving institution''; and

(B) offers associate, bachelor's, or other accredited degree programs in agricultural related fields, as determined by the Secretary.

SEC. 7102. BUDGET SUBMISSION AND FUNDING.

(a) BUDGET REQUEST.—The President shall submit to Congress, together with the annual budget submission of the President, a single budget line item reflecting the total amount requested by the President for funding for capacity programs, and a single budget line item reflecting the total amount requested by the President for funding for competitive programs for that fiscal year and for the previous 5 fiscal years.

(b) CAPACITY PROGRAM REQUEST.—

(1) CRITICAL BASE FUNDING.—Up to the amount of the capacity program critical base funding level, any funds requested for capacity programs in the budget submission single line item shall be apportioned among the capacity programs based on priorities established by the Under Secretary in conjunction with the Directors.

(2) ADDITIONAL FUNDING.—Of the funds requested for capacity programs in excess of the capacity program critical base funding level, budgetary emphasis should be placed on enhancing funding for the 1890, 1994, ASCARR Institutions, Hispanic-serving agricultural colleges, and small 1862 institutions.

(c) COMPETITIVE PROGRAM REQUEST.—

(1) CRITICAL BASE FUNDING.—Up to the amount of the competitive program critical base funding level, any funds requested for competitive programs in the budget submission single line item shall be apportioned among the competitive programs based on priorities established by the Under Secretary in conjunction with the Directors.

(2) ADDITIONAL FUNDING.—Of the funds requested for competitive programs in excess of the

competitive program critical base funding level, budgetary emphasis shall be placed on enhancing funding for emerging problems and their solutions.

(d) FUNDING.—

(1) CRITICAL BASE FUNDING.—Up to the total aggregate amount of the capacity program critical base funding level and the competitive program critical base funding level, funds appropriated or otherwise made available shall be apportioned among each of the capacity programs and the competitive programs based on priorities established by the Under Secretary in conjunction with the Directors.

(2) ADDITIONAL FUNDING.—

(A) CAPACITY FUNDING.—Of the funds appropriated or otherwise made available for capacity programs in excess of the capacity program critical base funding level, funding emphasis should be placed on enhancing funding for the 1890, 1994, ASCARR Institutions, Hispanic-serving agricultural colleges, and small 1862 institutions.

(B) COMPETITIVE FUNDING.—Of the funds appropriated or otherwise made available for competitive programs in excess of the competitive program critical base funding level,

budgetary emphasis shall be placed on enhancing funding for emerging problems and solutions.

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

(f) COMPETITIVE PROGRAMS.—For the purposes of this section, the term ''competitive programs'' includes only those programs for which annual appropriations are requested in the President's budget.

SEC. 7103. ADDITIONAL PURPOSES OF AGRICULTURAL RESEARCH AND EXTENSION.

Section 1403 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3102) is amended—

(1) in paragraph (6), by striking ''and'' at the end;

(2) in paragraph (7), by striking the period and inserting a semicolon; and

(3) by adding after paragraph (7) the following:

''(8) to integrate and organize the administration of the agricultural research, extension, education, and related programs administered by the Secretary of Agriculture to respond to 21st century challenges and continue to meet the needs of society

from a local, tribal, State, national, and international perspective;

"(9) to minimize duplication, and maximize coordination and integration, among all of the programs at all levels through a solution-based approach; and

"(10) to position the agricultural research, extension, education, and related programs system to increase the contribution of the system to society through the expansion of the portfolio of the system.".

SEC. 7104. NATIONAL AGRICULTURAL RESEARCH PROGRAM OFFICE.

(a) ESTABLISHMENT.—The Under Secretary shall organize within the office of the Under Secretary 6 research Program Offices to be known collectively as the National Agricultural Research Program Office, which shall coordinate the programs and activities of the research agencies within the mission area in an integrated, multidisciplinary, interdisciplinary, interagency, and interinstitutional manner, to the maximum extent practicable. The Program Offices within the National Agricultural Research Program Office are as follows:

(1) Renewable energy, natural resources, and environment.

(2) Food safety, nutrition, and health.

(3) Plant health and production.

(4) Animal health and production and animal products.

(5) Agriculture systems and technology.

(6) Agriculture economics and rural communities.

(b) QUALIFICATIONS OF DIRECTORS.—

(1) APPOINTMENT AND CLASSIFICATION.—The Under Secretary shall appoint a Director for each Program Office as a senior level position in the competitive service.

(2) QUALIFICATIONS.—To be eligible for appointment as a Director, an individual shall have—

(A) conducted outstanding research, education, or extension in the field of agriculture or forestry;

(B) earned a doctoral level degree at an institution of higher education (as defined in section 101 of Public Law 89–329 (20 U.S.C. 1001)); and

(C) met qualification standards prescribed by the Director of the Office of Personnel Management for appointment to a senior level position of the competitive service.

(c) DUTIES OF DIRECTORS.—Except as otherwise provided in this Act, each Director as appointed by the Secretary shall—

(1) formulate programs in consultation with the National Agricultural Research, Extension, Education, and Economics Advisory Board (7 U.S.C. 3123) (hereinafter referred to as the ''Board'');

(2) assess strategic workforce needs of research, education, extension, and other fields;

(3) cooperate with the Board to plan programs that assist in meeting the future personnel needs of disciplines and programs;

(4) develop strategic planning for department-wide research, education, extension, and related activities;

(5) establish department-wide priorities for research, education, extension, and related programs;

(6) communicate with research, education, and extension beneficiaries to identify their needs; and

(7) perform such other duties deemed necessary by the Secretary.

(d) ADMINISTRATION.—The Under Secretary, in conjunction with the Directors and in consultation with the Board, shall direct and coordinate research, education, and extension programs within the relevant agencies of the

Department of Agriculture to focus those programs, and the participants, grantees, and other beneficiaries of those programs, on—

(1) understanding important problem areas and opportunities relating to a program;

(2) discovering and implementing solutions to address those problem areas;

(3) exploring other opportunities provided under the programs; and

(4) national, regional and local priorities.

(e) PROGRAM INTEGRATION AND COORDINATION.—

(1) IN GENERAL.—In accordance with applicable law (including regulations), the Under Secretary, in coordination with the Director of each Program Office and taking into consideration the advice of the Board, shall ensure, to the maximum extent practicable, that the research, education, and extension programs are administered, funded, and carried out—

(A) in an integrated, multidisciplinary, interdisciplinary, interagency, and interinstitutional manner that ensures—

(i) the most efficient collaborative use of resources; and

(ii) the focus of all resources and activities on strategic, priority, problem, opportunity, and solution areas identified by the Under Secretary and the Directors, taking into consideration the advice of the Board; and

(B) among applicable participants, grantees, and beneficiaries, in a coordinated manner that encourages and ensures—

(i) the most efficient collaborative application of resources; and

(ii) the focus of all resources and activities on strategic, priority, problem, opportunity, and solution areas on a local, State, tribal, regional, national, and international basis, as the Under Secretary and each Director, taking into consideration the advice of the Board, determine to be appropriate.

(2) SCOPE.—Each Director, in consultation with the Under Secretary and the Board, shall ensure, through the integration and coordination under paragraph (1), that opportunities are maximized with respect to—

(A) the use of appropriate authorities, agencies, institutions, disciplines, and activities; and

(B) the inclusion of appropriate participants and other beneficiaries in those activities, including intramural, extramural, Government, university, extension, and international, as determined by the Under Secretary.

(f) FUNDING.—The Under Secretary shall fund each Program Office through the appropriations available to the various agencies within the mission area. The aggregate staff for all Program Offices shall not exceed 30 full-time equivalent positions and shall be filled by current full-time equivalent positions.

(g) ORGANIZATION.—The Under Secretary shall integrate leadership functions of the national program staff of the research agencies into the National Agricultural Research Program Office in such form as required to ensure that the Directors of the Program Offices are the primary program leaders for the mission areas of the integrated agencies and that administrative duplication does not occur.

(h) PRIORITIZING FEDERAL RESEARCH ACTIVITIES FOR SPECIALTY CROPS.—The Under Secretary, in coordi-

nation with the Directors of relevant Program Offices, shall—

(1) coordinate with and assist producers and organizations comprised of program beneficiaries working together to develop and implement applied research and extension related to the United States specialty crop industry;

(2) facilitate in the delivery of information to beneficiaries in a user-friendly form, in addition to a standard research publication, and reward providers for their abilities to deliver information to both the scientific community and the end-user; and

(3) ensure coordination among research initiatives funded and sponsored by the Department of Agriculture.

SEC. 7105. ESTABLISHMENT OF COMPETITIVE GRANT PROGRAMS UNDER THE NATIONAL INSTITUTE FOR FOOD AND AGRICULTURE.

Any office established to administer competitive programs under section 7101(b)(2), including the Agricultural Bioenergy and Biobased Products Research Initiative, the Specialty Crop Research Initiative, and Fresh Cut Produce Safety Grants created by this Act, shall be referred to as the National Institute of Food and Agriculture.

SEC. 7106. MERGING OF IFAFS AND NRI.

(a) AMENDMENT.—Subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)) is amended to read as follows:

"(b) COMPETITIVE GRANT PROGRAMS.—

"(1) COMPETITIVE BASIS.—The Secretary of Agriculture is authorized to make competitive grants for the purposes and priorities established under this subsection.

"(2) TERM.—The term of a competitive grant made under this subsection may not exceed 10 years.

"(3) GENERAL ADMINISTRATION.—In making grants under this subsection, the Secretary shall—

"(A) seek and accept proposals for grants;

"(B) determine the relevance and merit of proposals through a system of peer and merit review in accordance with section 103 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7613);

"(C) award grants on the basis of merit, quality, and relevance to advancing the purposes and priorities established under paragraphs (7) and (11) of this subsection;

"(D) solicit and consider input from persons who conduct or use agricultural research,

extension, or education in accordance with section 102(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7612(b)); and

"(E) in seeking proposals for grants under this subsection and in performing peer review evaluations of such proposals, seek the widest participation of qualified scientists in the Federal Government, colleges and universities, State agricultural experiment stations, and the private sector.

"(4) ELIGIBLE ENTITIES.—The Secretary may make a grant under this subsection to State agricultural experiment stations, all colleges and universities, university research foundations, other research institutions and organizations, Federal agencies, national laboratories, private organizations or corporations, and individuals, for research to further the programs of the Department of Agriculture.

"(5) ADMINISTRATIVE COSTS.—Not more than 4 percent of funds made available pursuant to this subsection may be retained by the Secretary to pay administrative costs incurred by the Secretary in carrying out this subsection.

"(6) CONSTRUCTION PROHIBITED.—Funds made available for grants under this subsection shall not be used for the construction of a new building or facility or the acquisition, expansion, remodeling, or alteration of an existing building or facility (including site grading and improvement and architect fees).

"(7) PURPOSES.—The purposes of the programs established under paragraph (8) shall reflect the purposes and additional purposes of agricultural research, extension, and education reflected in sections 1402 and 1403 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 and 3102).

"(8) BASIC AND APPLIED RESEARCH PROGRAMS.—The Secretary shall establish 2 distinct programs of agricultural research, one to fund fundamental, basic research pursuant to paragraph (9) to be known as the National Research Initiative and one to fund applied, integrated research, education, and extension pursuant to paragraph (10) to be known as the Initiative for Future Agricultural and Food Systems.

"(9) NATIONAL RESEARCH INITIATIVE.—

"(A) ALLOCATION.—The allocation of funds to the National Research Initiative shall be as follows:

"(i) Not less than 30 percent shall be available to make grants for research to be conducted by multidisciplinary teams.

"(ii) Not less than 20 percent shall be available to make grants for research to be conducted by persons conducting mission-linked systems research.

"(iii) Not less than 10 percent shall be available to make grants under subparagraphs (D), (F), and (G) of paragraph (13) for research and education strengthening and research opportunity.

"(iv) Not more than 2 percent may be used for equipment grants under paragraph (13)(D).

"(B) MATCHING FUNDS.—Except as provided in this subparagraph, the Secretary may not take the offer or availability of matching funds into consideration in making a grant under this subsection. In the case of grants under paragraph (13)(D), the amount provided under this subsection may not exceed 50 per-

cent of the cost of the special research equipment or other equipment acquired. The Secretary may waive all or part of the matching requirement under this subparagraph in the case of a college, university, or research foundation maintained by a college or university that ranks in the lowest one-third of such colleges, universities, and research foundations on the basis of Federal research funds received if the equipment to be acquired costs not more than $25,000 and has multiple uses within a single research project or is usable in more than 1 research project.

"(10) INITIATIVE FOR FUTURE AGRICULTURAL AND FOOD SYSTEMS MATCHING FUNDS.—As a condition of making a grant under this paragraph, the Secretary shall require the funding of the grant be matched with equal matching funds from a non-Federal source if the grant is—

"(A) for applied research that is commodity-specific; and

"(B) not of national scope.

"(11) RESEARCH PRIORITIES.—The research priorities for the programs established in paragraph (8) shall be consistent with the priorities in effect

for the National Research Initiative (7 U.S.C. 450i(b)) and Initiative for Future Agricultural and Food Systems (7 U.S.C. 7621) on the day before the date of enactment of this subsection. Priorities under the Initiative for Future Agricultural and Food Systems shall include classical plant and animal breeding.

"(12) PROGRAM ADMINISTRATION.—To the greatest extent possible, the Under Secretary for Research, Education, and Economics, in conjunction with the Directors of the National Agricultural Research Program Offices established in section 7104 of the Farm, Nutrition, and Bioenergy Act of 2007, shall allocate these grants to high priority research taking into consideration, when available, the determinations made by the National Agricultural Research, Extension, Education, and Economics Advisory Board (as established under section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123).

"(13) SPECIAL CONSIDERATIONS.—In addition to making research grants under paragraph (9), the Secretary may conduct a program to improve research capabilities in the agricultural, food, and environmental sciences and award the following cat-

egories of competitive grants. Grants may be awarded—

"(A) to a single investigator or coinvestigators within the same discipline;

"(B) to teams of researchers from different areas of agricultural research and scientific disciplines;

"(C) to multidisciplinary teams that are proposing research on long-term applied research problems, with technology transfer a major component of all such grant proposals;

"(D) to an institution to allow for the improvement of the research, development, technology transfer, and education capacity of the institution through the acquisition of special research equipment and the improvement of agricultural education and teaching; however the Secretary shall use not less than 25 percent of the funds made available for grants under this subparagraph to provide fellowships to outstanding pre- and post-doctoral students for research in the agricultural sciences;

"(E) to a single investigator or coinvestigators who are beginning their research careers and do not have an extensive research publica-

tion record; however, to be eligible for a grant under this subparagraph, an individual shall be within 5 years of the individual's initial career track position;

"(F) to ensure that the faculty of small and mid-sized institutions who have not previously been successful in obtaining competitive grants under this subsection receive a portion of the grants; and

"(G) to improve research capabilities in States (as defined in the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.)) in which institutions have been less successful in receiving funding under this subsection, based on a 3-year rolling average of funding levels.

"(14) DIVISION OF FUNDS.—Of the funds made available to carry out this subsection, 60 percent shall be used to fund programs under paragraph (9) and 40 percent shall be used to fund programs under paragraph (10).

"(15) TRANSFER OF FUNDS FROM THE INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.—Funds made available pursuant to section 401(b)(3)(D) of the Agricultural Research, Exten-

sion, and Education Reform Act of 1998 (7 U.S.C. 7621 (b)(3)(D)) shall be transferred to the program established under this subsection.

"(16) AUTHORIZATION OF APPROPRIATIONS.—

"(A) There is authorized to be appropriated to carry out this subsection $500,000,000 for each of fiscal years 2008 through 2012.

"(B) Funds made available in each fiscal year shall remain available until expended to pay for obligations incurred in that fiscal year.".

(b) REPEALS.—The following provisions are hereby repealed:

(1) Section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621), except that section 401(b)(3) of such Act shall not be repealed and shall remain in effect.

(2) Subsection (2)(d) of the Competitive, Special, and Facilities Research Grant Act of 1965 (7 U.S.C. 450i(d)).

SEC. 7107. CAPACITY BUILDING GRANTS FOR ASCARR INSTITUTIONS.

(a) GRANT PROGRAM.—

(1) IN GENERAL.—The Secretary shall make competitive grants to ASCARR Institutions to assist the ASCARR Institutions in maintaining and expanding the capacity of the ASCARR Institutions to conduct education, research, and outreach activities relating to—

(A) agriculture;

(B) renewable resources; and

(C) other similar disciplines.

(2) USE OF FUNDS.—An ASCARR Institution that receives a grant under subsection (a)(1) may use the funds made available through the grant to maintain and expand the capacity of the ASCARR Institution—

(A) to successfully compete for funds from Federal grants and other sources to carry out educational, research, and outreach activities that address priority concerns of national, regional, State, and local interest;

(B) to disseminate information relating to priority concerns to—

(i) interested members of the agriculture, renewable resources, and other relevant communities;

(ii) the public; and

(iii) any other interested entity;

(C) to encourage members of the agriculture, renewable resources, and other relevant communities to participate in priority education, research, and outreach activities by providing matching funding to leverage grant funds; and

(D) through—

(i) the purchase or other acquisition of equipment and other infrastructure (not including alteration, repair, renovation, or construction of buildings);

(ii) the professional growth and development of the faculty of the ASCARR Institution; and

(iii) the development of graduate assistantships.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as are necessary for each fiscal year 2008 through 2012.

SEC. 7108. ESTABLISHMENT OF RESEARCH LABORATORIES FOR ANIMAL DISEASES.

(a) DEFINITIONS.—In this section—

(1) ANIMAL DISEASE.—The term ''animal disease'' has the meaning given the term by the Secretary.

(2) IMPORT.—The term ''import'' means to move from a place outside the territorial limits of the United States to a place within the territorial limits of the United States.

(3) LIVE VIRUS.—The term ''live virus'' means a live virus of foot-and-mouth disease or a live virus of any other animal disease that is a threat to the health of livestock, as determined by the Secretary.

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

(5) STATE.—The term ''State'' means any of the States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States, or any territory or possession of the United States.

(6) UNITED STATES.—The term ''United States'' means all of the States.

(b) ANIMAL DISEASE RESEARCH.—

(1) ESTABLISHMENT OF RESEARCH FACILITIES.—The Secretary is authorized to establish research laboratories, including the acquisition of nec-

essary land, buildings, or facilities, for research on animal diseases in the United States.

(2) ACTIVITIES AUTHORIZED WHEN DISEASE THREATENS LIVESTOCK.—To the extent the Secretary determines that an animal disease constitutes a threat to the livestock industry, the Secretary is authorized to conduct research, diagnostics, and other activities related to the animal disease.

(c) RESTRICTIONS REGARDING LIVE VIRUS.—

(1) IN GENERAL.—Except as provided in paragraphs (2), (3), and (4), a person or State or Federal agency may not—

(A) import a live virus into the United States;

(B) transport a live virus within the United States; and

(C) store and maintain a live virus at a research facility.

(2) AUTHORITY OF THE SECRETARY.—The Secretary of Agriculture may—

(A) import a live virus into the United States;

(B) transport a live virus within the United States; and

(C) store and maintain a live virus at a research facility.

(3) PERMITS.—

(A) IN GENERAL.—If the Secretary determines that it is in the public interest to do so, the Secretary may issue a permit to allow a private person or a State or Federal agency to—

(i) import a live virus into the United States;

(ii) transport a live virus within the United States; and

(iii) store and maintain a live virus at a research facility.

(B) PERMIT TERMS.—A permit issued under this paragraph shall be subject to terms and conditions prescribed by the Secretary.

(4) LIMITATION.—Nothing in this section shall apply to the importation, transportation, storage, and maintenance of any live virus governed by regulations promulgated pursuant to section 351A of the Public Health Service Act (42 U.S.C. 262a) or the Agricultural Bioterrorism Protection Act of 2002 (7 U.S.C. 8401).

(d) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds otherwise available for the control or eradi-

cation of animal diseases, there are authorized to be appropriated such sums as necessary to carry out this section.

SEC. 7109. GRAZINGLANDS RESEARCH LABORATORY.

Notwithstanding any other provision of law, without specific authorization by an Act of Congress, the Federal land and facilities at El Reno, Oklahoma, currently administered by the Secretary of Agriculture as the Grazinglands Research Laboratory, shall not at any time, in whole or part, be declared to be excess or surplus Federal property under chapter 5 of subtitle I of title 40, United States Code, or otherwise be conveyed or transferred in whole or in part.

SEC. 7110. RESEARCHER TRAINING.

(a) REQUIREMENT.—The Secretary shall require that persons receiving funds under section 1668(g)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5921(g)(2)) to conduct research concerning genetically engineered plants, including seed and other propagative materials, complete a training program approved by the Secretary.

(b) CERTIFICATION OF THIRD-PARTY PROVIDERS.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall establish a system for approving individuals and entities to provide training under

subsection (a), including criteria for the evaluation of trainers or potential trainers.

(c) EXPERTISE.—In establishing criteria for the evaluation of potential trainers, the Secretary shall ensure that individuals and entities with expertise in quality management systems, plant breeding and genetics, and the technical aspects of the Federal regulatory process for agricultural biotechnology, are eligible to become approved trainers under subsection (b).

SEC. 7111. FORT RENO SCIENCE PARK RESEARCH FACILITY.

The Secretary of Agriculture may lease land to the University of Oklahoma at the Grazinglands Research Laboratory at El Reno, Oklahoma, on such terms and conditions as the University and the Secretary may agree in furtherance of cooperative research and existing easement arrangements.

SEC. 7112. ASSESSING THE NUTRITIONAL COMPOSITION OF BEEF PRODUCTS.

(a) STUDY.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall award a grant, contract, or other agreement with an appropriate land-grant university to update the Department of Agriculture's Nutrient Composition Handbook for Beef, also known as Handbook #8–13. The Handbook shall incor-

porate accurate and current data collected by the university to be used by Federal agencies, private industries, health organizations, and consumers to determine important diet and health-related issues associated with the consumption of beef and beef products.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section to be available until expended.

SEC. 7113. SENSE OF CONGRESS REGARDING FUNDING FOR HUMAN NUTRITION RESEARCH.

It is the sense of the Congress that—

(1) human nutrition research has the potential for improving the health status of the American public through studies that help determine—

(A) the food and beverage intakes of Americans and the nutrient composition of the food supply;

(B) the relationship between diet and obesity, particularly to prevent childhood obesity;

(C) the authoritative, peer-reviewed, science-based evidence that forms the basis for Federal nutrition policy, dietary guidelines and programs; and

(D) the nutrient requirements for individuals at various stages in the lifespan and for vulnerable populations, particularly children and the elderly;

(2) human nutrition research holds the potential for identifying factors in crops and livestock that provide nutrition benefits to humans and add value for producers;

(3) the potential cost savings to Federal health programs, combined with the boost in revenues for farmers who produce nutritionally enhanced foods, justifies an increase in funding to a level sufficient to conduct this essential research; and

(4) the USDA regional human nutritional research centers have unique value in linking producer and consumer interests into investigations of food and human nutrition issues and conducting long-term nutrition studies; and activities at these centers should be preserved and coordinated with other human nutrition research activities.

Subtitle B—National Agricultural Research, Extension, and Teaching Policy Act of 1977

SEC. 7201. ADVISORY BOARD.

Section 1408(g)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(g)(1)) is amended by striking ''$350,000'' and inserting ''$500,000''.

SEC. 7202. ADVISORY BOARD TERMINATION.

Section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7203. RENEWABLE ENERGY COMMITTEE.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1408A the following:

''SEC. 1408B. RENEWABLE ENERGY COMMITTEE.

''(a) INITIAL MEMBERS.—Not later than 90 days after the date of the enactment of this section, the executive committee of the Advisory Board shall establish and appoint the initial members of a permanent renewable energy committee that shall be responsible for studying the scope and effectiveness of research, extension, and economics programs affecting the renewable energy industry.

1 "(b) NON-ADVISORY BOARD MEMBERS.—Individuals
2 who are not members of the Advisory Board may be ap-
3 pointed as members of the renewable energy committee.
4 Members of the renewable energy committee shall serve
5 at the discretion of the executive committee.

6 "(c) REPORT BY RENEWABLE ENERGY COM-
7 MITTEE.—Not later than 180 days after the establishment
8 of the renewable energy committee, and annually there-
9 after, the renewable energy committee shall submit to the
10 Advisory Board a report containing the findings of its
11 study under subsection (a). The renewable energy com-
12 mittee shall include in each report its recommendations.

13 "(d) COORDINATION OF FUNCTIONS.—In carrying
14 out its functions, the Renewable Energy Committee shall
15 coordinate with the Biomass Research and Development
16 Act Committee.

17 "(e) MATTERS TO BE CONSIDERED IN BUDGET REC-
18 OMMENDATION.—In preparing the annual budget rec-
19 ommendations for the Department, the Secretary shall
20 take into consideration those findings and recommenda-
21 tions contained in the most recent report of the renewable
22 energy committee that are adopted by the Advisory Com-
23 mittee.

24 "(f) REPORT BY THE SECRETARY.—In the budget
25 material submitted to Congress by the Secretary in con-

nection with the budget submitted pursuant to section 1105 of title 31, United States Code, for a fiscal year, the Secretary shall include a report describing how the Secretary addressed each recommendation of the renewable energy committee described in subsection (e) of this section.''.

SEC. 7204. SPECIALTY CROP COMMITTEE REPORT.

Section 1408A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a(c)) is amended by adding at the end the following:

''(4) Analyses of the specialty crop sector, including the impact of changes in domestic and international markets, production and new product technologies, alternative policies and macroeconomic conditions on specialty crop production, use, farm and retail prices, and farm income and financial stability from a national, regional, and farm-level perspective.

''(5) Review of the economic state of the specialty crop industry from a regional perspective.

''(6) Development of data that provides applied information useful to specialty crop growers, their associations, and other interested beneficiaries in evaluating that industry from a regional and national perspective.''.

SEC. 7205. INCLUSION OF UDC IN GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended—

(1) in subsection (b), by inserting ''including the University of the District of Columbia,'' after ''universities,''; and

(2) in subsection (d)(2), by inserting '', including the University of the District of Columbia,'' after ''universities''.

SEC. 7206. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

(a) EDUCATION TEACHING PROGRAMS.—Section 1417(j) of the National Agricultural Research, Extension and Teaching Policy Act of 1977 (7 U.S.C. 3152(j)) is amended—

(1) in the subsection heading, by striking ''SECONDARY EDUCATION AND 2-YEAR POSTSECONDARY EDUCATION TEACHING PROGRAMS'' and inserting ''SECONDARY EDUCATION, 2-YEAR POSTSECONDARY EDUCATION, AND AGRICULTURE IN THE K–12 CLASSROOM''; and

(2) in paragraph (3)—

(A) by striking ''secondary schools, and institutions of higher education that award an associate's degree'' and inserting ''secondary schools, institutions of higher education that award an associate's degree, other institutions of higher education, and nonprofit organizations'';

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

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

(D) by adding at the end the following:

''(G) to support current agriculture in the classroom programs for grades K–12.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1417(l) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(l)) is amended by striking ''2007'' and inserting ''2012''.

(c) REPORT.—Section 1417 of the National Agricultural Research, Extension and Teaching Policy Act of 1977 is amended by adding at the end the following:

''(m) REPORT.—The Secretary shall submit an annual report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate detailing the distribu-

tion of funds used to implement the teaching programs under subsection (j).''.

SEC. 7207. GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7208. POLICY RESEARCH CENTERS.

Section 1419A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155) is amended—

(1) in subsection (b), by inserting '', including the Food Agricultural Policy Research Institute and the Agricultural and Food Policy Center'' after ''research institutions and organizations''; and

(2) in subsection (d), by striking ''2007'' and inserting ''2012''.

SEC. 7209. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1424(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7

U.S.C. 3174(d)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7210. PILOT RESEARCH PROGRAM TO COMBINE MEDICAL AND AGRICULTURAL RESEARCH.

Section 1424A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a(d)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7211. NUTRITION EDUCATION PROGRAM.

Section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7212. CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended in the first sentence by striking ''2007'' and inserting ''2012''.

SEC. 7213. COOPERATION AMONG ELIGIBLE INSTITUTIONS.

Section 1433 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by adding at the end the following new subsection:

''(g) COOPERATION AMONG ELIGIBLE INSTITUTIONS.—The Secretary, to the maximum extent prac-

ticable, shall encourage eligible institutions to cooperate in setting research priorities under this section through the conduct of regular regional and national meetings.''.

SEC. 7214. APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS.

Section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(a)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7215. AUTHORIZATION LEVEL OF EXTENSION AT 1890 LAND-GRANT COLLEGES.

Section 1444(a)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(a)(2)) is amended by striking ''15 percent'' and inserting ''20 percent''.

SEC. 7216. AUTHORIZATION LEVEL FOR AGRICULTURAL RESEARCH AT 1890 LAND-GRANT COLLEGES.

Section 1445(a)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(a)(2)) is amended by striking ''25 percent'' and inserting ''30 percent''.

SEC. 7217. GRANTS TO UPGRADE AGRICULTURE AND FOOD SCIENCES FACILITIES AT THE DISTRICT OF COLUMBIA LAND GRANT UNIVERSITY.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by inserting after section 1447 the following:

"SEC. 1447A. GRANTS TO UPGRADE AGRICULTURE AND FOOD SCIENCES FACILITIES AT THE DISTRICT OF COLUMBIA LAND GRANT UNIVERSITY.

''(a) PURPOSE.—It is declared to be the intent of Congress to assist the land grant university in the District of Columbia, as established under section 208 of the District of Columbia Public Postsecondary Education Reorganization Act of October 26, 1974 (Public Law 93–471) in efforts to acquire, alter, or repair facilities or relevant equipment necessary for conducting agricultural research.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the purposes of carrying out the provisions of this section $750,000 for each of fiscal years 2008 through 2012.''.

SEC. 7218. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7219. NATIONAL RESEARCH AND TRAINING VIRTUAL CENTERS.

Section 1448 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is amended by striking ''2007'' each place it appears in subsections (a)(1) and (f) and inserting ''2012''.

SEC. 7220. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES OF 1890 INSTITUTIONS.

Section 1449(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d(c)) is amended in the first sentence by striking ''for each of fiscal years 2003 through 2007,''.

SEC. 7221. HISPANIC-SERVING INSTITUTIONS.

Section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7222. HISPANIC-SERVING AGRICULTURAL COLLEGES AND UNIVERSITIES.

(a) IN GENERAL.—The National Agricultural Research, Extension and Teaching Policy Act of 1977 is amended by inserting after section 1455 the following:

"SEC. 1456. HISPANIC-SERVING AGRICULTURAL COLLEGES AND UNIVERSITIES.

"(a) DEFINITIONS.—As used in this section:

"(1) ENDOWMENT FUND.—The term 'endowment fund' means the Hispanic-Serving Agricultural Colleges and Universities Fund established under subsection (b).

"(2) HISPANIC-SERVING AGRICULTURAL COLLEGE AND UNIVERSITIES.—The term 'Hispanic-serving agricultural colleges and universities' means a college or university that—

"(A) qualifies as a 'Hispanic-serving institution'; and

"(B) offers associate, bachelor's, or other accredited degree programs in agriculture-related fields, as determined by the Secretary.

"(b) ENDOWMENT.—

"(1) IN GENERAL.—In accordance with this subsection, the Secretary of the Treasury shall establish a Hispanic-Serving Agricultural Colleges and Universities Fund. The Secretary of the Treasury

may enter into such agreements as are necessary to carry out this subsection.

"(2) DEPOSIT TO THE ENDOWMENT FUND.—The Secretary of the Treasury shall deposit in the endowment fund any—

"(A) amounts made available through Acts of appropriations, which shall be the endowment fund corpus; and

"(B) interest earned on the endowment fund corpus.

"(3) INVESTMENTS.—The Secretary of the Treasury shall invest the endowment fund corpus and income in interest-bearing obligations of the United States.

"(4) WITHDRAWALS AND EXPENDITURES.—The Secretary of the Treasury may not make a withdrawal or expenditure from the endowment fund corpus. On September 30, 2008, and each September 30 thereafter, the Secretary of the Treasury shall withdraw the amount of the income from the endowment fund for the fiscal year and warrant the funds to the Secretary who, after making adjustments for the cost of administering the endowment fund, shall distribute the adjusted income as follows:

"(A) 60 percent distributed among the Hispanic-serving agricultural colleges and universities on a pro rata basis based on each institution's Hispanic enrollment count.

"(B) 40 percent distributed in equal shares to the Hispanic-serving agricultural colleges and universities.

"(5) AUTHORIZATION OF APPROPRIATIONS.—

"(A) IN GENERAL.—For fiscal year 2008, and for each fiscal year thereafter, there is authorized to be appropriated to the Department of Agriculture an amount equal to—

"(i) $80,000; multiplied by

"(ii) the number of Hispanic-serving agricultural colleges and universities.

"(B) PAYMENTS.—For fiscal year 2008, and for each fiscal year thereafter, the Secretary shall pay to the treasurer of each Hispanic-Serving agricultural college and university an amount equal to—

"(i) the total amount made available by appropriations pursuant to paragraph (1); divided by

"(ii) the number of Hispanic-serving agricultural colleges and universities.

"(C) USE OF FUNDS.—Amounts authorized to be appropriated under this subsection shall be used in the same manner as is prescribed for colleges under the Act of August 30, 1890 (commonly known as the Second Morrill Act), and except as otherwise provided in this subsection, the requirements of such Act shall apply to the Hispanic-serving agricultural colleges and universities.

"(D) Amounts appropriated pursuant to this paragraph shall be held and considered to have been granted to Hispanic-serving agricultural colleges and universities to establish an endowment pursuant to subsection (b).

"(c) INSTITUTIONAL CAPACITY BUILDING GRANTS.—

"(1) PURPOSE AND ALLOWABLE USES.—For fiscal year 2008, and for each fiscal year thereafter, the Secretary shall make institutional capacity building grants to assist Hispanic-serving agricultural colleges and universities not including alteration, repair, renovation, or construction of buildings.

"(2) CRITERIA FOR INSTITUTIONAL CAPACITY BUILDING GRANTS.—

"(A) REQUIREMENTS FOR GRANTS.—The Secretary shall make grants under this subsection on the basis of a competitive application process under which Hispanic-serving agricultural colleges and universities may submit applications to the Secretary in such form and manner as the Secretary may prescribe.

"(B) BROADER PARTICIPATION AND GEOGRAPHIC DIVERSITY.—All Hispanic-serving agricultural colleges and universities shall be eligible to compete for grants under this subsection.

"(C) DEMONSTRATION OF NEED.—The Secretary shall require as part of an application for a grant under this subsection, a demonstration of need based on criteria stated in subsection (b)(5). The Secretary may award a grant under this subsection only to an applicant that demonstrates a failure to obtain funding for a project after making a reasonable effort to otherwise obtain the funding.

"(D) PAYMENT OF NON-FEDERAL SHARE.—A grant awarded under this subsection shall be made only if the recipient of the grant pays a non-Federal share in an amount

specified by the Secretary and based upon assessed institutional needs.

"(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this subsection, such sums as are necessary for fiscal year 2008, and for each fiscal year thereafter.

"(d) COMPETITIVE GRANTS PROGRAM.—The Secretary shall establish a competitive grants program to fund basic and applied research at Hispanic-serving agricultural colleges and universities in agriculture, human nutrition, food science, bioenergy, and environmental science. There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this subsection for fiscal year 2008 and for each fiscal year thereafter.".

(b) EXTENSION FUNDING.—Section 3 of the Act of May 8, 1914, (commonly known as the Smith-Lever Act), is amended—

(1) in subsection (b), by adding at the end the following new paragraph:

"(4) There are authorized to be appropriated for fiscal year 2008, and for each fiscal year thereafter, such sums as are necessary for the purposes set forth in subparagraph (D). Such sums shall be in addition to the sums

appropriated for the several States and Puerto Rico, the Virgin Islands, and Guam under the provisions of this section. Such sums shall be distributed on the basis on a competitive application process to be developed and implemented by the Secretary and paid by the Secretary to the State institutions established in accordance with the provisions of the Act of July 2, 1862 (commonly known as the First Morrill Act) and administered by such institutions through cooperative agreements with the Hispanic-serving agricultural colleges and universities in the States of the institutions in accordance with regulations that the Secretary shall adopt.''; and

(2) in subsection (f), by inserting ''or Hispanic-serving agricultural colleges and universities'' after ''Institution''.

SEC. 7223. INTERNATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

Section 1458(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking ''and'' after the semicolon;

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

(C) by adding at the end the following:

''(C) giving priority to those institutions with existing memorandums of understanding, agreements, or other formal ties to United States institutions, or State or Federal agencies;'';

(2) in paragraph (3), by inserting ''Hispanic-serving agricultural colleges and universities,'' after ''universities, as defined in section 1456 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3289),'';

(3) in paragraph (7)(A), by striking ''and land-grant colleges and universities'' and inserting '', land-grant colleges and universities, and Hispanic-serving agricultural colleges and universities, as defined in section 1456 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3289)'';

(4) in paragraph (9)(A), by striking ''or other colleges and universities'' and inserting '', or other colleges and universities, or Hispanic-serving agricultural colleges and universities, as defined in section 1456 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3289)''; and

(5) by adding at the end the following:

"(11) establish a program for the purpose of providing fellowships to United States or foreign students to study at foreign agricultural colleges and universities working under agreements provided for under paragraph (3).".

SEC. 7224. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

Section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)) is amended by striking "2007" and inserting "2012".

SEC. 7225. LIMITATION ON INDIRECT COSTS FOR AGRICULTURAL RESEARCH, EDUCATION, AND EXTENSION PROGRAMS.

Section 1462(a) of the National Agriculture Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310(a)) is amended by striking "a competitive" and inserting "any".

SEC. 7226. RESEARCH EQUIPMENT GRANTS.

Section 1462A(e) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310a(e)) is amended by striking "2007" and inserting "2012".

SEC. 7227. UNIVERSITY RESEARCH.

Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended by striking ''2007'' each place it appears in subsections (a) and (b) and inserting ''2012''.

SEC. 7228. EXTENSION SERVICE.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7229. SUPPLEMENTAL AND ALTERNATIVE CROPS.

Section 1473D(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(a)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7230. AQUACULTURE ASSISTANCE PROGRAMS.

Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7231. RANGELAND RESEARCH.

Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7232. SPECIAL AUTHORIZATION FOR BIOSECURITY PLANNING AND RESPONSE.

Section 1484(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3351(a)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7233. RESIDENT INSTRUCTION AND DISTANCE EDUCATION GRANTS PROGRAM FOR INSULAR AREA INSTITUTIONS OF HIGHER EDUCATION.

(a) DISTANCE EDUCATION GRANTS FOR INSULAR AREAS.—Section 1490(f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3362(f)) is amended by striking ''2007'' and inserting ''2012''.

(b) RESIDENT INSTRUCTION GRANTS FOR INSULAR AREAS.—Section 1491 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3363) is amended—

(1) by redesignating subsection (e) as subsection (c); and

(2) in subsection (c) (as so redesignated), by striking ''2007'' and inserting ''2012''.

SEC. 7234. HISPANIC SERVING INSTITUTIONS.

The text of section 1404 of the Research Act of 1977 is amended to read as follows: ''The term 'Hispanic Serving Institution' has the meaning given that term in section

502(a)(5) of the Higher Education Act of 1965 (20 U.S.C. 1101a(a)(5).''.

SEC. 7235. SPECIALTY CROPS POLICY RESEARCH INSTITUTE.

Section 1419A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155) is amended by adding at the end the following:

''(e) SPECIALTY CROPS POLICY RESEARCH INSTITUTE.—

''(1) ESTABLISHMENT.—The Food Agricultural Policy Research Institute shall establish a satellite institute, called the Specialty Crops Policy Research Institute, hereinafter referred to as the Institute, at accredited research universities within States with significant specialty crop industries to fulfill the objectives described in subsection (e)(3) of this section.

''(2) MANAGEMENT.—The Institute shall be coordinated and managed by an appointed university and will have the discretion to coordinate and facilitate the Institute's economic and policy research activities and those of additional member universities and institutions.

''(3) INSTITUTE OBJECTIVES.—Consistent with the provisions of subsections (a) and (c) of this section, the Institute shall—

"(A) produce and disseminate analysis of the specialty crop sector, including the impact of changes in domestic and international markets, production, new product technologies, web-based risk management tools, alternative policies and macroeconomic conditions on specialty crop production, use, farm and retail prices, and farm income and financial stability from a national, regional, and farm-level perspective; and

"(B) produce and disseminate an annual review of the economic state of the specialty crop industry nationally, regionally, and by-state.

"(4) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appropriated such sums as are necessary in each fiscal year through 2012 to carry out this section.".

SEC. 7236. EMPHASIS OF HUMAN NUTRITION INITIATIVE.

Section 1424(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(b)) is amended—

(1) in paragraph (1), by striking "and,";

(2) in paragraph (2), by striking the comma and inserting "; and"; and

(3) by adding at the end the following:

"(3) proposals that examine the efficacy of current agriculture policies in promoting the health and welfare of economically disadvantaged populations,".

SEC. 7237. GRANTS TO UPGRADE AGRICULTURE AND FOOD SCIENCES FACILITIES AT INSULAR AREA LAND-GRANT INSTITUTIONS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by inserting after section 1447A the following:

"SEC. 1447B. GRANTS TO UPGRADE AGRICULTURE AND FOOD SCIENCES FACILITIES AND EQUIPMENT AT INSULAR AREA LAND-GRANT INSTITUTIONS.

"(a) PURPOSE.—It is declared to be the intent of Congress to assist the land grant institutions in the insular areas in efforts to acquire, alter, or repair facilities or relevant equipment necessary for conducting agricultural research.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the purposes of carrying out the provisions of this section $8,000,000 for each of fiscal years 2008 through 2012.

"(c) METHOD OF AWARDING GRANTS.—Grants awarded pursuant to this section shall be made in such

amounts and under such terms and conditions as the Secretary shall determine necessary for carrying out the purposes of this section.

"(d) REGULATIONS.—The Secretary may promulgate such rules and regulations as the Secretary may consider necessary to carry out the provisions of this section.".

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

SEC. 7301. NATIONAL GENETICS RESOURCES PROGRAM.

Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking "2007" and inserting "2012".

SEC. 7302. NATIONAL AGRICULTURAL WEATHER INFORMATION SYSTEM.

Section 1641(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5855(c)) is amended by striking "1991 through 1997" and inserting "2008 through 2012".

SEC. 7303. PARTNERSHIPS.

Section 1672(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925(d)) is amended by striking "may" and inserting "shall".

SEC. 7304. AFLATOXIN RESEARCH AND EXTENSION.

Section 1672(e)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925(e)(3))

is amended by striking ''and controlling aflatoxin in the food and feed chains.'' and inserting ''improving, and eventually commercializing alfatoxin controls in corn and other affected agricultural products and crops.''.

SEC. 7305. HIGH-PRIORITY RESEARCH AND EXTENSION AREAS.

Section 1672(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925(e)) is amended by adding the following:

''(46) FARMED AND WILD CERVID DISEASE AND APPLIED GENETICS RESEARCH.—Research grants may be made under this section for the purpose of investigating the major infectious, parasitic and toxic diseases of importance to farmed and wild cervids.

''(47) AIR EMISSIONS FROM LIVESTOCK OPERATIONS.—Research and extension grants may be made under this section for the purpose of conducting field verification tests and developing mitigation options for air emissions from animal feeding operations.

''(48) SWINE GENOME PROJECT.—Research grants may be made under this section to conduct swine genome research and to map the swine genome.

"(49) CATTLE FEVER TICK PROGRAM.—Research and extension grants may be made to study cattle fever ticks to facilitate understanding of the role of wildlife in the persistence and spread of cattle fever ticks; to develop advanced methods for eradication of cattle fever ticks; and to improve management of diseases related to cattle fever ticks that are associated with wildlife, livestock, and human health.

"(50) COLONY COLLAPSE DISORDER PROGRAM.—Research and extension grants may be made to survey and collect data of honey bee colony production and health; research various factors possibly contributing to or associated with colony collapse disorder; and develop mitigative and preventative measures to improve bee health.

"(51) SYNTHETIC GYPSUM FROM ELECTRIC POWER PLANTS RESEARCH.—Research and extension grants may be made to study the uses of synthetic gypsum from electric power plants to remediate soil and nutrient losses.

"(52) CRANBERRY RESEARCH PROGRAM.—Research and extension grants may be made to study new technologies to assist cranberry growers in complying with Federal and State environmental regulations, increase production, develop new growing

techniques, establish more efficient growing methodologies, and educate farmers about sustainable growth practices.

"(53) SORGHUM RESEARCH INITIATIVE.—Research and extension grants may be made to study the use of sorghum as a bioenergy feedstock, promote diversification in, and the environmental sustainability of sorghum production, and promote water conservation through the use of sorghum.

"(54) BEAN HEALTH RESEARCH PROGRAM.—Research and extension grants may be made to study bean-based solutions to chronic health and nutritional concerns in both developed and developing countries, and to increase bean consumption.".

SEC. 7306. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.

Section 1672(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amended by striking "2007" and inserting "2012".

SEC. 7307. NUTRIENT MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.

Section 1672A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925a) is amended—

(1) by redesignating subsection (g) as subsection (f);

(2) in subsection (d), by inserting ''or address unique regional concerns'' after ''entities'';

(3) in subsection (e)(1)(B), by inserting ''and dairy cattle waste'' after ''swine waste''; and

(4) in subsection (f) (as so redesignated in paragraph (1)), by striking ''2007'' and inserting ''2012''.

SEC. 7308. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7309. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7310. ORGANIC RESEARCH.

(a) IN GENERAL.—The Organic Agriculture Research and Extension Initiative (section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b)) is amended—

(1) in subsection (a)—

(A) in paragraph (5), by striking ''and'' after the semicolon;

(B) in paragraph (6), at the end by striking the period and inserting a semicolon; and

(C) by adding at the end the following:

''(7) examining optimal conservation and environmental outcomes relating to organically produced agricultural products; and

''(8) developing new and improved seed varieties that are particularly suited for organic agriculture.''; and

(2) by adding at the end the following—

''(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $25,000,000 for each of fiscal years 2009 through 2012.

''(g) ADDITIONAL FUNDING.—In addition to funds made available under subsection (f), of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section a total of $25,000,000 for fiscal years 2008 through 2012.''.

(b) COORDINATION.—In carrying out this section, the Secretary shall ensure that the Director of the applicable Program Office established under section 7104(a) coordinates projects and activities carried out under this section

to ensure, to the maximum extent practicable, that duplication of effort is eliminated or minimized.

SEC. 7311. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7312. NEW ERA RURAL TECHNOLOGY PROGRAM.

(a) FUNCTIONS.—

(1) The Secretary shall establish the ''New Era Rural Technology Program'', to make grants available for technology development, applied research, and training to aid in the development of an agriculture-based renewable energy workforce. This initiative shall support the fields of bioenergy, pulp and paper manufacturing, and for agriculture-based renewable energy resources.

(2) To receive funding under this section an entity—

(A) shall be a rural community college or advanced technological center, in existence on the date of the enactment of this Act, that participates in agricultural or bioenergy research and applied research;

(B) shall have a proven record of development and implementation of programs to meet the needs of students, educators, and business and industry to supply the agriculture-based, renewable energy or pulp and paper manufacturing fields with certified technicians as determined by the Secretary of Agriculture; and

(C) shall have the ability to leverage existing partnerships and occupational outreach and training programs for secondary schools, 4-year institutions and relevant non-profit organizations.

(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated such sums as necessary for each of the fiscal years 2008 through 2012.

(c) COMMUNITY COLLEGES.—In this section, the term ''community college'' means an institution of higher education—

(1) that admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution;

(2) that does not provide an educational program for which it awards a bachelor's degree, or an equivalent degree; and

(3) that—

(A) provides an educational program of not less than two years that is acceptable for full credit toward such a degree; or

(B) offers a two-year program in engineering, technology, mathematics, or the physical, chemical or biological sciences, designed to prepare a student to work as a technician or at the semiprofessional level in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

(d) GRANT PRIORITY.—Preference shall be given to rural community colleges working in partnership to improve information sharing capacity and to maximize the ability to meet the requirements of this section.

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

SEC. 7401. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 402(g) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7622(g)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7402. PRECISION AGRICULTURE.

Section 403(i)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623(i)(1)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7403. BIOBASED PRODUCTS.

(a) PILOT PROJECT.—Section 404(e)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking ''2007'' and inserting ''2012''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 404(h) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624(h)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7404. THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.

Section 405(h) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(h)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7405. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

Section 406(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(f)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7406. FUSARIUM GRAMINEARUM GRANTS.

Section 408 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is amended—

(1) in the heading for such section, by striking ''**GRANT**'' and inserting ''**GRANTS**''; and

(2) in subsection (e), by striking ''2007'' and inserting ''2012''.

SEC. 7407. BOVINE JOHNE'S DISEASE CONTROL PROGRAM.

Section 409(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7629(b)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7408. GRANTS FOR YOUTH ORGANIZATIONS.

Section 410 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7630) is amended by striking subsections (b) and (c) and inserting the following:

''(b) FLEXIBILITY.—The Secretary shall provide maximum flexibility in content delivery to each organization receiving funds under this section so as to ensure that the unique goals of each organization, as well as the local community needs are fully met.

''(c) REDISTRIBUTION OF FUNDING WITHIN ORGANIZATIONS AUTHORIZED.—Recipients of funds under this section are authorized to redistribute all or part of the funds received to individual councils or local chapters within such organization without further need of approval from the Secretary.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as are necessary for each of fiscal years 2008 through 2012.''.

SEC. 7409. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR DEVELOPING COUNTRIES.

Section 411(c) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C.

7631(c)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7410. AGRICULTURAL BIOENERGY AND BIOBASED PRODUCTS RESEARCH INITIATIVE.

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. 412. AGRICULTURAL BIOENERGY AND BIOBASED PRODUCTS RESEARCH INITIATIVE.

''(a) DEFINITION.—For the purposes of this section, the term 'Initiative' means the agricultural bioenergy and biobased products research initiative established by subsection (b).

''(b) ESTABLISHMENT.—There is established within the Department a bioenergy and biobased products research initiative to enhance the production, sustainability, and conversion of biomass to renewable fuels and related products.

''(c) LABORATORY NETWORK.—

''(1) IN GENERAL.—The Secretary shall carry out the Initiative through a bioenergy and biobased product laboratory network that may consist of—

''(A) Federal agencies;

''(B) national laboratories;

''(C) colleges and universities;

"(D) research institutions and organizations;

"(E) private organizations or corporations;

"(F) State agricultural experiment stations; and

"(G) individuals.

"(2) RESEARCH AND DEVELOPMENT OBJECTIVES.—The laboratory network shall focus on improving biomass production and sustainability, and improving biomass conversion in biorefineries, by—

"(A) leveraging the broad scientific capabilities of the Department in—

"(i) plant genetics and breeding;

"(ii) crop production;

"(iii) soil and water science;

"(iv) use of agricultural waste;

"(v) carbohydrate, lipid, protein, and lignin chemistry and biochemistry;

"(vi) enzyme development;

"(vii) fermentation;

"(viii) microbiology;

"(ix) cellulosic gasification; and

"(x) ethanol by-product utilization.

"(B) supporting bioenergy and biobased product research that will enhance the produc-

tion, sustainability, and conversion of biomass to renewable fuels and related products; and

"(C) supporting bioenergy and biobased product research, and the dissemination of that research, that will assist in achieving the goals of this section.

"(d) COORDINATION.—In carrying out the Initiative, the Secretary shall ensure that the Director of the applicable Program office established under section 7104(a)(1) shall coordinate projects and activities carried out under the Initiative with projects and activities under the Biomass Research and Development Act of 2000 (7 U.S.C. 8601 et seq) to ensure, to the maximum extent practicable, that—

"(1) duplication of effort is eliminated or minimized; and

"(2) the respective strengths of the Department and the Department of Energy are maximized.

"(e) RESEARCH PROJECTS.—In carrying out this section, the Secretary shall award grants on a competitive basis.

"(f) ADMINISTRATION.—

"(1) IN GENERAL.—For grants awarded under subsection (e)(2), the Secretary shall—

"(A) seek and accept proposals for grants;

"(B) determine the relevance and merit of proposals through a system of peer review in accordance with section 103 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7613); and

"(C) award grants on the basis of merit, quality, and relevance.

"(2) TERM.—A grant under this section shall have a term that does not exceed 5 years.

"(3) OTHER CONDITIONS.—The Secretary may set such other conditions on the award of a grant under this section as the Secretary determines appropriate.

"(g) BUILDINGS AND FACILITIES.—Funds made available under this section shall not be used for the construction of a new building or facility or the acquisition, expansion, remodeling, or alteration of an existing building or facility (including site grading and improvement and architect fees).

"(h) FUNDING.—There is authorized to be appropriated $50,000,000 for each of fiscal years 2008 through 2012 to carry out this section.".

SEC. 7411. SPECIALTY CROP RESEARCH INITIATIVE.

(a) IN GENERAL.—Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7

U.S.C. 7621 et seq.), as amended by section 7410, is further amended by adding at the end the following:

"SEC. 413. SPECIALTY CROP RESEARCH INITIATIVE.

"(a) DEFINITIONS.—In this section:

"(1) INITIATIVE.—The term 'Initiative' means the specialty crop research initiative established by subsection (b).

"(2) SPECIALTY CROP.—The term 'specialty crop' shall have the meaning given that term in section 3(1) of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note).

"(b) ESTABLISHMENT.—There is established within the Department a specialty crop research initiative to address the critical needs of the specialty crop industry by developing and disseminating science-based tools to address needs of specific crops and their regions, including—

"(1) research in—

"(A) plant breeding, genetics, and genomics to improve crop characteristics, such as—

"(i) product appearance;

"(ii) environmental responses and tolerances;

"(iii) nutrient management;

1 "(iv) pest and disease management;
2 and
3 "(v) enhanced phytonutrient content;
4 "(B) safety;
5 "(C) quality;
6 "(D) yield;
7 "(E) taste;
8 "(F) shelf life;
9 "(G) policy and marketing; and
10 "(H) specialty crop pollination;
11 "(2) efforts to identify and address threats
12 from invasive species;
13 "(3) efforts to improve agricultural production
14 by developing more technologically efficient and ef-
15 fective applications of water, nutrients, and pes-
16 ticides;
17 "(4) new innovations and technology, such as
18 enhancing mechanization and reducing reliance on
19 labor; and
20 "(5) production efficiency, productivity, profit-
21 ability and marketing.
22 "(c) ELIGIBLE ENTITIES.—The Secretary may carry
23 out the Initiative through—
24 "(1) Federal agencies;
25 "(2) national laboratories;

1 ''(3) colleges and universities;
2 ''(4) research institutions and organizations;
3 ''(5) private organizations or corporations;
4 ''(6) State agricultural experiment stations; and
5 ''(7) individuals.
6 ''(d) RESEARCH PROJECTS.—In carrying out this
7 section, the Secretary shall award grants on a competitive
8 basis.
9 ''(e) ADMINISTRATION.—
10 ''(1) IN GENERAL.—For grants awarded under
11 subsection (d) the Secretary shall—
12 ''(A) seek and accept proposals for grants;
13 ''(B) determine the relevance and merit of
14 proposals through a system of peer review in
15 accordance with section 103; and
16 ''(C) award grants on the basis of merit,
17 quality, and relevance.
18 ''(2) TERM.—A grant under this section shall
19 have a term that does not exceed 5 years.
20 ''(3) OTHER CONDITIONS.—The Secretary may
21 set such other conditions on the award of a grant
22 under this section as the Secretary determines ap-
23 propriate.
24 ''(f) BUILDINGS AND FACILITIES.—Funds made
25 available under this section shall not be used for the con-

1 struction of a new building or facility or the acquisition,
2 expansion remodeling, or alteration of an existing building
3 or facility (including site grading and improvement and
4 architect fees).

5 ''(g) FUNDING.—There is authorized to be appro-
6 priated $100,000,000 for each of fiscal years 2008
7 through 2012 to carry out this section.

8 ''(h) ADDITIONAL FUNDING.—In addition to funds
9 made available under subsection (g), of the funds of the
10 Commodity Credit Corporation, the Secretary shall make
11 available to carry out this section a total of $215,000,000
12 for fiscal years 2008 through 2012.''.

13 (b) COORDINATION.— In carrying out this section,
14 the Secretary shall ensure that the Director of the applica-
15 ble Program Office established under section 7104(a) co-
16 ordinates projects and activities carried out under this sec-
17 tion to ensure, to the maximum extent practicable, that
18 duplication of effort is eliminated or minimized.

19 **SEC. 7412. OFFICE OF PEST MANAGEMENT POLICY.**

20 Section 614(f) of the Agricultural Research, Exten-
21 sion, and Education Reform Act of 1998 (7 U.S.C.
22 7653(f)) is amended by striking ''2007'' and inserting
23 ''2012''.

Subtitle E—Other Laws

SEC. 7501. CRITICAL AGRICULTURAL MATERIALS ACT.

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7502. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.

(a) ENDOWMENT FOR 1994 INSTITUTIONS.—Section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended in the first sentence by striking ''2007'' and inserting ''2012''.

(b) INSTITUTIONAL CAPACITY BUILDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking ''2007'' each place it appears and inserting ''2012''.

(c) RESEARCH GRANTS.—Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended in the first sentence by striking ''2007'' and inserting ''2012''.

SEC. 7503. AGRICULTURAL EXPERIMENT STATION RESEARCH FACILITIES ACT.

Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7504. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT AMENDMENTS OF 1985.

Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1556) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7505. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANT ACT (NATIONAL RESEARCH INITIATIVE).

Section 2 of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) is amended—

(1) in subsection (b)(10), by striking ''2007'' and inserting ''2012''; and

(2) by striking subsection (g).

SEC. 7506. AGRICULTURAL RISK PROTECTION ACT OF 2000 (CARBON CYCLE RESEARCH).

Section 221(g) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 6711(g)) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7507. RENEWABLE RESOURCES EXTENSION ACT OF 1978.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended by striking ''2007'' and inserting ''2012''.

(b) TERMINATION DATE.—Section 8 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 note; Public Law 95–306) is amended by striking ''2007'' and inserting ''2012''.

SEC. 7508. NATIONAL AQUACULTURE ACT OF 1980.

Section 10 of the National Aquaculture Act of 1980 (16 U.S.C. 2809) is amended by striking ''2007'' each place it appears and inserting ''2012''.

SEC. 7509. CONSTRUCTION OF A CHINESE GARDEN AT THE NATIONAL ARBORETUM.

The Act of March 4, 1927 (20 U.S.C. 191 et seq.), is amended by adding at the end the following:

''SEC. 197. CONSTRUCTION OF A CHINESE GARDEN AT THE NATIONAL ARBORETUM.

''A Chinese Garden may be constructed at the National Arboretum established under this Act with—

''(1) funds accepted under the provisions of section 195 (20 U.S.C. 195);

''(2) authorities provided to the Secretary of Agriculture under section 196 (20 U.S.C. 196); and

"(3) appropriations provided for this purpose.".

SEC. 7510. PUBLIC EDUCATION REGARDING USE OF BIOTECHNOLOGY IN PRODUCING FOOD FOR HUMAN CONSUMPTION.

Section 10802(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5921a(b))is amended by striking "2007" and inserting "2012".

SEC. 7511. FRESH CUT PRODUCE SAFETY GRANTS.

(a) IN GENERAL.—The Secretary may award competitive research and extension grants to eligible entities to enable such entities to design, implement, and evaluate innovative, cost-effective programs to improve and enhance the safety of fresh cut produce.

(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a) an entity shall—

(1) be a university, college, or other entity designated by the Secretary; and

(2) have developed partnerships with producers of fresh cut produce.

(c) USE OF FUNDS.—An entity shall use funds received under a grant under this section to—

(1) improve sanitation and food safety practices in the processing of fresh cut produce;

(2) develop improved techniques to monitor and inspect fresh cut produce;

(3) develop efficient, rapid and sensitive methods to detect contaminants in fresh cut produce;

(4) determine the sources of contamination in fresh cut produce;

(5) develop methods to reduce or destroy harmful pathogens before, during, and after processing of fresh cut produce; and

(6) conduct other research as determined appropriate by the Secretary.

(d) MATCHING FUNDS REQUIRED.—The Secretary shall require the recipient of a grant under this section to provide funds or in-kind support from non-Federal sources in an amount at least equal to the amount provided by the Federal Government.

(e) COORDINATION.—In carrying out this section, the Secretary shall ensure that the Director of the applicable Program Office established under section 7104(a) coordinates projects and activities carried out under this section to ensure, to the maximum extent practicable, that duplication of effort is eliminated or minimized.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.

(g) ADDITIONAL FUNDING.—In addition to funds made available under subsection (f), of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section a total of $25,000,000 for fiscal years 2008 through 2012.

SEC. 7512. UDC/EFNEP ELIGIBILITY.

Section 208 of the District of Columbia Public Post-secondary Education Reorganization Act (Public Law 93–471) is amended—

(1) in subsection (b)(2), by striking ", except" and all that follows through the period and inserting a period;

(2) in subsection (c), by striking "section 3" each place it appears and inserting "section 3(c)"; and

(3) in subsection (c), by striking "such sums may be used to pay" and all that follows through "work.".

SEC. 7513. HATCH ACT OF 1987.

Section 3(d)(4) of the Hatch Act of 1887 (7 U.S.C. 351c(d)(4)) is amended—

(1) in the paragraph heading, by inserting "AND THE DISTRICT OF COLUMBIA" after "AREAS";

(2) in subparagraph (A), by inserting " and the District of Columbia" after "United States";

(3) in subparagraph (A), by inserting ''and the District of Columbia'' after ''respectively,''; and

(4) in subparagraph (B), by inserting ''or the District of Columbia'' after ''area''.

Subtitle F—Additional Provisions

SEC. 7601. MERIT REVIEW OF EXTENSION AND EDUCATIONAL GRANTS.

Section 103 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7613) is amended in subsection (a)(2)(A), by striking ''Cooperative State Research, Education, and Extension Service of the Department'' and inserting ''the National Institute for Food and Agriculture.''.

SEC. 7602. REVIEW OF PLAN OF WORK REQUIREMENTS.

(a) REVIEW.—The Secretary shall work with university partners in extension and research to review and identify measures to streamline the submission, reporting under, and implementation of plan of work requirements including those under—

(1) section 1444(d) and 1445(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(d) and 3222(c), respectively);

(2) section 7 of the Hatch Act of 1887 (7 U.S.C. 361g); and

(3) section 4 of the Smith-Lever Act (7 U.S.C. 344).

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall provide to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report regarding the review carried out under subsection (a). The report shall include recommendations—

(1) to reduce the administrative burden and workload upon institutions associated with plan of work compliance while meeting Department reporting needs for inputs, outputs, and outcome indicators;

(2) to streamline the submission and reporting requirements of the plan of work such that it is of practical utility to both the department and the institution; and

(3) for any legislative changes necessary to carry out the plan of work improvements.

(c) CONSULTATION.—In carrying out the review and formulating and compiling the recommendations, the Secretary shall consult with the land grant institutions.

SEC. 7603. MULTISTATE AND INTEGRATION FUNDING.

(a) FUNDS EXPENDED ON INTEGRATION OF RESEARCH AND EXTENSION.—Section 3 of the Hatch Act of 1887 (7 U.S.C. 361c) is amended—

(1) in subsection (i)(2)(B), by striking ''the lesser of'' and inserting ''25 percent''; and

(2) by striking clauses (i) and (ii).

(b) FUNDS EXPENDED ON MULTISTATE COOPERATIVE EXTENSION ACTIVITIES.—Section 3 of the Smith Lever Act (7 U.S.C. 343) is amended—

(1) in subsection (h)(2)(B), by striking ''the lesser of'' and inserting ''25 percent''; and

(2) by striking clauses (i) and (ii).

SEC. 7604. EXPANDED FOOD AND NUTRITION EDUCATION PROGRAM.

(a) FUNDING TO 1862, 1890, AND INSULAR AREA INSTITUTIONS.—Section 1425(c)(2)(B) of the National Agriculture Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(2)(B)) is amended—

(1) in the prefatory material, by striking ''among the States'';

(2) by striking clause (i) and inserting the following:

''(i) $100,000 shall be distributed to each of the land grant colleges and universities;'';

(3) by redesignating clause (ii) as clause (iii);

(4) by inserting after clause (i) the following:

"(ii) subject to subsection (d), of the remainder, 10 percent in fiscal year 2008, 11 percent in fiscal year 2009, 12 percent in fiscal year 2010, 13 percent in fiscal year 2011, 14 percent in fiscal year 2012, and 15 percent in fiscal year 2013 and each fiscal year thereafter, shall be allocated to each 1890 Institution (as defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998) in an amount that bears the same ratio to the total amount to be allocated under this clause as the population of the State living at or below 125 percent of the income poverty guidelines prescribed by the Office of Management and Budget (adjusted pursuant to section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902)), bears to the total population of all the States that have 1890 Institutions living at or below 125 percent of the income poverty guidelines, as determined by the last preceding decennial cen-

sus at the time each such additional amount is first appropriated: *Provided*, That the total allocated under this clause shall not exceed: (I) the amount of the funds appropriated for the conduct of the expanded food and nutrition education program for the fiscal year that are in excess of the amount appropriated for the conduct of the program for the fiscal year ending September 30, 2007, reduced by (II) any amounts expended pursuant to any adjustment under subsection (d); and''; and

(5) by amending clause (iii), as redesignated—

(A) by striking ''allocated to each State'' and inserting ''allocated to the institution eligible to receive funds under the Act of July 2, 1862 (and including the appropriate insular area institution) in each State (and the University of the District of Columbia, notwithstanding section 208(c) of Public Law 93–471)''; and

(B) by striking ''subparagraph.'' and inserting ''subparagraph: *Provided*, That the total allocated under this clause to the University of

the District of Columbia shall not exceed: (I) the amount described in the proviso to clause (ii), reduced further by (II) the amount allocated under clause (ii).''.

(b) AUTHORIZATION.—Section 1425(c)(3) of the National Agriculture Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking ''$83,000,000 for each of fiscal years 1996 though 2007'' and inserting ''$90,000,000 for each of fiscal years 2008 through 2014''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2007.

SEC. 7605. GRANTS TO 1890 SCHOOLS TO EXPAND EXTENSION CAPACITY.

Section 1417(b)(4) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(b)(4)) is amended by striking ''teaching and research'' and inserting ''teaching, research, and extension''.

SEC. 7606. BORLAUG INTERNATIONAL AGRICULTURAL SCIENCE AND TECHNOLOGY FELLOWSHIP PROGRAM.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Agriculture shall establish a fellowship program to be known as

the "Borlaug International Agricultural Science and Technology Fellowship Program," to provide fellowships for scientific training to individuals from eligible countries (as described under subsection (b)) who specialize in agricultural education, research, and extension for study in the United States.

(2) PROGRAMS.—The Secretary shall carry out the program established under paragraph (1) through 3 programs designed to assist individual fellowship recipients as follows:

(A) A Graduate Studies Program in Agriculture to assist individuals who participate in graduate agricultural degree training at a United States institution.

(B) An Individual Career Improvement Program to assist agricultural scientists from developing countries to upgrade skills and understanding in agricultural science and technology.

(C) The Borlaug Agricultural Policy Executive Leadership Course to assist senior agricultural policy makers from eligible countries with an initial focus on sub-Saharan Africa and from the newly independent states of the former Soviet Union.

(b) ELIGIBLE COUNTRIES.—Developing countries, as determined by the Secretary using a gross national income per capita test, shall be eligible to participate in the program established under this section.

(c) PURPOSE OF FELLOWSHIPS.—Fellowships under this section shall promote food security and economic growth in eligible countries by educating a new generation of agricultural scientists, increasing scientific knowledge and collaborative research to improve agricultural productivity, and extending this knowledge to users and their intermediaries in the market place. Fellowships shall support—

(1) training and collaborative research opportunities through exchanges for entry-level international agricultural research scientists, faculty, and policymakers from eligible countries;

(2) collaborative research to improve agricultural productivity;

(3) the transfer of new science and agricultural technologies to strengthen agricultural practice; and

(4) the reduction of barriers to technology adoption.

(d) FELLOWSHIP RECIPIENTS.—

(1) ELIGIBLE CANDIDATES.—The Secretary may provide fellowships under the program author-

ized by this section to individuals from eligible countries who specialize in or have experience in agricultural education, research, extension, or related fields, including individuals from the public and private sectors, and private agricultural producers.

(2) CANDIDATE IDENTIFICATION.—The Secretary shall utilize the expertise of United States land-grant and similar universities, international organizations working in agricultural research and outreach, and national agricultural research organizations to help identify program candidates for fellowships under this section from both the public and private sectors of eligible countries.

(e) USE OF FELLOWSHIPS.—Fellowships shall promote collaborative programs between agricultural professionals of eligible countries with those of the United States and the international agricultural research system and, as appropriate, with United States entities conducting research. They will be used to support fellowship recipients through the Graduate Studies Program in Agriculture established under subsection (a)(2)(A).

(f) PROGRAM IMPLEMENTATION.—The Secretary shall provide for the management, coordination, evaluation and monitoring of the overall Borlaug International Agricultural Science and Technology Fellowship Program and

for the individual programs described in subsection (a)(2), except that the Secretary may contract out to one or more collaborating universities the management of one or more of the fellowship programs.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to carry out the program established under this section.

SEC. 7607. COST RECOVERY.

Section 1473A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319a) is amended by striking ''not exceeding 10 percent of the direct cost'' and inserting ''not exceeding 19 percent of the direct cost''.

SEC. 7608. ORGANIC FOOD AND AGRICULTURAL SYSTEMS FUNDING.

It is the sense of Congress that the Secretary of Agriculture should use a share of Agricultural Research Service's total annual funding for research specific to organic food and agricultural systems that is at least commensurate with the organic sector's market, in order to facilitate the development of this growing sector. A portion of these funds should be used to disseminate research results through the National Agriculture Library's Alternative Farming Systems Information Center.

TITLE VIII—FORESTRY

Subtitle A—Cooperative Forestry Assistance Act of 1978

Sec. 8001. National priorities for private forest conservation.
Sec. 8002. Long-term, State-wide assessments and strategies for forest resources.
Sec. 8003. Assistance to the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.
Sec. 8004. Changes to Forest Resource Coordinating Committee.
Sec. 8005. Changes to State Forest Stewardship Coordinating Committees.
Sec. 8006. Competition in programs under Cooperative Forestry Assistance Act of 1978.
Sec. 8007. Cooperative forest innovation partnership projects.

Subtitle B—Amendments to Other Laws

Sec. 8101. Healthy forest reserve program.
Sec. 8102. Emergency forest restoration program.
Sec. 8103. Office of International Forestry.
Sec. 8104. Rural revitalization technologies.

Subtitle C—Miscellaneous Provisions

Sec. 8201. Hispanic-serving institution agricultural land national resources leadership program.

Subtitle A—Cooperative Forestry Assistance Act of 1978

SEC. 8001. NATIONAL PRIORITIES FOR PRIVATE FOREST CONSERVATION.

Section 2 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101) is amended—

(1) by redesignating subsections (c) and (d) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (b) the following new subsections:

''(c) PRIORITIES.—In allocating funds appropriated or otherwise made available under this Act, the Secretary shall focus on the following national private forest con-

servation priorities, notwithstanding other priorities specified elsewhere in this Act:

"(1) Conserving and managing working forest landscapes for multiple values and uses.

"(2) Protecting forests from threats, including wildfire, hurricane, tornado, windstorm, snow or ice storm, flooding, drought, invasive species, or insect or disease outbreak, and restoring appropriate forest types in response to such threats.

"(3) Enhancing public benefits from private forests, including air and water quality, soil conservation, biological diversity, carbon storage, forest products, forestry-related jobs, production of renewable energy, wildlife and wildlife habitat, and recreation.

"(d) REPORTING REQUIREMENT.—Not later than September 30, 2011, the Secretary shall submit to Congress a report describing how funding was used under this Act and through other programs administered by the Secretary to address the national priorities specified in subsection (c) and the outcomes achieved in meeting the national priorities.".

SEC. 8002. LONG-TERM, STATE-WIDE ASSESSMENTS AND STRATEGIES FOR FOREST RESOURCES.

The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 2 (16 U.S.C. 2101) the following new section:

"SEC. 2A. STATE-WIDE ASSESSMENT AND STRATEGIES FOR FOREST RESOURCES.

"(a) ASSESSMENT AND STRATEGIES FOR FOREST RESOURCES.—For a State to be eligible to receive funds under the authorities of this Act, the State forester of the State or equivalent State official shall develop and submit to the Secretary, not later than two years after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007, the following:

"(1) A State-wide assessment of forest resource conditions, including—

"(A) the conditions and trends of forest resources in that State;

"(B) the threats to forest lands and resources in that State consistent with the national priorities specified in section 2(c);

"(C) any areas or regions of that State that are of priority; and

"(D) any areas, known as multi-State areas, that are of priority to more than just that State.

"(2) A State-wide forest resource strategy, including—

"(A) strategies for addressing threats to forest resources in the State outlined in the assessment required by paragraph (1); and

"(B) a description of the resources available to the State forester or equivalent State official from all sources to address the State-wide strategy required by subparagraph (A).

"(b) UPDATING.—The State forester or equivalent State official shall submit the State-wide strategy required by subsection (a)(2) on an annual basis. The State-wide assessment of forest resource conditions required by subsection (a)(1) shall be updated as the Secretary or State Forester or equivalent State official determines to be necessary.

"(c) COORDINATION.—In developing the State-wide assessment and annual strategy under subsection (a), the State forester or equivalent State official shall coordinate with—

"(1) the State Forest Stewardship Coordinating Committee established for the State under section 19(b);

"(2) the State wildlife agency to incorporate any overlapping priorities included in State wildlife action plans; and

"(3) the State Technical Committee.

"(d) FUNDING.—Of the funds available under this Act for a fiscal year, the Secretary may not use more than $10,000,000 to implement this section for that fiscal year. Use of funds for implementing this section shall be consistent with the original authorities for such funds.".

SEC. 8003. ASSISTANCE TO THE FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF THE MARSHALL ISLANDS, AND THE REPUBLIC OF PALAU.

Section 13(d)(1) of the Cooperative Forestry Act of 1978 (16 U.S.C. 2109(d)(1)) is amended by striking "the Trust Territory of the Pacific Islands," and inserting "the Federated States of Micronesia, the Republic of the Marshall Islands, the Republic of Palau,".

SEC. 8004. CHANGES TO FOREST RESOURCE COORDINATING COMMITTEE.

Section 19 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2113) is amended by striking subsection (a) and inserting the following new subsection:

"(a) FOREST RESOURCE COORDINATING COMMITTEE.—

"(1) ESTABLISHMENT.—The Secretary shall establish a committee, to be known as the 'Forest Resource Coordinating Committee' (in this section referred to as the 'Coordinating Committee'), to coordinate private non-industrial forestry activities within the Department of Agriculture and with the private sector.

"(2) COMPOSITION.—The Coordinating Committee shall be composed of the following:

"(A) The Chief of the Forest Service.

"(B) The Chief of the Natural Resources Conservation Service.

"(C) The Director of the Farm Service Agency.

"(D) The Administrator of the Cooperative State Research, Education, and Extension Service.

"(E) Non-Federal representatives appointed by the Secretary to 3 year terms, although initial appointees shall have staggered terms, including the following persons:

"(i) At least three State foresters or equivalent State officials from geographically diverse regions of the United States.

"(ii) A representative of a State fish and wildlife agency.

"(iii) A private non-industrial forest landowner.

"(iv) A forest industry representative.

"(v) A conservation organization representative.

"(vi) A land-grant university or college representative.

"(vii) A private forestry consultant.

"(viii) A representative from a State Technical Committee established under section 1261 of the Food Security Act of 1985 (16 U.S.C. 3861).

"(ix) Such other persons as determined by the Secretary to be appropriate.

"(3) CHAIRPERSON.—The Chief of the Forest Service shall serve as chairperson of the Coordinating Committee.

"(4) DUTIES.—The Coordinating Committee shall—

"(A) provide direction and coordination of actions within the Department of Agriculture, and coordination with State agencies and the private sector, to effectively address the na-

tional priorities specified in section 2(c), with specific focus on private non-industrial forest landowners;

"(B) clarify individual agency responsibilities of each agency represented on the Coordinating Committee concerning the national priorities specified in section 2(c), with specific focus on private non-industrial forested land;

"(C) provide advice on the allocation of funds, including the competitive funds set-aside by sections 8006 and 8007 of the Farm, Nutrition, and Bioenergy Act of 2007; and

"(D) assist the Secretary in developing and reviewing the report required by section 2(d).

"(5) MEETING.—The Coordinating Committee shall meet biannually to discuss progress in addressing the national priorities specified in section 2(c) and issues regarding non-industrial private forest land.

"(6) COMPENSATION.—

"(A) FEDERAL MEMBERS.—Members of the Coordinating Committee who are full-time officers or employees of the United States shall receive no additional pay, allowances, or benefits by reason of their service on the Committee.

"(B) NON-FEDERAL MEMBERS.—Non-federal members of the Coordinating Committee shall serve without pay, but may be reimbursed for reasonable costs incurred while performing their duties on behalf of the Committee.".

SEC. 8005. CHANGES TO STATE FOREST STEWARDSHIP COORDINATING COMMITTEES.

Section 19(b) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2113(b)) is amended—

(1) in paragraph (1)(B)(ii)—

(A) by striking "and" at the end of subclause (VII); and

(B) by adding at the end the following new subclause:

"(IX) the State Technical Committee.".

(2) in paragraph (2)(C), by striking "a Forest Stewardship Plan under paragraph (3)" and inserting "the State-wide assessment and strategy regarding forest resource conditions under section 2A";

(3) by striking paragraphs (3) and (4); and

(4) by redesignating paragraphs (5) and (6) as paragraphs (3) and (4), respectively.

SEC. 8006. COMPETITION IN PROGRAMS UNDER COOPERATIVE FORESTRY ASSISTANCE ACT OF 1978.

(a) COMPETITION.—Beginning not later than 3 years after the date of the enactment of this Act, the Secretary of Agriculture shall competitively allocate a portion, to be determined by the Secretary, of the funds available under the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et seq.) to State foresters or equivalent State officials.

(b) DETERMINATION.—In determining the competitive allocation of funds under subsection (a), the Secretary shall consult with the Forest Resource Coordinating Committee established by section 19(a) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2113(a)).

(c) PRIORITY.—The Secretary shall give priority for funding to States for which the strategies submitted under section 2A(a)(2) of the Cooperative Forestry Assistance Act of 1978 will best promote the national priorities specified in section 2(c) of such Act.

SEC. 8007. COOPERATIVE FOREST INNOVATION PARTNERSHIP PROJECTS.

(a) COOPERATIVE FOREST INNOVATION PARTNERSHIP PROJECTS.—The Secretary of Agriculture may competitively allocate not more than 5 percent of funding available under the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et seq.) to support innovative

national, regional, or local education, outreach, or technology transfer projects that the Secretary determines would substantially increase the ability of the Department of Agriculture to address the national priorities specified in section 2(c) of such Act.

(b) ELIGIBILITY.—Notwithstanding the eligibility limitations contained within the Cooperative Forestry Assistance Act of 1978, any State or local government, Indian tribe, land-grant college or university, or private entity shall be eligible for funds under subsection (a).

(c) COST-SHARE REQUIREMENT.—In carrying out subsection (a), the Secretary shall not cover more than 50 percent of the total cost of a project under such subsection. In calculating the total cost of a project and contributions made with regard to the project, the Secretary shall include in-kind contributions.

Subtitle B—Amendments to Other Laws

SEC. 8101. HEALTHY FOREST RESERVE PROGRAM.

Section 508 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6578) is amended to read as follows:

"SEC. 508. FUNDING.

''Notwithstanding any other provision of law, of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this title $10,000,000

for each of fiscal years 2008 through 2012. Such funds shall remain available until expended.''.

SEC. 8102. EMERGENCY FOREST RESTORATION PROGRAM.

(a) ESTABLISHMENT.—Title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201–2205) is amended—

(1) by redesignating sections 404, 405, and 406 as sections 405, 406, and 407, respectively; and

(2) by inserting after section 403 the following new section:

''SEC. 404. EMERGENCY FOREST RESTORATION PROGRAM.

''(a) AVAILABILITY OF ASSISTANCE.—The Secretary of Agriculture is authorized to provide financial and technical assistance to an owner of non-industrial private forest lands to assist with developing and implementing an approved plan in accordance with subsection (c)(2).

''(b) AMOUNT OF ASSISTANCE.—

''(1) COST SHARE.—Payments under subsection (a) may not cover more than 75 percent of the total cost of measures implemented pursuant to an approved plan in accordance with subsection (c)(2).

''(2) ANNUAL LIMIT.—An owner of non-industrial private forest lands may not receive more than $50,000 per year under this section.

''(c) ELIGIBILITY.—To be eligible for assistance under this section, a landowner must—

"(1) have suffered a loss of, or damage to, non-industrial private forest land due to events, including wildfires, hurricanes, drought, windstorms, insect and disease, ice storms, or invasive species, as determined by the Secretary; and

"(2) develop a plan, in cooperation with the Secretary, and agree to implement the plan during the 10-year period beginning on the date of the loss, that—

"(A) provides for reforestation, rehabilitation, and related measures for the non-industrial private forest land;

"(B) restores the land and related natural resources;

"(C) uses best management practices on the forest land, in accordance with the best management practices as determined by the Secretary; and

"(D) incorporates good stewardship and conservation practices on the land, while maintaining the land in a forested state.

"(d) INSECT AND DISEASE THREATS.—Notwithstanding subsection (c)(1), non-industrial private forest lands are eligible under this section if the Secretary determines that the lands are under an imminent threat of loss

or damage by insect or disease and immediate action would help to avoid the loss or damage.

"(e) NON-INDUSTRIAL PRIVATE FOREST LAND DEFINED.—In this section, the term 'non-industrial private forest land' means rural lands, as determined by the Secretary, that—

"(1) have existing tree cover or had tree cover within the preceding 10 years; and

"(2) are owned by any non-industrial private individual, group, association, corporation, Indian tribe, or other private legal entity so long as the individual, group, association, corporation, tribe, or entity has definitive decision-making authority over the lands.".

(b) REGULATIONS.—Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture shall issue regulations to carry out section 404 of the Agricultural Credit Act of 1978, as added by subsection (a).

SEC. 8103. OFFICE OF INTERNATIONAL FORESTRY.

Section 2405(d) of the Global Climate Change Prevention Act of 1990 (7 U.S.C. 6704(d)) is amended by striking "2007" and inserting "2012".

SEC. 8104. RURAL REVITALIZATION TECHNOLOGIES.

Section 2371(d)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6601(d)(2)) is amended by striking ''2004 through 2008'' and inserting ''2008 through 2012''.

Subtitle C—Miscellaneous Provisions

SEC. 8201. HISPANIC-SERVING INSTITUTION AGRICULTURAL LAND NATIONAL RESOURCES LEADERSHIP PROGRAM.

(a) GRANT AUTHORITY.—The Secretary of Agriculture may make grants, on a competitive basis, to Hispanic-serving institutions for the purpose of establishing an undergraduate scholarship program to assist in the recruitment, retention, and training of Hispanics and other under-represented groups in forestry and related fields.

(b) USE OF GRANT FUNDS.—Grants made under this section shall be used to recruit, retain, train, and develop professionals to work in forestry and related fields with Federal agencies, such as the Forest Service, State agencies, and private-sector entities.

(c) DEFINITION OF HISPANIC-SERVING INSTITUTION.—In this section, the term ''Hispanic-serving institution'' has the meaning given that term in section 502(a)(5) of the Higher Education Act of 1965 (20 U.S.C. 1101a(a)(5)).

1 (d) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to the Secretary for
3 each of fiscal years 2008 through 2012 such sums as may
4 be necessary to carry out this section.

5 # TITLE IX—ENERGY

Sec. 9001. Table of contents.
Sec. 9002. Federal procurement of biobased products.
Sec. 9003. Loan guarantees for biorefineries and biofuel production plants.
Sec. 9004. Energy audit and renewable energy development program.
Sec. 9005. Renewable energy systems and energy efficiency improvements.
Sec. 9006. Biomass Research and Development Act of 2000.
Sec. 9007. Adjustments to the bioenergy program.
Sec. 9008. Research, extension, and educational programs on biobased energy technologies and products.
Sec. 9009. Energy Council of the Department of Agriculture.
Sec. 9010. Farm energy production pilot program.
Sec. 9011. Rural energy self-sufficiency initiative.
Sec. 9012. Agricultural biofuels from biomass internship pilot program.
Sec. 9013. Feedstock flexibility program for bioenergy producers.
Sec. 9014. Biomass inventory report.
Sec. 9015. Future farmsteads program.
Sec. 9016. Sense of Congress on renewable energy.

6 **SEC. 9001. TABLE OF CONTENTS.**

7 Title IX of the Farm Security and Rural Investment
8 Act of 2002 (7 U.S.C. 8101 et seq.) is amended by insert-
9 ing before section 9001 the following new section:

10 **"SEC. 9000. TABLE OF CONTENTS.**

11 "The table of contents of this title is as follows:

"TITLE IX—ENERGY

"Sec. 9000. Short title; table of contents.
"Sec. 9001. Definitions.
"Sec. 9002. Federal procurement of biobased products.
"Sec. 9003. Biorefinery development grants.
"Sec. 9004. Biodiesel fuel education program.
"Sec. 9005. Energy audit and renewable energy development program.
"Sec. 9006. Rural energy for America program.
"Sec. 9007. Hydrogen and fuel cell technologies.
"Sec. 9008. Biomass Research and Development Act of 2000.
"Sec. 9009. Cooperative research and extension projects.
"Sec. 9010. Continuation of bioenergy program.

"Sec. 9011. Research, extension, and educational programs on biobased energy technologies and products.
"Sec. 9012. Energy Council of the Department of Agriculture.
"Sec. 9013. Farm energy production pilot program.
"Sec. 9014. Rural energy self-sufficiency initiative.
"Sec. 9015. Agricultural Biofuels from Biomass Internship Pilot Program.
"Sec. 9016. Feedstock flexibility program for bioenergy producers.".

SEC. 9002. FEDERAL PROCUREMENT OF BIOBASED PRODUCTS.

(a) COMPOSITION OF BIOBASED PRODUCTS.—Section 9002(c)(1) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102(c)(1)) is amended by inserting ", composed of at least five percent of intermediate ingredients and feedstocks (such as biopolymers, methyl soyate, and soy polyols) as designated by the Secretary," after "highest percentage of biobased products practicable".

(b) PROCUREMENT GUIDELINE CONSIDERATIONS.—Section 9002(e)(2)(B) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102(e)(2)(B)) is amended by striking "life cycle costs" and inserting "information on life cycle costs if such information is appropriate and available".

(c) LABELING REQUIREMENTS AND REVISED DEADLINE.—Section 9002(h) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102(h)) is amended—

(1) in paragraph (2)—

(A) by striking "Within one year after the date of enactment of this Act" and inserting

"Not later than 90 days after the date of enactment of the (Farm, Nutrition, and Bioenergy Act of 2007),"; and

(B) by adding at the end the following: "Criteria shall be issued for finished products and intermediate ingredients and feedstocks.";

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and inserting after paragraph (2) the following:

"(3) CONSULTATION.—In developing the eligibility criteria for the labeling program under this section, the Secretary shall consult with other Federal agencies and with non-governmental groups with an interest in biobased products including small and large producers of biobased materials and products, industry, trade organizations, academia, consumer organizations, and environmental organizations.".

(d) AUTHORIZATION OF APPROPRIATIONS.—Paragraph (1) of section 9002(k) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102(k)) is amended to read as follows:

"(1) AUTHORIZATION OF APPROPRIATIONS.—

"(A) FEDERAL PROCUREMENT.—There are authorized to be appropriated $1,000,000

for each of fiscal years 2008 through 2013 to implement the provisions of this section other than subsection (h).

"(B) LABELING.—There are authorized to be appropriated $1,000,000 for each of fiscal years 2008 through 2013 to implement subsection (h) of this section.".

(e) REPORT REQUIREMENTS.—

(1) REPORT BY AGENCIES TO ADMINISTRATOR FOR FEDERAL PROCUREMENT POLICY.—Subsection (f) of section 9002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102) is amended—

(A) by striking "The Office of" and inserting "(1) The Administrator for"; and

(B) by adding at the end the following new paragraph:

"(2) To assist the Administrator for Federal Procurement Policy in preparing the report to Congress required under paragraph (1), each procuring agency each year shall submit to the Administrator a report covering the following:

"(A) Actions taken to implement subsections (c), (d), and (g) of this section.

"(B) The results of the annual review and monitoring program established under subsection (g)(2)(C).

"(C) The number of contracts entered into by the agency during the year covered by the report that include the procurement of biobased products.

"(D) A list of the biobased products procured by the agency during the year covered by the report.".

(2) REPORT BY SECRETARY TO CONGRESS ON IMPLEMENTATION OF SECTION.—Section 9002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102) is amended by adding at the end the following new subsection:

"(l) REPORT BY SECRETARY TO CONGRESS ON IMPLEMENTATION OF SECTION.—Not later than six months after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007, and each year thereafter, the Secretary shall submit to Congress a report on the implementation of this section. The report shall include the following:

"(1) A comprehensive management plan defining tasks, milestones, and funding allocations for fully implementing this section.

"(2) A list of items designated under subsection (e)(1)(A) whose procurement will carry out the objectives of this section, with associated cost and performance data.

"(3) Information on the current status of implementation of the procurement preference under this section, including the procurement program of each Federal agency under subsection (g), and the voluntary labeling program under subsection (h).".

(f) REPEAL OF SUBSECTION.—Subsection (b) of section 9002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102(b)) is hereby repealed.

SEC. 9003. LOAN GUARANTEES FOR BIOREFINERIES AND BIOFUEL PRODUCTION PLANTS.

Section 9003 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103) is amended—

(1) in the section heading, by inserting "**; LOAN GUARANTEES FOR BIOREFINERIES AND BIOFUEL PRODUCTION PLANTS**" after "**GRANTS**";

(2) in subsection (b)(2)(A), by striking "and" the 1st place it appears and inserting "or";

(3) in subsection (c), by redesignating subsection (h) as subsection (j) and subsections (d) through (g) as subsections (e) through (h), respec-

tively, and inserting after subsection (c) the following:

"(d) LOAN GUARANTEES.—

"(1) IN GENERAL.—The Secretary shall make loan guarantees to eligible entities to assist in paying the cost of development and construction of biorefineries and biofuel production plants (including retrofitting) to carry out projects to demonstrate the commercial viability of 1 or more processes for converting biomass to fuels or chemicals.

"(2) LIMITATIONS.—

"(A) MAXIMUM PERCENTAGE OF LOAN GUARANTEED.—A loan guarantee under paragraph (1) shall be for not more than 90 percent of the principal and interest due on the loan.

"(B) TOTAL AMOUNTS GUARANTEED.—The total amount of principal and interest guaranteed under paragraph (1) shall not exceed—

"(i) $1,000,000,000, in the case of loans valued at not more than $100,000,000; or

"(ii) $1,000,000,000, in the case of loans valued at more than $100,000,000 but not more than $250,000,000.

"(C) MAXIMUM TERM OF LOAN GUARANTEED.—The Secretary shall determine the maximum term of a loan guarantee provided under paragraph (1).";

(4) in subsection (f) (as so redesignated)—

(A) in paragraph (2)(B)—

(i) by striking "and" at the end of clause (viii);

(ii) by striking the period at the end of clause (ix) and inserting "; and"; and

(iii) by adding at the end the following:

"(x) The level of local ownership."; and

(B) by adding at the end the following:

"(3) PRIORITY IN AWARDING LOAN GUARANTEES.—In selecting projects to receive loan guarantees under subsection (d), the Secretary shall give priority to projects based on the criteria set forth in paragraph (2)(B) of this subsection."; and

(5) by inserting after subsection (h) the following new subsection:

"(i) CONDITION OF PROVISION OF ASSISTANCE.—As a condition of receiving a grant or loan guarantee under this section, the eligible entity shall ensure that all labor-

ers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with the grant or loan guarantee, as the case may be, shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with sections 3141 through 3144, 3146, and 3147 of title 40, United States Code. The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 Fed. Reg. 3176; 64 Stat. 1267) and section 3145 of such title.'';

(6) in subsection (j) (as so redesignated), by striking ''2007'' and inserting ''2012''; and

(7) by adding at the end the following new subsection:

''(k) ADDITIONAL FUNDING FOR LOAN GUARANTEES.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section—

''(1) $75,000,000 for fiscal year 2008;

''(2) $100,000,000 for fiscal year 2009;

''(3) $125,000,000 for fiscal year 2010;

''(4) $200,000,000 for fiscal year 2011; and

''(5) $300,000,000 for fiscal year 2012.''.

(8) in paragraph (2)(B) of subsection (f) (as so redesignated)—

(A) in clause (viii), by striking ''and'' at the end;

(B) in clause ix, by striking ''approaches.'' and inserting ''approaches; and''; and

(C) by adding at the end the following new clause:

''(x) whether the impact the distribution of funds would have on existing manufacturing and other facilities that utilize similar feedstocks would be minimal.''.

SEC. 9004. ENERGY AUDIT AND RENEWABLE ENERGY DEVELOPMENT PROGRAM.

Section 9005(i) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8105) is amended by striking ''2007'' and inserting ''2012''.

SEC. 9005. RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY IMPROVEMENTS.

Section 9006 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106) is amended—

(1) by striking the section heading and inserting the following:

''SEC. 9006. RURAL ENERGY FOR AMERICA PROGRAM.'';

(2) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting ", other agricultural producer" after "rancher";

(B) in paragraph (1), by striking "and" at the end;

(C) in paragraph (2), by striking the period and inserting "; and"; and

(D) by adding at the end the following new paragraph:

"(3) produce and sell electricity generated by new renewable energy systems.";

(3) in subsection (b), by inserting ", other agricultural producer" after "rancher";

(4) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking "50 percent" and inserting "75 percent"; and

(ii) by redesignating subparagraph (B) as subparagraph (C) and inserting after subparagraph (A) the following:

"(B) LOAN GUARANTEES.—

"(i) MAXIMUM AMOUNT.—The amount of a loan guaranteed under this section shall not exceed $25,000,000.

"(ii) MAXIMUM PERCENTAGE.—A loan guaranteed under this section shall not exceed 75 percent of the cost of the activity funded under subsection (a)."; and

(B) by adding at the end the following new paragraph:

"(3) PRIORITIZATION.—The Secretary shall give the greatest priority for grants under subsection (a) to activities for which the least percentage of the total cost of such activities is requested by the farmer, rancher, other agricultural producer, or rural small business.".

(5) by redesignating subsection (e) as subsection (g) and striking subsection (f); and

(6) by inserting after subsection (d) the following new subsections:

"(e) FEASIBILITY STUDIES.—

"(1) IN GENERAL.—The Secretary may provide assistance to a farmer, rancher, other agricultural producer, or rural small business to conduct a feasibility study of a project for which assistance may be provided under this section.

"(2) LIMITATION.—The Secretary shall use not more than 10 percent of the funds made available to

carry out this section to provide assistance described in paragraph (1).

"(3) CRITERIA.—The Secretary shall issue regulations establishing criteria for the receipt of assistance under this subsection.

"(4) AVOIDANCE OF DUPLICATIVE ASSISTANCE.—An farmer, rancher, other agricultural producer, or rural small business that receives assistance to carry out a feasibility study for a project under this subsection shall not be eligible for assistance to carry out a feasibility study for the project under any other provision of law.

"(f) SMALL ACTIVITIES.—

"(1) LIMITATION ON USE OF FUNDS.—The Secretary shall use not less than 15 percent of the funds made available under subsection (h) to provide grants for activities that have a cost of $50,000 or less.

"(2) EXCEPTION.—Beginning on the first day of the third quarter of a fiscal year, the limitation on the use of funds under paragraph (1) shall not apply to funds made available under subsection (h) for such fiscal year.".

(7) by adding at the end the following new subsection:

"(h) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available to carry out this section—

"(1) $50,000,000 for fiscal year 2008;

"(2) $75,000,000 for fiscal year 2009;

"(3) $100,000,000 for fiscal year 2010;

"(4) $125,000,000 for fiscal year 2011; and

"(5) $150,000,000 for fiscal year 2012.".

SEC. 9006. BIOMASS RESEARCH AND DEVELOPMENT ACT OF 2000.

(a) RESTATEMENT OF ACT.—Section 9008 of the Farm Security and Rural Investment Act of 2002 (116 Stat. 486) is amended to read as follows:

"SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT ACT OF 2000.

"(a) SHORT TITLE.—This section may be cited as the 'Biomass Research and Development Act of 2000'.

"(b) FINDINGS.—Congress finds that—

"(1) conversion of biomass into biobased industrial products offers outstanding potential for benefit to the national interest through—

"(A) improved strategic security and balance of payments;

"(B) healthier rural economies;

"(C) improved environmental quality;

"(D) near-zero net greenhouse gas emissions;

"(E) technology export; and

"(F) sustainable resource supply;

"(2) the key technical challenges to be overcome in order for biobased industrial products to be cost-competitive are finding new technology and reducing the cost of technology for converting biomass into desired biobased industrial products;

"(3) biobased fuels have the clear potential to be sustainable, low cost, and high performance fuels that are compatible with both current and future transportation systems and provide near-zero net greenhouse gas emissions;

"(4) biobased chemicals have the clear potential for environmentally benign product life cycles;

"(5) biobased power can—

"(A) provide environmental benefits;

"(B) promote rural economic development; and

"(C) diversify energy resource options;

"(6) many biomass feedstocks suitable for industrial processing show the clear potential for sustainable production, in some cases resulting in improved soil fertility and carbon sequestration;

"(7)(A) grain processing mills are biorefineries that produce a diversity of useful food, chemical, feed, and fuel products; and

"(B) technologies that result in further diversification of the range of value-added biobased industrial products can meet a key need for the grain processing industry;

"(8)(A) cellulosic feedstocks are attractive because of their low cost and widespread availability; and

"(B) research resulting in cost-effective technology to overcome the recalcitrance of cellulosic biomass would allow biorefineries to produce fuels and bulk chemicals on a very large scale, with a commensurately large realization of the benefit described in paragraph (1);

"(9) research into the fundamentals to understand important mechanisms of biomass conversion can be expected to accelerate the application and advancement of biomass processing technology by—

"(A) increasing the confidence and speed with which new technologies can be scaled up; and

"(B) giving rise to processing innovations based on new knowledge;

"(10) the added utility of biobased industrial products developed through improvements in processing technology would encourage the design of feedstocks that would meet future needs more effectively;

"(11) the creation of value-added biobased industrial products would create new jobs in construction, manufacturing, and distribution, as well as new higher-valued exports of products and technology;

"(12)(A) because of the relatively short-term time horizon characteristic of private sector investments, and because many benefits of biomass processing are in the national interest, it is appropriate for the Federal Government to provide precommercial investment in fundamental research and research-driven innovation in the biomass processing area; and

"(B) such an investment would provide a valuable complement to ongoing and past governmental support in the biomass processing area; and

"(13) several prominent studies, including studies by the President's Committee of Advisors on Science and Technology and the National Research Council—

"(A) support the potential for large research-driven advances in technologies for production of biobased industrial products as well as associated benefits; and

"(B) document the need for a focused, integrated, and innovation-driven research effort to provide the appropriate progress in a timely manner.

"(c) DEFINITIONS.—In this section:

"(1) ADVISORY COMMITTEE.—The term 'Advisory Committee' means the Biomass Research and Development Technical Advisory Committee established by this section.

"(2) BIOBASED FUEL.—The term 'biobased fuel' means any transportation or heating fuel produced from biomass.

"(3) BIOBASED PRODUCT.—The term 'biobased product' means an industrial product (including chemicals, materials, and polymers) produced from biomass, or a commercial or industrial product (including animal feed and electric power) derived in connection with the conversion of biomass to fuel.

"(4) BIOMASS.—The term 'biomass' means any organic matter that is available on a renewable or recurring basis, including agricultural crops and

trees, wood and wood wastes and residues, plants (including aquatic plants), grasses, residues, fibers, and animal wastes, municipal wastes, and other waste materials.

"(5) BOARD.—The term 'Board' means the Biomass Research and Development Board established by this section.

"(6) DEMONSTRATION.—The term 'demonstration' means demonstration of technology in a pilot plant or semi-works scale facility.

"(7) INITIATIVE.—The term 'Initiative' means the Biomass Research and Development Initiative established under this section.

"(8) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 102(a) of the Higher Education Act of 1965 (20 U.S.C. 1002(a)).

"(9) NATIONAL LABORATORY.—The term 'National Laboratory' has the meaning given that term in section 2 of the Energy Policy Act of 2005.

"(10) POINT OF CONTACT.—The term 'point of contact' means a point of contact designated under this section.

"(d) COOPERATION AND COORDINATION IN BIOMASS RESEARCH AND DEVELOPMENT.—

"(1) IN GENERAL.—The Secretary of Agriculture and the Secretary of Energy shall cooperate with respect to, and coordinate, policies and procedures that promote research and development leading to the production of biobased fuels and biobased products.

"(2) POINTS OF CONTACT.—

"(A) IN GENERAL.—To coordinate research and development programs and activities relating to biobased fuels and biobased products that are carried out by their respective Departments—

"(i) the Secretary of Agriculture shall designate, as the point of contact for the Department of Agriculture, an officer of the Department of Agriculture appointed by the President to a position in the Department before the date of the designation, by and with the advice and consent of the Senate; and

"(ii) the Secretary of Energy shall designate, as the point of contact for the Department of Energy, an officer of the Department of Energy appointed by the President to a position in the Department

before the date of the designation, by and with the advice and consent of the Senate.

"(B) DUTIES.—The points of contact shall jointly—

"(i) assist in arranging interlaboratory and site-specific supplemental agreements for research and development projects relating to biobased fuels and biobased products;

"(ii) serve as cochairpersons of the Board;

"(iii) administer the Initiative; and

"(iv) respond in writing to each recommendation of the Advisory Committee made under subsection (f).

"(e) BIOMASS RESEARCH AND DEVELOPMENT BOARD.—

"(1) ESTABLISHMENT.—There is established the Biomass Research and Development Board, which shall supersede the Interagency Council on Biobased Products and Bioenergy established by Executive Order No. 13134, to coordinate programs within and among departments and agencies of the Federal Government for the purpose of promoting the use of biobased fuels and biobased products by—

"(A) maximizing the benefits deriving from Federal grants and assistance; and

"(B) bringing coherence to Federal strategic planning.

"(2) MEMBERSHIP.—The Board shall consist of—

"(A) the point of contact of the Department of Energy designated under subsection (d), who shall serve as cochairperson of the Board;

"(B) the point of contact of the Department of Agriculture designated under subsection (d), who shall serve as cochairperson of the Board;

"(C) a senior officer of each of the Department of the Interior, the Environmental Protection Agency, the National Science Foundation, and the Office of Science and Technology Policy, each of whom shall—

"(i) be appointed by the head of the respective agency; and

"(ii) have a rank that is equivalent to the rank of the points of contact; and

"(D) at the option of the Secretary of Agriculture and the Secretary of Energy, other

members appointed by the Secretaries (after consultation with the members described in subparagraphs (A) through (C)).

"(3) DUTIES.—The Board shall—

"(A) coordinate research and development activities relating to biobased fuels and biobased products—

"(i) between the Department of Agriculture and the Department of Energy; and

"(ii) with other departments and agencies of the Federal Government;

"(B) provide recommendations to the points of contact concerning administration of this title;

"(C) ensure that—

"(i) solicitations are open and competitive with awards made annually; and

"(ii) objectives and evaluation criteria of the solicitations are clearly stated and minimally prescriptive, with no areas of special interest; and

"(D) ensure that the panel of scientific and technical peers assembled under subsection (g) to review proposals is composed predomi-

nantly of independent experts selected from outside the Departments of Agriculture and Energy.

"(4) FUNDING.—Each agency represented on the Board is encouraged to provide funds for any purpose under this section.

"(5) MEETINGS.—The Board shall meet at least quarterly to enable the Board to carry out the duties of the Board under paragraph (3).

"(f) BIOMASS RESEARCH AND DEVELOPMENT TECHNICAL ADVISORY COMMITTEE.—

"(1) ESTABLISHMENT.—There is established the Biomass Research and Development Technical Advisory Committee, which shall supersede the Advisory Committee on Biobased Products and Bioenergy established by Executive Order No. 13134—

"(A) to advise the Secretary of Energy, the Secretary of Agriculture, and the points of contact concerning—

"(i) the technical focus and direction of requests for proposals issued under the Initiative; and

"(ii) procedures for reviewing and evaluating the proposals;

"(B) to facilitate consultations and partnerships among Federal and State agencies, agricultural producers, industry, consumers, the research community, and other interested groups to carry out program activities relating to the Initiative; and

"(C) to evaluate and perform strategic planning on program activities relating to the Initiative.

"(2) MEMBERSHIP.—

"(A) IN GENERAL.—The Advisory Committee shall consist of—

"(i) an individual affiliated with the biofuels industry;

"(ii) an individual affiliated with the biobased industrial and commercial products industry;

"(iii) an individual affiliated with an institution of higher education who has expertise in biobased fuels and biobased products;

"(iv) two prominent engineers or scientists from government or academia who have expertise in biobased fuels and biobased products;

"(v) an individual affiliated with a commodity trade association;

"(vi) 2 individuals affiliated with an environmental or conservation organization;

"(vii) an individual associated with State government who has expertise in biobased fuels and biobased products;

"(viii) an individual with expertise in energy and environmental analysis;

"(ix) an individual with expertise in the economics of biobased fuels and biobased products;

"(x) an individual with expertise in agricultural economics;

"(xi) an individual with expertise in agronomy, crop science, or soil science; and

"(xii) at the option of the points of contact, other members.

"(B) APPOINTMENT.—The members of the Advisory Committee shall be appointed by the points of contact.

"(3) DUTIES.—The Advisory Committee shall—

"(A) advise the points of contact with respect to the Initiative; and

"(B) evaluate whether, and make recommendations in writing to the Board to ensure that—

"(i) funds authorized for the Initiative are distributed and used in a manner that is consistent with the objectives, purposes, and considerations of the Initiative;

"(ii) solicitations are open and competitive with awards made annually and that objectives and evaluation criteria of the solicitations are clearly stated and minimally prescriptive, with no areas of special interest;

"(iii) the points of contact are funding proposals under this title that are selected on the basis of merit, as determined by an independent panel of scientific and technical peers predominantly from outside the Departments of Agriculture and Energy; and

"(iv) activities under this section are carried out in accordance with this section.

"(4) COORDINATION.—To avoid duplication of effort, the Advisory Committee shall coordinate its activities with those of other Federal advisory committees working in related areas.

"(5) MEETINGS.—The Advisory Committee shall meet at least quarterly to enable the Advisory Committee to carry out the duties of the Advisory Committee.

"(6) TERMS.—Members of the Advisory Committee shall be appointed for a term of 3 years, except that—

"(A) one-third of the members initially appointed shall be appointed for a term of 1 year; and

"(B) one-third of the members initially appointed shall be appointed for a term of 2 years.

"(g) BIOMASS RESEARCH AND DEVELOPMENT INITIATIVE.—

"(1) IN GENERAL.—The Secretary of Agriculture and the Secretary of Energy, acting through their respective points of contact and in consultation with the Board, shall establish and carry out a Biomass Research and Development Initiative under which competitively awarded grants, contracts, and

financial assistance are provided to, or entered into with, eligible entities to carry out research on, and development and demonstration of, biobased fuels and biobased products, and the methods, practices and technologies, for their production.

"(2) OBJECTIVES.—The objectives of the Initiative are to develop—

"(A) technologies and processes necessary for abundant commercial production of biobased fuels at prices competitive with fossil fuels;

"(B) high-value biobased products—

"(i) to enhance the economic viability of biobased fuels and power;

"(ii) as substitutes for petroleum-based feedstocks and products; and

"(iii) to enhance the value of coproducts arise from such technologies and processes; and

"(C) a diversity of sustainable domestic sources of biomass for conversion to biobased fuels and biobased products.

"(3) PURPOSES.—The purposes of the Initiative are—

"(A) to increase the energy security of the United States;

"(B) to create jobs and enhance the economic development of the rural economy;

"(C) to enhance the environment and public health; and

"(D) to diversify markets for raw agricultural and forestry products.

"(4) TECHNICAL AREAS.—To advance the objectives and purposes of the Initiative, the Secretary of Agriculture and the Secretary of Energy, in consultation with the Administrator of the Environmental Protection Agency and heads of other appropriate departments and agencies (referred to in this subsection as the 'Secretaries'), shall direct research, development, and commercial applications toward—

"(A) feedstocks and feedstock systems relevant to production of raw materials for conversion to biobased fuels and biobased products, including—

"(i) development of advanced and dedicated crops and other biomass sources with desired features, including enhanced productivity, broader site range, low requirements for chemical inputs, and enhanced processing;

"(ii) advanced crop production methods to achieve the features described in clause (i);

"(iii) feedstock harvest, handling, transport, and storage;

"(iv) strategies for integrating feedstock production into existing managed land; and

"(v) improving the value and quality of coproducts, including materials used for animal feeding;

"(B) overcoming recalcitrance of cellulosic biomass through developing technologies for converting cellulosic biomass into intermediates that can subsequently be converted into biobased fuels and biobased products, including—

"(i) pretreatment in combination with enzymatic or microbial hydrolysis;

"(ii) thermochemical approaches, including gasification and pyrolysis; and

"(iii) self-processing crops that express enzymes capable of degrading cellulosic biomass;

"(C) product diversification through technologies relevant to production of a range of biobased products (including chemicals, animal feeds, and cogenerated power) that eventually can increase the feasibility of fuel production in a biorefinery, including—

"(i) catalytic processing, including thermochemical fuel production;

"(ii) metabolic engineering, enzyme engineering, and fermentation systems for biological production of desired products, coproducts, or cogeneration of power;

"(iii) product recovery;

"(iv) power production technologies;

"(v) integration into existing biomass processing facilities, including starch ethanol plants, sugar processing or refining plants, paper mills, and power plants; and

"(vi) enhancement of products and coproducts, including dried distillers grains (including substantially elevated starch content, increased oil content, improved fatty acid profiles, and improved resistance to mold and mycotoxins; and

"(D) analysis that provides strategic guidance for the application of biomass technologies in accordance with realization of improved sustainability and environmental quality, cost effectiveness, security, and rural economic development, usually featuring system-wide approaches.

"(5) ADDITIONAL CONSIDERATIONS.—Within the technical areas described in paragraph (4), and in addition to advancing the purposes described in paragraph (3) and the objectives described in paragraph (2), the Secretaries shall support research and development—

"(A) to create continuously expanding opportunities for participants in existing biofuels production by seeking synergies and continuity with current technologies and practices, such as improvements in dried distillers grains as a bridge feedstock;

"(B) to maximize the environmental, economic, and social benefits of production of biobased fuels and biobased products on a large scale through life-cycle economic and environmental analysis and other means; and

"(C) to assess the potential of Federal land and land management programs as feedstock resources for biobased fuels and biobased products, consistent with the integrity of soil and water resources and with other environmental considerations.

"(6) ELIGIBLE ENTITIES.—To be eligible for a grant, contract, or assistance under this subsection, an applicant shall be—

"(A) an institution of higher education;

"(B) a National Laboratory;

"(C) a Federal research agency;

"(D) a State research agency;

"(E) a private sector entity;

"(F) a nonprofit organization; or

"(G) a consortium of two or more entities described in subparagraphs (A) through (F).

"(7) ADMINISTRATION.—

"(A) IN GENERAL.—After consultation with the Board, the points of contact shall—

"(i) publish annually one or more joint requests for proposals for grants, contracts, and assistance under this subsection;

"(ii) require that grants, contracts, and assistance under this section be awarded competitively, on the basis of merit, after the establishment of procedures that provide for scientific peer review by an independent panel of scientific and technical peers; and

"(iii) give some preference to applications that—

"(I) involve a consortia of experts from multiple institutions;

"(II) encourage the integration of disciplines and application of the best technical resources; and

"(III) increase the geographic diversity of demonstration projects.

"(B) DISTRIBUTION OF FUNDING BY TECHNICAL AREA.—Of the funds authorized to be appropriated for activities described in this subsection, funds shall be distributed for each of fiscal years 2007 through 2012 so as to achieve an approximate distribution of—

"(i) 20 percent of the funds to carry out activities for feedstock production under paragraph (4)(A);

"(ii) 45 percent of the funds to carry out activities for overcoming recalcitrance of cellulosic biomass under paragraph (4)(B), of which not less than 10 percent shall be used for activities referred to in each clause of paragraph (4)(B);

"(iii) 30 percent of the funds to carry out activities for product diversification under paragraph (4)(C); and

"(iv) 5 percent of the funds to carry out activities for strategic guidance under paragraph (4)(D).

"(C) DISTRIBUTION OF FUNDING WITHIN EACH TECHNICAL AREA.—Within each technical area described in subparagraphs (A) through (C) of paragraph (4), funds shall be distributed for each of fiscal years 2007 through 2012 so as to achieve an approximate distribution of—

"(i) 15 percent of the funds for applied fundamentals;

"(ii) 35 percent of the funds for innovation; and

"(iii) 50 percent of the funds for demonstration and commercial applications.

"(D) MATCHING FUNDS.—

"(i) IN GENERAL.—A minimum 20 percent funding match shall be required for demonstration projects under this section.

"(ii) COMMERCIAL APPLICATIONS.—A minimum of 50 percent funding match shall be required for commercial application projects under this section.

"(E) TECHNOLOGY AND INFORMATION TRANSFER TO AGRICULTURAL USERS.—The Administrator of the Cooperative State Research, Education, and Extension Service and the Chief of the Natural Resources Conservation Service shall ensure that applicable research results and technologies from the Initiative are adapted, made available, and disseminated through those services, as appropriate.

"(h) ADMINISTRATIVE SUPPORT AND FUNDS.—

"(1) IN GENERAL.—To the extent administrative support and funds are not provided by other agencies under paragraph (2)(b), the Secretary of Energy and the Secretary of Agriculture may provide such administrative support and funds of the Department of Energy and the Department of Agriculture to the Board and the Advisory Committee as

are necessary to enable the Board and the Advisory Committee to carry out their duties under this section.

"(2) OTHER AGENCIES.—The heads of the agencies referred to in subsection (e)(2)(C), and the other members appointed under subsection (e)(2)(D), may, and are encouraged to, provide administrative support and funds of their respective agencies to the Board and the Advisory Committee.

"(3) LIMITATION.—Not more than 4 percent of the amount appropriated for each fiscal year under subsection (g)(6) may be used to pay the administrative costs of carrying out this section.

"(i) REPORTS.—

"(1) ANNUAL REPORTS.—For each fiscal year for which funds are made available to carry out this section, the Secretary of Energy and the Secretary of Agriculture shall jointly submit to Congress a detailed report on—

"(A) the status and progress of the Initiative, including a report from the Advisory Committee on whether funds appropriated for the Initiative have been distributed and used in a manner that—

"(i) is consistent with the objectives, purposes, and additional considerations described in paragraphs (2) through (5) of subsection (g);

"(ii) uses the set of criteria established in the initial report submitted under title III of the Agricultural Risk Protection Act of 2000;

"(iii) achieves the distribution of funds described in subparagraphs (B) and (C) of subsection (g)(7); and

"(iv) takes into account any recommendations that have been made by the Advisory Committee;

"(B) the general status of cooperation and research and development efforts carried out at each agency with respect to biobased fuels and biobased products, including a report from the Advisory Committee on whether the points of contact are funding proposals that are selected under subsection (g)(3)(B)(iii); and

"(C) the plans of the Secretary of Energy and the Secretary of Agriculture for addressing concerns raised in the report, including concerns raised by the Advisory Committee.

"(2) UPDATES.—The Secretary and the Secretary of Energy shall update the Vision and Roadmap documents prepared for Federal biomass research and development activities.

"(3) MANAGEMENT PLAN.—The Secretary shall every five years, in consultation with the Secretary of Energy, submit to Congress a detailed management plan for the implementation of this section. The management plan shall include—

"(A) consideration of the contribution of the section towards achieving the objectives referred to in paragraphs (2) and (3) of subsection (g) and in achieving the goals of the biomass program of the Department of Energy;

"(B) consideration of input solicited from the Advisory Committee, State, and private sources; and

"(C) specific and quantifiable near and long-term goals.

"(j) FUNDING.—

"(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available to carry out this section—

"(A) $35,000,000 for fiscal year 2008;

"(B) $60,000,000 for fiscal year 2009;

"(C) $75,000,000 for fiscal year 2010;

"(D) $100,000,000 for fiscal year 2011; and

"(E) $150,000,000 for fiscal year 2012.

"(2) ADDITIONAL FUNDING.—In addition to amounts transferred under paragraph (1), there are authorized to be appropriated to carry out this section $200,000,000 for each of fiscal years 2006 through 2015.".

(b) REPEAL.—Title III of the Agricultural Risk Protection Act of 2000 (Public Law 106–224) is hereby repealed.

(c) MANAGEMENT PLAN SUBMISSION DATE.—The first management plan required to be submitted under section 9008(i)(3) of the Biomass Research and Development Act of 2000, as added by subsection (a), shall be submitted not later than 180 days after the date of the enactment of this Act.

SEC. 9007. ADJUSTMENTS TO THE BIOENERGY PROGRAM.

Section 9010 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8108) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "and";

(ii) in subparagraph (B), by striking the final period and inserting a semicolon; and

(iii) by adding at the end the following new subparagraphs:

"(C) production of heat and power at a biofuels plant;

"(D) biomass gasification;

"(E) hydrogen made from cellulosic commodities for fuel cells;

"(F) renewable diesel;

"(G) such other items as the Secretary considers appropriate.";

(B) by striking paragraph (3) and inserting the following:

"(3) ELIGIBLE FEEDSTOCK.—

"(A) IN GENERAL.—The term 'eligible feedstock' means—

"(i) any plant material grown or collected for the purpose of being converted to energy (including aquatic plants);

"(ii) any organic byproduct or residue from agriculture and forestry, including

mill residues and pulping residues that can be converted into energy;

"(iii) any waste material that can be converted to energy and is derived from plant material, including—

"(I) wood waste and residue;

"(II) specialty crop waste, including waste derived from orchard trees, vineyard crops, and nut crops; or

"(III) other fruit and vegetable byproducts or residues; or

"(iv) animal waste and byproducts.

"(B) EXCLUSION.—The term 'eligible feedstock' does not include corn starch.";

(C) in paragraph (4), by striking "an eligible commodity" and inserting "eligible feedstock"; and

(D) by adding at the end the following new paragraph:

"(5) RENEWABLE DIESEL.—The term 'renewable diesel' means any type of biobased renewable fuel derived from plant or animal matter that may be used as a substitute for standard diesel fuel and meets the requirements of an appropriate American Society for Testing and Material standard. Such

term does not include any fuel derived from coprocessing an eligible feedstock with a feedstock that is not biomass.";

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "The Secretary shall continue" and all that follows through "the Secretary makes" and inserting "The Secretary shall make"; and

(ii) by striking "eligible commodities" and inserting "eligible feedstock";

(B) in paragraph (2)(B), by striking "eligible commodities" and inserting "eligible feedstock";

(C) in paragraph (3), by striking subparagraphs (B) and (C) and inserting the following:

"(B) PRIORITY.—In making payments under this paragraph, the Secretary shall give priority to contracts by considering the factors referred to in section 9003(e)(2)(B).";

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

"(6) LIMITATION.—The Secretary may limit the amount of payments that may be received by an

eligible producer under this section as the Secretary considers appropriate.''; and

(E) by adding at the end the following new paragraph:

''(8) RENEWAL OF CONTRACTS.—When considering the renewal of a contract under this section, the Secretary shall review such contract to determine whether the production of bioenergy at the facility under contract is economically viable and reconsider the need for the contract based on that determination.''; and

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

''(c) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall use to carry out this section—

''(1) $225,000,000 for fiscal year 2008;

''(2) $250,000,000 for fiscal year 2009;

''(3) $275,000,000 for fiscal year 2010;

''(4) $300,000,000 for fiscal year 2011; and

''(5) $350,000,000 for fiscal year 2012.''.

SEC. 9008. RESEARCH, EXTENSION, AND EDUCATIONAL PROGRAMS ON BIOBASED ENERGY TECHNOLOGIES AND PRODUCTS.

(a) WESTERN INSULAR PACIFIC CENTER.—Section 9011(d) is amended by adding at the end the following new paragraph:

"(6) WESTERN INSULAR PACIFIC CENTER.—A western insular pacific center at the University of Hawaii for the region of Alaska, Hawaii, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 9011(j)(1)(C) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8109(j)(1)(C)) is amended by striking "2010" and inserting "2012".

SEC. 9009. ENERGY COUNCIL OF THE DEPARTMENT OF AGRICULTURE.

Title IX of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101 et seq.) is further amended by adding at the end the following new section:

"SEC. 9012. ENERGY COUNCIL OF THE DEPARTMENT OF AGRICULTURE.

"(a) IN GENERAL.—The Secretary of Agriculture shall establish an energy council in the Office of the Sec-

retary (in this section referred to as the 'Council') to coordinate the energy policy of the Department of Agriculture and consult with other departments and agencies of the Federal Government.

"(b) MEMBERSHIP.—

"(1) IN GENERAL.—The Secretary shall appoint the members of the Council from among the staff of the agencies and mission areas of the Department of Agriculture with responsibilities relating to energy programs or policies.

"(2) CHAIR.—The chief economist and the Under Secretary for Rural Development of the Department of Agriculture shall serve as the Chairs of the Council.

"(c) DUTIES OF OFFICE OF ENERGY POLICY AND NEW USES.—The Office of Energy Policy and New Uses of the Department of Agriculture shall support the activities of the Council.".

SEC. 9010. FARM ENERGY PRODUCTION PILOT PROGRAM.

Title IX of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101 et seq.) is further amended by adding at the end the following new section:

"SEC. 9013. FARM ENERGY PRODUCTION PILOT PROGRAM.

"(a) PROGRAM.—The Secretary of Agriculture shall establish a pilot program to provide grants to farmers for

the purpose of demonstrating the feasibility of making a farm energy neutral using existing technologies.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for fiscal years 2008 through 2012.".

SEC. 9011. RURAL ENERGY SELF-SUFFICIENCY INITIATIVE.

Title IX of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101 et seq.) is further amended by adding at the end the following new section:

"SEC. 9014. RURAL ENERGY SELF-SUFFICIENCY INITIATIVE.

"(a) GRANT AUTHORITY.—

"(1) IN GENERAL.—The Secretary of Agriculture (in this section referred to as the 'Secretary') may make grants in accordance with this section to enable eligible rural communities to substantially increase their energy self-sufficiency.

"(2) ELIGIBLE RURAL COMMUNITY DEFINED.—In this section, the term 'eligible rural community' means a community that has a population of fewer than 25,000 individuals, and is not located in a metropolitan statistical area (as defined by the Bureau of the Census).

"(b) APPLICATIONS.—

"(1) IN GENERAL.—A community desiring to receive a grant under this section shall submit to the

1 Secretary an application for the grant, which con-
2 tains a description of how the community would use
3 the grant to develop an integrated renewable energy
4 system to substantially increase its energy self-suffi-
5 ciency.

6 "(2) INTEGRATED RENEWABLE ENERGY SYS-
7 TEM.—In paragraph (1), the term 'integrated renew-
8 able energy system' includes—

9 "(A) the use of biofuels;

10 "(B) the use of biomass to produce elec-
11 tricity;

12 "(C) the use of animal manure to produce
13 biogas as a substitute for natural gas;

14 "(D) the use of new technologies to pro-
15 vide highly energy efficient lighting, buildings,
16 or vehicles;

17 "(E) the use of wind power to produce
18 electricity and hydrogen; and

19 "(F) the use of solar energy.

20 "(c) CONSIDERATION OF APPLICATIONS.—

21 "(1) EVALUATION.—In making grants under
22 this section, the Secretary shall evaluate applications
23 based on their ability to demonstrate—

24 "(A) integration of different renewable en-
25 ergy sources at lowest total cost;

"(B) integration of different renewable energy sources with greatest potential for commercialization; and

"(C) development of best practices, and models for viable rural energy self-sufficiency.

"(2) PREFERENCE.—In making grants under this section, the Secretary shall give preference to those which propose a project developed or carried out in coordination with—

"(A) universities or their non-profit foundations;

"(B) Federal, State, or local government agencies;

"(C) public or private power generation entities; or

"(D) government entities with responsibility for water or natural resources.

"(d) GRANTS.—

"(1) COST-SHARING.—The amount of a grant under this section with respect to an application shall not exceed 75 percent of the cost of the activities described in the application.

"(2) NUMBER OF GRANTS PER YEAR.—The Secretary may make not more than 5 grants under this section in each fiscal year.

"(e) USE OF GRANTS.—A community to which a grant is made under this section shall use the grant to develop an integrated renewable energy system to improve the energy efficiency of the community, and shall document any energy savings resulting from the use of the grant.

"(f) REPORT TO THE CONGRESS.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that document the best practices and approaches used by grantees receiving funds under this section.

"(g) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this section, there are authorized to be appropriated to the Secretary not more than $5,000,000 for fiscal year 2008, and such sums as may be necessary for fiscal years 2009 through 2012.".

SEC. 9012. AGRICULTURAL BIOFUELS FROM BIOMASS INTERNSHIP PILOT PROGRAM.

Title IX of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101 et seq.) is further amended by adding at the end the following new section:

"SEC. 9015. AGRICULTURAL BIOFUELS FROM BIOMASS INTERNSHIP PILOT PROGRAM.

"(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a structured, academically-oriented internship pilot program (in this section referred to as the 'Program') to provide students from universities in California, Iowa, Missouri, Georgia, Minnesota, and other states with substantial farm-based economies or universities with fields of study capable of developing renewable energy technology or policy with the opportunity to work within the Department of Agriculture, Congress and legislative branch agencies, other Federal departments and agencies, corporations, and nonprofit institutions on matters pertaining to policies regarding renewable energy, including the conversion of biomass and other agricultural products to produce ethanol and other biofuels.

"(b) ELIGIBILITY.—To be eligible for an internship under subsection (a) a student shall—

"(1) be a third or fourth year undergraduate student or a graduate student at an accredited college or university in California, Iowa, Missouri, Georgia, Minnesota, or another State with a substantial farm-based economy, or at a university with fields of study capable of developing renewable energy technology or policy (including agriculture-related studies, chemistry, environmental sciences, bio-

engineering, biochemistry, natural resources, and public policy), that commits matching funds in accordance with subsection (g);

"(2) be a United States citizen;

"(3) be pursuing an undergraduate or graduate program in agriculture and related supporting subjects with direct relevance to the subject of biorefinery, biofuels, and renewable energy; and

"(4) meet any other conditions or requirements that the Secretary considers necessary.

"(c) PRIORITIES OF INTERNSHIP PILOT PROGRAM.—In administering the Program (including in the selection of students to participate in the Program), the Secretary shall prioritize the following activities and placements:

"(1) Structured internship experiences that feature direct, hands-on assistance to policy makers engaged in the development and implementation of agriculture and related supporting policies and legislation, with direct relevance to the subject of biorefinery, biofuels, and renewable energy.

"(2) Internship and academic seminar programs that provide a combination of workforce training, experiential education, and leadership development designed specifically for the Department of Agriculture and Congress, with regard to agri-

culture-based biorefinery, biofuels, and related renewable energy policies.

"(3) Establishment of regional and state networks that partner with the agricultural business, government and academic communities to enhance the prospects for providing financial assistance to students, particularly minority students, from colleges and universities in each participating State who are from economically disadvantaged backgrounds.

"(4) Internship and academic seminar programs that focus on agriculture-based research, development, and policies addressing new technologies to enhance agriculture production and enhanced economic development in the agriculture sector of the United States.

"(d) ADMINISTRATION OF THE PILOT PROGRAM.—The Secretary, in consultation with other executive and legislative branch officials, shall administer the Program. The Secretary may engage the services of an experienced, nonprofit, nonpartisan professional internship and academic seminar organization with extensive experience in developing and carrying out Washington-based or other State-based internship programs and State-based financial

assistance initiatives for interns to assist in carrying out the Program.

"(e) SCHOLARSHIPS AND OTHER ASSISTANCE FOR INTERNSHIPS.—The Secretary may make available to undergraduate and graduate students participating in the Program scholarships or other types of financial assistance, including funds to cover the cost of housing, per diem living expenses, transportation, tuition and other educational expenses, and related costs, that would allow participation by eligible undergraduate and graduate students from economically-disadvantaged backgrounds within the Program States.

"(f) LONGITUDINAL STUDIES AND REPORTING REQUIREMENTS.—

"(1) LONGITUDINAL STUDIES AND EVALUATION OF INTERNSHIP PROGRAM.—In developing and implementing the Program, the Secretary shall carry out such longitudinal studies and program evaluations as he or she deems appropriate to ensure that the program is administered in a cost-effective manner and has specific milestones, objectives, and results quantified with regard to such Program.

"(2) REPORTING REQUIREMENTS.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee

on Agriculture, Nutrition, and Forestry of the Senate periodic reports regarding the development and implementation of the Program, including the longitudinal studies and evaluations required under paragraph (1).

''(g) STATE MATCHING REQUIREMENT.—As a condition of receiving an internship under the Program, the State in which the student receiving the internship is pursuing an undergraduate or graduate degree shall provide matching funds in the amount of one dollar for every two dollars provided by the Secretary under the Program.

''(h) FEDERAL CONTRIBUTION LIMIT.—The Secretary may not expend more than $200,000 in any fiscal year to provide internships to students pursuing an undergraduate or graduate degree in any particular State.

''(i) APPLICATION OF FUNDS.—The Secretary shall, to the maximum extent practicable, use funds made available under subsection (j) to provide scholarships and the other forms of financial assistance described in subsection (e) directly attributable to the participation in the Program by students from rural, economically-disadvantaged backgrounds.

''(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.''.

SEC. 9013. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIOENERGY PRODUCERS.

Title IX of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101 et seq.) is further amended by adding at the end the following new section:

"SEC. 9016. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIOENERGY PRODUCERS.

"(a) DEFINITIONS.—In this section:

"(1) BIOENERGY.—The term 'bioenergy' means fuel grade ethanol and other biofuel.

"(2) BIOENERGY PRODUCER.—The term 'bioenergy producer' means a producer of bioenergy that uses an eligible commodity to produce bioenergy under this section.

"(3) ELIGIBLE COMMODITY.—The term 'eligible commodity' means a form of raw or refined sugar or in-process sugar that is eligible to be marketed in the United States for human consumption or to be used for the extraction of sugar for human consumption.

"(4) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity located in the United States that markets an eligible commodity in the United States.

"(b) FEEDSTOCK FLEXIBILITY PROGRAM.—

"(1) IN GENERAL.—

"(A) PURCHASES AND SALES.—For each of fiscal years 2008 through 2012, the Secretary shall purchase eligible commodities from eligible entities and sell such commodities to bioenergy producers for the purpose of producing bioenergy in a manner that ensures that 156 of the Federal Agricultural Improvement and Reform Act (7 U.S.C. 7272) is operated at no cost to the Federal Government by avoiding forfeitures to the Commodity Credit Corporation.

"(B) COMPETITIVE PROCEDURES.—In carrying out the purchases and sales required under subparagraph (A), the Secretary shall, to the maximum extent practicable, use competitive procedures, including the receiving, offering, and accepting of bids, when entering into contracts with eligible entities and bioenergy producers, provided that such procedures are consistent with the purposes of subparagraph (A).

"(C) LIMITATION.—The purchase and sale of eligible commodities under subparagraph (A) shall only be made in fiscal years in which such purchases and sales are necessary to ensure

that the program authorized under section 156 of the Federal Agriculture Improvement and Reform Act (7 U.S.C. 7272) is operated at no cost to the Federal Government by avoiding forfeitures to the Commodity Credit Corporation.

"(2) NOTICE.—

"(A) IN GENERAL.—Not later than September 1, 2007, and each September 1 thereafter through fiscal year 2011, the Secretary shall provide notice to eligible entities and bioenergy producers of the quantity of eligible commodities that shall be made available for purchase and sale for the subsequent fiscal year under this section.

"(B) REESTIMATES.—Not later than the first day of each of the second through fourth quarters of each of fiscal years 2008 through 2012, the Secretary shall reestimate the quantity of eligible commodities determined under subparagraph (A), and provide notice and make purchases and sales based on such reestimates.

"(3) COMMODITY CREDIT CORPORATION INVENTORY.—To the extent that an eligible commodity is owned and held in inventory by the Commodity Credit Corporation (accumulated pursuant to the

program authorized under section 156 of the Federal Agriculture Improvement and Reform Act (7 U.S.C. 7272)), the Secretary shall sell such commodity to bioenergy producers under this section.

"(4) TRANSFER RULE; STORAGE FEES.—

"(A) GENERAL TRANSFER RULE.—Except as provided in subparagraph (C), the Secretary shall ensure that bioenergy producers that purchase eligible commodities pursuant to this subsection take possession of such commodities within 30 calendar days of the date of such purchase from the Commodity Credit Corporation.

"(B) PAYMENT OF STORAGE FEES PROHIBITED.—

"(i) IN GENERAL.—The Secretary shall, to the greatest extent practicable, carry out this subsection in a manner that ensures no storage fees are paid by the Commodity Credit Corporation in the administration of this subsection.

"(ii) EXCEPTION.—Clause (i) shall not apply with respect to any commodities owned and held in inventory by the Commodity Credit Corporation (accumulated

pursuant to the program authorized under section 156 of the Federal Agriculture Improvement and Reform Act (7 U.S.C. 7272)).

"(C) OPTION TO PREVENT STORAGE FEES.—

"(i) IN GENERAL.—The Secretary may enter into contracts with bioenergy producers to sell eligible commodities to such producers prior in time to entering into contracts with eligible entities to purchase such commodities to be used to satisfy the contracts entered into with the bioenergy producers.

"(ii) SPECIAL TRANSFER RULE.—If the Secretary makes a sale and purchase referred to in clause (i), the Secretary shall ensure that the bioenergy producer that purchased eligible commodities takes possession of such commodities within 30 calendar days of the date the Commodity Credit Corporation purchases such commodities.

"(5) RELATION TO OTHER LAWS.—If sugar that is subject to a marketing allotment under part

VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is the subject of a payment under this section, such sugar shall be considered marketed and shall count against a processor's allocation of an allotment under such part, as applicable.

"(6) FUNDING.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation, including the use of such sums as are necessary, to carry out this section.".

SEC. 9014. BIOMASS INVENTORY REPORT.

(a) INVENTORY REQUIRED.—The Secretary of Agriculture shall conduct an inventory of biomass resources on a county-by-county basis.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing—

(1) the results of the inventory conducted under subsection (a); and

(2) an estimate of the amount of unused crop land in the United States that could be used for dedicated energy crops.

(c) BIOMASS RESOURCES DEFINED.—In this section, the term ''biomass resource'' has the meaning given the term ''eligible commodity'' in section 9010(a)(3) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8108(a)(3)).

SEC. 9015. FUTURE FARMSTEADS PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a program to equip, in each of 5 regions of the country chosen to represent different farming practices, a farm house and its surrounding fields, facilities, and forested areas with technologies to—

(1) improve farm energy production and energy use efficiencies;

(2) provide working examples to farmers; and

(3) serve as an education, demonstration, and research facility that will teach graduate students whose focus of research is related to either renewable energy or energy conservation technologies.

(b) GOALS.—The goals of the program established under subsection (a) shall be to—

(1) advance farm energy use efficiencies and the on-farm production of renewable energies, along with advanced communication and control technologies with the latest in energy capture and conversion techniques, thereby enhancing rural energy

independence and creating new revenues for rural economies;

(2) accelerate private sector and university research into the efficient on-farm production of renewable fuels and help educate the farming industry, students, and the general public; and

(3) accelerate energy independence, including the production and the conservation of renewable energies on farms.

(c) COLLABORATION PARTNERS.—The program under this section shall be carried out in partnership with regional land grant institutions, agricultural commodity commissions, biofuels companies, sensor and controls companies, and internet technology companies.

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

SEC. 9016. SENSE OF CONGRESS ON RENEWABLE ENERGY.

It is the sense of Congress that—

(1) energy demand in the United States is projected to increase by more than 30 percent over the next two decades;

(2) increased production of renewable energy and growth of its infrastructure would assist the

United States in meeting the growing energy demand;

(3) continued, and even accelerated, development of renewable energy inputs and technologies provide numerous benefits to the United States, including improved national security and economic growth;

(4) while it should be a priority of the Federal Government to continue to promote policies and incentives to stimulate growth and development of renewable energy infrastructure, it should be recognized that the marketplace is also an important instrument to determine which renewable energy sources and technologies will provide the most efficient and effective energy production;

(5) renewable energy inputs and technology must be available in abundant quantities and provide energy at competitive prices in a reliable manner for the American consumer; and

(6) it is in the interest of the United States to diversify its energy portfolio and increase the energy independence of the United States by further developing alternative forms of energy.

SEC. 9017. BIODIESEL FUEL EDUCATION PROGRAM.

Section 9004(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8104(d)) is amended to read as follows:

''(d) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section $2,000,000 for each of fiscal years 2008 through 2012.''.

SEC. 9018. BIOMASS ENERGY RESERVE.

Title IX of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101 et seq.) is amended by adding at the end the following new section:

''SEC. 9017. BIOMASS ENERGY RESERVE.

''(a) PURPOSE.—The purpose of this section is to establish a biomass energy reserve—

''(1) to encourage production of dedicated energy crops in a sustainable manner that protects the soil, air, water, and wildlife of the United States; and

''(2) to provide financial and technical assistance to owners and operators of eligible cropland to produce dedicated energy crops and crop mixes of suitable quality and in sufficient quantities to support and induce development and expansion of the use of the crop for—

''(A) bioenergy;

"(B) power or heat generation to supplement or replace nonbiobased energy sources; or

"(C) biobased products to supplement or replace non biobased products;

"(3) to establish biomass energy reserve project areas; and

"(4) to provide financial and technical assistance to owners and operators for harvesting, storing, and transporting cellulosic material.

"(b) DEFINITIONS.— In this section:

"(1) BEGINNING FARMER OR RANCHER.—The term 'beginning farmer or rancher' has the meaning given the term in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)).

"(2) BER.—The term 'BER' means the biomass energy reserve established under this section.

"(3) BER PROJECT AREA.—The term 'BER project area' means an area that—

"(A) has eligible cropland that—

"(i) is owned or operated by eligible participants; and

"(ii) has specified boundaries that are submitted to the Secretary by eligible par-

ticipants and subsequently approved by the Secretary; and

"(B) is physically located within a 50-mile radius of a bioenergy facility.

"(4) CONSERVATION RESERVE PROGRAM.—The term 'conservation reserve program' means the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

"(5) CONTRACT ACREAGE.—The term 'contract acreage' means eligible cropland that is covered by a BER contract entered into with the Secretary.

"(6) ELIGIBLE APPLICANT.—The term 'eligible applicant' means—

"(A) a collective group of owners and operators producing or proposing to produce eligible dedicated energy crops;

"(B) an energy or agricultural company or refinery; and

"(C) an Agricultural Innovation Center established pursuant to section 6402 of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171; 116 Stat. 426; 7 U.S.C. 1621 note).

"(7) ELIGIBLE CROPLAND.—

"(A) IN GENERAL.—The term 'eligible cropland' means land that the applicable county committee of the Farm Service Agency determines—

"(i) is currently being tilled for the production of a crop for harvest; or

"(ii) is not currently being tilled but has been tilled in a prior crop year and is suitable for production of an eligible dedicated energy crop.

"(B) EXCLUSIONS.—The term 'eligible cropland' does not include—

"(i) Federally-owned land;

"(ii) land enrolled in—

"(I) the conservation reserve program;

"(II) the grassland reserve program; or

"(III) the wetlands reserve program; and

"(iii) land with greater than 50 percent cover of native nonwoody vegetation or forest land, as of the date of enactment of this section.

"(8) ELIGIBLE DEDICATED ENERGY CROP.—

"(A) IN GENERAL.—The term 'eligible dedicated energy crop' means any crop native to the United States, or another crop, as determined by the Secretary, grown specifically to provide raw materials for—

"(i) conversion to liquid transportation fuels or chemicals through biochemical or thermochemical processes; or

"(ii) energy generation through combustion, pyrolysis, gasification, cofiring, or other technologies, as determined by the Secretary.

"(B) EXCLUSIONS.—The term 'eligible dedicated energy crop' does not include—

"(i) any crop that is eligible for payments under title I or a successor title; or

"(ii) any plant that is invasive or noxious or has the potential to become invasive or noxious, as determined by the Secretary, in consultation with other appropriate Federal or State departments and agencies.

"(9) ELIGIBLE PARTICIPANT.—The term 'eligible participant' means an owner or operator of con-

tract acreage that is physically located within a BER project area.

"(10) FEDERALLY-OWNED LAND.—The term 'Federally-owned land' means land owned by—

"(A) the Federal Government (including any department, instrumentality, bureau, or agency of the Federal Government); or

"(B) any corporation whose stock is wholly owned by the Federal Government.

"(11) FOREST LAND.—The term 'forest land' means an ecosystem that is at least 1 acre in size (including timberland and woodland) and that (as determined by the Secretary)—

"(A) is characterized by dense and extensive tree cover;

"(B) contains, or once contained, at least 10 percent tree crown cover; and

"(C) is not developed and planned for exclusive nonforest resource use.

"(12) GRASSLAND RESERVE PROGRAM.—The term 'grassland reserve program' means the grassland reserve program established under subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.).

"(13) OPERATOR.—The term 'operator' means an individual, entity, or joint operation that is in control of the farming operations on a farm during the applicable crop year.

"(14) OWNER.—

"(A) IN GENERAL.—The term 'owner' means a person that has legal ownership of eligible cropland.

"(B) INCLUSION.—The term 'owner' includes—

"(i) a person that is buying eligible cropland under a contract for deed; and

"(ii) a person that has a life estate in eligible cropland.

"(15) QUALIFIED ORGANIZATION.—The term 'qualified organization' means—

"(A) an Agricultural Innovation Center established pursuant to section 6402 of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171; 116 Stat. 426; 7 U.S.C. 1621 note) with significant experience in the field of renewable energy, as determined by the Secretary; or

"(B) in a region not served by a center referred to in subparagraph (A)—

"(i) an entity with significant experience in the field of renewable energy that is geographically located in such region, as determined by the Secretary; or

"(ii) an accredited college or university with experience providing technical assistance in the field of renewable energy that is geographically located in such region, as determined by the Secretary.

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

"(17) SOCIALLY DISADVANTAGED FARMER OR RANCHER.—The term 'socially disadvantaged farmer or rancher' means a farmer or rancher who is a member of a socially disadvantaged group (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e))).

"(18) WETLANDS RESERVE PROGRAM.—The term 'wetlands reserve program' means the wetlands reserve program established under subchapter C of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837 et seq.).

"(c) ESTABLISHMENT.—Not later than 90 days after the date of enactment of this section, the Secretary shall establish a biomass energy reserve in accordance with this

section. The Secretary shall ensure the purposes in subsection (a) are met by including in the reserve projects that include a variety of harvest and post-harvest practices, including stubble height, unharvested strips (including strips for wildlife habitat), and varying harvest dates and a variety of monoculture and polyculture crop mixes, as appropriate, by project area.

"(d) PROPOSALS FOR BER PROJECT AREAS.—

"(1) SELECTION OF QUALIFIED ORGANIZATIONS.—

"(A) IN GENERAL.—The Secretary shall select not more than 10 qualified organizations to assist—

"(i) eligible applicants in submitting proposals under paragraph (2); and

"(ii) the Secretary in selecting BER project areas.

"(B) REGION.—The Secretary shall select not more than 1 qualified organization to assist eligible applicants and the Secretary in any particular region of the United States, as determined by the Secretary.

"(C) FUNDING.—The Secretary shall provide each qualified organization selected under

paragraph (1) not more than $300,000 to carry out this paragraph.

"(2) CONSULTATION WITH QUALIFIED ORGANIZATION.—An eligible applicant may consult with and submit to a qualified organization a written proposal that—

"(A) identifies the eligible cropland that will be a part of the proposed BER project area; and

"(B) indicates a strong likelihood that the proposed BER project area will generate a sufficient quantity of biomass from eligible dedicated energy crops and acres or other sources to supply an existing bioenergy facility.

"(3) MINIMUM REQUIREMENTS.—The written proposal for a proposed BER project area shall include—

"(A) a description of the eligible cropland of each eligible participant that will participate in the proposed BER project area, including—

"(i) the quantity of eligible cropland of each eligible participant;

"(ii) the physical location of the eligible cropland;

"(iii) the 1 or more eligible dedicated energy crops that will be produced on the eligible cropland; and

"(iv) the type of land use or crop that will be displaced by the eligible dedicated energy crop;

"(B)(i) the name, if available, and type, location, and description of the bioenergy facility that will use the eligible dedicated energy crops to be produced in the proposed BER project area; and

"(ii) a letter of commitment from a bioenergy facility that the facility will use the eligible dedicated energy crops intended to be produced in the proposed BER project area;

"(C) a general analysis of the anticipated local economic impact of the proposed BER project; and

"(D) any additional information needed to determine the eligibility for, and ranking of, the proposal, as determined by the Secretary.

"(4) INDIVIDUAL OWNERS AND OPERATORS.—A project area proposal may not submit an individual proposal to participate in the BER.

"(5) ELIGIBILITY CRITERIA FOR BER PROJECT AREAS.—The Secretary shall establish a system for ranking BER project areas based on the following criteria:

"(A) The probability that the eligible dedicated energy crops proposed to be produced in the proposed BER project area will be used for the purposes of the BER.

"(B) The inclusion of adequate potential feedstocks and suitable placement with respect to the bioenergy facility.

"(C) The potential for a positive economic impact in the proposed BER project area.

"(D) The availability of the ownership of the bioenergy facility in the proposed BER project area to producers and local investors.

"(E) The participation rate by beginning farmers or ranchers or socially disadvantaged farmers or ranchers.

"(F) The potential to improve soil conservation and water quality, and enhance wildlife habitat, when compared to existing land uses.

"(G) The variety of agronomic conditions the proposed eligible dedicated energy crops will be grown within a project area.

"(H) The variety of harvest and post harvest practices, including stubble height, unharvested strips (including strips for wildlife habitat), and varying harvest dates.

"(I) The variety of monoculture and polyculture crop mixes, as appropriate, by project area.

"(6) SELECTION OF PROJECTS.—

"(A) RANKING; SUBMISSION TO SECRETARY.—Each qualified organization selected by the Secretary under paragraph (1) shall rank proposals submitted to such qualified organization under paragraph (2) using the system for ranking established by the Secretary under paragraph (6) and shall submit to the Secretary up to five of the highest ranked applications.

"(B) SECRETARY SELECTION.—The Secretary shall authorize not less than one proposal submitted to the Secretary from each qualified organization under subparagraph (A).

"(e) FOREST BIOMASS PLANNING GRANTS.—

"(1) IN GENERAL.—The Secretary shall provide forest biomass planning assistance grants to private landowners to develop forest stewardship plans that involve sustainable management of biomass from forest land of the private landowners that will preserve diversity, soil, water, or wildlife values of the land, while ensuring a steady supply of biomass material, through—

"(A) State forestry agencies, in consultation with State wildlife agencies; and

"(B) technical service provider arrangements with third-parties.

"(2) LIMITATION.—The total amount of funds used to carry out this subsection shall not exceed $5,000,000.

"(f) DURATION OF CONTRACT.—

"(1) IN GENERAL.—Subject to paragraph (2), for purposes of carrying out the BER, the Secretary shall enter into contracts of 5 years.

"(2) EARLY TERMINATION.—The Secretary may terminate a contract early if the Secretary determines that—

"(A) contract acreage will not be used to produce an eligible dedicated energy crop;

"(B) a material breach of the contract has occurred;

"(C) the owner or operator has died; or

"(D) continuation of the contract will cause undue economic hardship.

"(g) CONTRACT ACREAGE REQUIREMENTS.—

"(1) IN GENERAL.—On approval of a BER project area by the Secretary, each eligible participant in the BER project area shall enter into a contract with the Secretary that is consistent with the BER.

"(2) ADDITIONAL ELIGIBLE PARTICIPANTS.—The Secretary may add eligible participants to a BER project area after approval of the BER project area.

"(3) CONSERVATION PRACTICES.—To ensure the sustainability of farm operations and the protection of soil, air, water and wildlife, the Secretary shall include such terms and conditions in a contract entered into under paragraph (1) as the Secretary considers necessary.

"(4) PURPOSES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), to be eligible to participate in the BER, an eligible participant may use eli-

gible dedicated energy crops produced on contract acreage only for the purposes described in subsection (a).

"(B) PERSONAL USE.—During the period before the commercial viability of a bioenergy facility, an eligible participant may use eligible dedicated energy crops produced by the eligible participant on contract acreage for personal use.

"(C) SEED PRODUCTION.—During the period before the commercial viability of a bioenergy facility, an eligible participant may harvest and sell seed produced on contract acreage.

"(5) REQUIREMENTS.—To be eligible to participate in the BER, during the term of the BER contract, an eligible participant shall comply with—

"(A) the highly erodible land conservation requirements of subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

"(B) the wetland conservation requirements of subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

"(h) ADDITIONAL ELIGIBLE BIOMASS.—

"(1) IN GENERAL.—The Secretary may allow on land that is enrolled in the conservation reserve program and located within the BER project area the harvesting of biomass—

"(A) in exchange for a reduction of an applicable annual payment in an amount to be determined by the Secretary;

"(B) in accordance with an approved conservation reserve program plan, including mid-contract management and forestry maintenance activities; and

"(C) in a manner that ensures that biomass harvest activities occur outside the official nesting and brood rearing season for those plans.

"(i) DUTIES OF SECRETARY.—The Secretary shall—

"(1) establish and administer the BER;

"(2) authorize establishment of BER project areas for the purposes of the BER described in subsection (a);

"(3) develop procedures—

"(A) to monitor the compliance of eligible participants that have land enrolled in the BER with the requirements of the BER;

"(B) to measure the performance of the BER; and

"(C) to demonstrate whether the long-term eligible dedicated energy crop production goals are being achieved.

"(4) enter into a written contract with each eligible participant that elects to participate in the BER in a BER project area;

"(5) not enter into a contract under the BER with an individual owner or operator unless the land of the eligible participant is physically located in an approved BER project area; and

"(6) provide all payments under the contract directly to the eligible participant.

"(j) CONTRACTS.—A contract entered into between the Secretary and an eligible participant under the BER shall include, at a minimum, terms that cover—

"(1) requirements for the eligible participant in carrying out the contract, including requirements described in subsections (f), (g), and (l);

"(2) termination provisions;

"(3) payment terms and amounts to be provided on an annual basis;

"(4) the sales or transfer of contract acreage;

"(5) the modification of the contract;

"(6) the maximum quantity of contract acreage and an estimated schedule for how much eligible cropland will be enrolled each contract year; and

"(7) any additional terms the Secretary considers appropriate.

"(k) PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall provide payments directly to eligible participants who enter into contracts described in subsection (j) in accordance with such subsection.

"(2) ESTABLISHMENT PAYMENTS.—

"(A) IN GENERAL.—The Secretary shall provide to an eligible participant who enters into a BER contract an establishment payment in an amount equal to the costs of establishing an eligible dedicated energy crop on the contract acreage covered by the contract.

"(B) ELIGIBLE ESTABLISHMENT PAYMENTS.—The costs for which an eligible owner may receive an establishment payment under this paragraph include—

"(i) the cost of seeds and stock; and

"(ii) the cost of planting the crop.

"(3) RENTAL PAYMENTS.—

"(A) IN GENERAL.—The Secretary shall make annual rental payments to an eligible participant who enters into a BER contract.

"(B) PERIOD.—An eligible participant shall receive rental payments for a period of not more than 5 years after entering into a BER contract with the Secretary on contract acreage.

"(C) REDUCTION.—The Secretary shall reduce rental payments under (A) by an amount determined to be appropriate by the Secretary, if an eligible dedicated energy crop is harvested in accordance with subsection (g)(4).

"(l) INFORMATION SHARING.—

"(1) IN GENERAL.—Owners and operators of a farm entering into a contract with the Secretary under this section shall agree to make available to the Secretary, or to an institution of higher education or other entity designated by the Secretary, such information as the Secretary considers to be appropriate to promote the production of bioenergy crops and the development of biorefinery technology; and

"(2) BEST PRACTICES DATABASE.—Subject to section 1770 of the Food Security Act of 1985 (7 U.S.C. 2276), the Secretary shall make available to

the public in a database format the best practices information developed by the Secretary in providing bioenergy assistance under this section.

"(m) PAYMENTS FOR COLLECTING, HARVESTING, STORING, AND TRANSPORTING BIOMASS PRODUCED ON BER CONTRACT ACREAGE, AGRICULTURAL WASTE BIOMASS, AND SUSTAINABLY-HARVESTED AGRICULTURAL AND FOREST RESIDUES.—

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary may provide matching payments at a rate of $1 for every $1 per ton provided by the bioenergy facility, in an amount equal to not more than $45 per ton for a period of two years—

"(A) to eligible participants for biomass produced on BER contract acreage in exchange for a reduction of the annual payment issued under subsection (k)(3), as determined by the Secretary;

"(B) to any producer of agricultural waste biomass or sustainably-harvested agricultural and forest residues in the United States for the agricultural waste or residue; and

"(C) for residue collected as a result of the removal of noxious and invasive species, in ac-

cordance with methods approved by the Secretary.

"(2) FOREST LAND OWNER ELIGIBILITY.—Owners of forest land shall be eligible to receive payments under this subsection only if such owners are acting pursuant to a forest stewardship plan.

"(n) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section such sums as are necessary for each of fiscal years 2008 through 2012.".

SEC. 9019. FOREST BIOMASS FOR ENERGY.

Title IX of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101 et seq.) is further amended by adding at the end the following new section:

"SEC. 9018. FOREST BIOMASS FOR ENERGY.

"(a) IN GENERAL.—The Secretary of Agriculture, through the Forest Service, shall conduct a competitive research and development program to encourage use of forest biomass for energy.

"(b) ELIGIBLE ENTITIES.—Entities eligible to compete under this program include the Forest Service (through Research and Development), other Federal agencies, State and local governments, federally recognized Indian tribes, land grant colleges and universities, and private entities.

"(c) PRIORITY FOR PROJECT SELECTION.—The Secretary shall give priority to projects that—

"(1) develop technology and techniques to use low value forest biomass, such as byproducts of forest health treatments and hazardous fuels reduction, for the production of energy;

"(2) develop processes that integrate production of energy from forest biomass into biorefineries or other existing manufacturing streams;

"(3) develop new transportation fuels from forest biomass; and

"(4) improve the growth and yield of trees intended for renewable energy production.

"(d) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section $15,000,000 for each of fiscal years 2008 through 2012.".

SEC. 9019. COMMUNITY WOOD ENERGY PROGRAM.

(a) FINDINGS.— Congress finds that—

(1) the United States' over-reliance on fossil fuel energy has placed undue strain on the nation by compromising our economy and national security;

(2) the United States' over-reliance on fossil fuel energy has also created new strains on our nat-

ural systems, including carbon emissions that contribute to climate change;

(3) transportation of energy, such as heating oil, adds to carbon emissions associated with meeting our community energy needs and therefore further feeds climate change;

(4) it is in the national interest to conserve energy and support adoption of new local, sustainable, efficient, and carbon neutral energy sources, such as wood energy, for community energy needs;

(5) communities can save as much as 50 percent over natural gas, 80 percent over propane, 80 percent over electric heat, and 50 percent over oil heat by switching to wood energy for heating schools and other public buildings;

(6) in fast growing communities of all sizes across the United States, municipal and country-owned forest land is playing an essential role in meeting many public needs and could also be used to help support sustainable forestry and local wood energy applications; and

(7) the rapidly expanding base of private forest land owners nationwide includes many individuals with no experience in forest stewardship who could be given technical assistance to provide locally

sourced wood supply through sustainable forest management for local wood energy applications.

(b) PURPOSE.—The purpose of this section is to provide grants for community wood energy systems that are intended to—

(1) meet community energy needs with reduced carbon intensity versus fossil fuel systems;

(2) promote energy conservation and development of new renewable energy sources;

(3) aid local budgets by reducing municipal and county energy costs;

(4) increase utilization of low value wood supplies and waste, thereby strengthening the forest products economy for the benefit of forest workers and private forest land owners; and

(5) increase awareness of energy conservation and consumption and the multiple-use values of forests among community members, especially young people.

(c) GRANT PROGRAM.—The Secretary of Agriculture, acting through the Forest Service, shall establish a program to be known as the Community Wood Energy Program to provide grants to State and local governments to acquire community wood energy systems for public buildings and to implement a community wood energy plan.

(d) USE IN PUBLIC BUILDINGS.—A State or local government receiving a grant under subsection (c) shall use a community wood energy system acquired in whole or in part with the use of grant funds for primary use in a public facility owned by such State or local government.

(e) LIMITATION.—A community wood energy system acquired with grant funds provided under subsection (c) shall not exceed an output of—

(1) 50,000,000 BTU per hour for heating; and

(2) 2 megawatts for electric power production.

(f) COMMUNITY WOOD ENERGY PLAN.—Within 18 months of receiving assistance under this section, communities shall utilize the technical assistance of the State forester to create a community wood energy plan identifying how local forests can be accessed in a sustainable manner to help meet the wood supply needs of systems purchased under this section.

(g) MATCHING FUNDS.—A State or local government receiving a grant under subsection (c) shall contribute an amount of non-Federal funds towards the acquisition of community wood energy systems that is at least equal to the amount of grant funds received by such State or local government.

(h) COMMUNITY WOOD ENERGY SYSTEM DEFINED.—The term ''community wood energy system'' includes single facility central heating, district heating, combined heat and energy systems, and other related biomass energy systems that service schools, town halls, libraries, and other public buildings.

(i) APPROPRIATION.— There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 9020. SUPPLEMENTING CORN AS AN ETHANOL FEEDSTOCK.

(a) RESEARCH AND DEVELOPMENT PROGRAM.—The Secretary of Agriculture shall establish a program to make grants of not to exceed $1,000,000 each to no more than 20 universities for a 3-year program of demonstration of supplementing corn as an ethanol feedstock with sweet sorghum and switchgrass.

(b) PROGRAM GOALS.—The goals of the program under this section shall be to—

(1) enhance agronomic efficiency of the crop on marginal lands by—

(A) developing best management practices for maintaining high yields while using less water and nitrogen than corn;

(B) identifying and selecting plants with a high sugar content; and

(C) developing cold-tolerant sweet sorghum varieties to enable two crops to be grown per season;

(2) enhance ethanol processing potential in the crop by—

(A) developing a robust technology for centralized ethanol production facilities that pair high-performing sweet sorghum lines with different yeasts to produce the best process for converting sweet sorghum juice into ethanol;

(B) conducting process and chemical analyses of sweet sorghum sap fermentation;

(C) introducing cellulosic hydrolyzing enzymes into sweet sorghum to promote biomass conversion; and

(D) performing life-cycle analysis of sweet sorghum ethanol, including analysis of energy yield, efficiency, and greenhouse gas reduction;

(3) establish a production system optimized for the region of the university conducting the research;

(4) improve sweet sorghum lines with higher sugar production and performance with minimal agricultural inputs;

(5) optimize sugar fermentation using selected yeast strains;

(6) develop sweet sorghum lines with improved cold tolerance and cellulosic degradation; and

(7) develop agricultural models for predicting agricultural performance and ethanol yield under various growing conditions.

(c) AWARD CRITERIA.—The Secretary shall award grants under this section only to universities that—

(1) have access to multiple lines of sweet sorghum for research; and

(2) are located in a State where sweet sorghum is anticipated to grow well on marginal lands.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for carrying out this section $20,000,000.

TITLE X—HORTICULTURE AND ORGANIC AGRICULTURE

Subtitle A—Honey and Bees

Sec. 10001. Annual report on response to honey bee colony collapse disorder.

Subtitle B—Horticulture Provisions

Sec. 10101. Tree assistance program.
Sec. 10102. Specialty crop block grants.
Sec. 10103. Additional section 32 funds for purchase of fruits, vegetables, and nuts to support domestic nutrition assistance programs.
Sec. 10103A Additional section 32 funds to provide grants for the purchase and operation of urban gardens growing organic fruits and vegetables for the local population.
Sec. 10104. Independent evaluation of Department of Agriculture commodity purchase process.
Sec. 10105. Quality requirements for clementines.

Sec. 10106. Implementation of food safety programs under marketing orders.
Sec. 10107. Inclusion of specialty crops in census of agriculture.
Sec. 10108. Maturity requirements for Hass avocados.
Sec. 10109. Mushroom promotion, research, and consumer information.
Sec. 10110. Fresh produce education initiative.

Subtitle C—Pest and Disease Management

Sec. 10201. Pest and disease program.
Sec. 10202. Multi-species fruit fly research and sterile fly production.

Subtitle D—Organic Agriculture

Sec. 10301. National organic certification cost-share program.
Sec. 10302. Organic production and market data.
Sec. 10303. Organic conversion, technical, and educational assistance.

Subtitle E—Miscellaneous Provisions

Sec. 10401. Grant program to improve movement of specialty crops.
Sec. 10402. Authorization of appropriations for market news activities regarding specialty crops.
Sec. 10403. Farmer marketing program.
Sec. 10404. National Clean Plant Network.

Subtitle A—Honey and Bees

SEC. 10001. ANNUAL REPORT ON RESPONSE TO HONEY BEE COLONY COLLAPSE DISORDER.

The Secretary of Agriculture shall submit to Congress an annual report describing the progress made by the Department of Agriculture in investigating the cause or causes of honey bee colony collapse and in finding appropriate strategies to reduce colony loss.

Subtitle B—Horticulture Provisions

SEC. 10101. TREE ASSISTANCE PROGRAM.

(a) INCLUSION OF NURSERY TREE GROWERS.—

(1) ELIGIBILITY.—Section 10201 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8201) is amended—

(A) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(B) by inserting after paragraph (2) the following new paragraph:

''(3) NURSERY TREE GROWER.—The term 'nursery tree grower' means a person who produces nursery, ornamental, fruit, nut, or Christmas trees for commercial sale, as determined by the Secretary.''.

(2) CONFORMING AMENDMENTS.—Subtitle C of title X of the Farm Security and Rural Investment Act of 2002 is amended—

(A) in section 10202 (7 U.S.C. 8202)—

(i) in subsection (a), by inserting ''and nursery tree growers'' after ''eligible orchardists''; and

(ii) in subsection (b), by inserting ''or nursery tree grower'' after ''eligible orchardist''; and

(B) in section 10203 (7 U.S.C. 8203), by inserting ''and nursery tree growers'' after ''eligible orchardists''.

(b) ANNUAL PAYMENT LIMITATION.—Section 10204(a) of the Farm Security and Rural Investment Act

of 2002 (7 U.S.C. 8204(a)) is amended by striking ''$75,000'' and inserting ''$150,000 per year''.

(c) APPLICABILITY.—The amendments made by this section shall apply with respect to any natural disaster occurring after the date of the enactment of this Act for which assistance is provided by the Secretary of Agriculture under the tree assistance program.

SEC. 10102. SPECIALTY CROP BLOCK GRANTS.

(a) EXTENSION OF PROGRAM.—Subsection (a) of section 101 of the Specialty Crops Competitiveness Act of 2004 (Public Law 108–465; 7 U.S.C. 1621 note) is amended by striking ''2009'' and inserting ''2012''.

(b) AVAILABILITY OF FUNDS.—Subsection (i) of section 101 of the Specialty Crops Competitiveness Act of 2004 is amended to read as follows:

''(i) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make grants under this section, using—

''(1) $60,000,000 in fiscal year 2008;

''(2) $65,000,000 in fiscal year 2009;

''(3) $70,000,000 in fiscal year 2010;

''(4) $75,000,000 in fiscal year 2011; and

''(5) $95,000,000 in fiscal year 2012.''.

(c) CONFORMING AMENDMENTS.—Section 101 of the Specialty Crops Competitiveness Act of 2004 (Public Law 108–465; 7 U.S.C. 1621 note) is further amended—

(1) in subsection (a), by striking ''Subject to the appropriation of funds to carry out this section'' and inserting ''Using the funds made available under subsection (i)'';

(2) in subsection (b), by striking ''appropriated pursuant to the authorization of appropriations in'' and inserting ''made available under''; and

(3) in subsection (c), by striking ''Subject to the appropriation of sufficient funds to carry out this subsection, each'' and inserting ''Each''.

(d) DEFINITION OF SPECIALTY CROP.—Section 3(1) of the Specialty Crops Competitiveness Act of 2004 (Public Law 108–465; 7 U.S.C. 1621 note) is amended by inserting ''horticulture and'' before ''nursery''.

(e) DEFINITION OF STATE.—Section 3(2) of the Specialty Crops Competitiveness Act of 2004 (Public Law 108–465; 7 U.S.C. 1621 note) is amended by striking ''and the Commonwealth of Puerto Rico'' and inserting ''the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands''.

SEC. 10103. ADDITIONAL SECTION 32 FUNDS FOR PURCHASE OF FRUITS, VEGETABLES, AND NUTS TO SUPPORT DOMESTIC NUTRITION ASSISTANCE PROGRAMS.

(a) FUNDING FOR ADDITIONAL PURCHASES OF FRUITS, VEGETABLES, AND NUTS.—In addition to the purchases of fruits, vegetables, and nuts required by section 10603 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 612c–4), the Secretary of Agriculture shall purchase fruits, vegetables, and nuts for the purpose of providing nutritious foods for use in domestic nutrition assistance programs, using, of the funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), the following amounts:

(1) $190,000,000 in fiscal year 2008.

(2) $193,000,000 in fiscal year 2009.

(3) $199,000,000 in fiscal year 2010.

(4) $203,000,000 in fiscal year 2011.

(5) $206,000,000 in fiscal year 2012 and each fiscal year thereafter.

(b) FORM OF PURCHASES.—Fruits, vegetables, and nuts may be purchased under this section in the form of frozen, canned, dried, or fresh fruits, vegetables, and nuts.

(c) VALUE ADDED PRODUCTS.—The Secretary may consider offering value-added products containing fruits,

vegetables or nuts under this section, taking into account—

(1) whether demand exists for the value-added product; and

(2) the interests of entities that receive fruits, vegetables, and nuts under this section.

SEC. 10103A. ADDITIONAL SECTION 32 FUNDS TO PROVIDE GRANTS FOR THE PURCHASE AND OPERATION OF URBAN GARDENS GROWING ORGANIC FRUITS AND VEGETABLES FOR THE LOCAL POPULATION.

(a) GRANTS.—The Secretary of Agriculture may make grants to eligible entities to assist in purchasing and operating organic gardens or greenhouses in urban areas for growing fruits and vegetables. In making such grants, the Secretary will ensure such fruits and vegetables are sold to local grocery stores.

(b) LIMITATIONS.—Grants provided to any eligible entity under this section may not exceed $25,000 for any given year.

(c) ELIGIBLE ENTITIES.—

(1) INDIVIDUALS.—An individual shall be eligible to receive a grant under subsection (a) if the individual is a resident of the neighborhood in which

the urban garden or greenhouse is located, or will be located.

(2) COOPERATIVES.—A cooperative shall be eligible to receive a grant under subsection (a) if every individual member or owner of the cooperative is a resident of the neighborhood in which the urban garden or greenhouse is located, or will be located.

(d) SELECTION OF ELIGIBLE ENTITIES.—The Secretary shall develop criteria for the selection of eligible entities to receive grants under this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000 for fiscal year 2008 and for each fiscal year thereafter.

SEC. 10104. INDEPENDENT EVALUATION OF DEPARTMENT OF AGRICULTURE COMMODITY PURCHASE PROCESS.

(a) EVALUATION REQUIRED.—The Secretary of Agriculture shall arrange to have performed an independent evaluation of the commodity purchasing processes (and the statutory and regulatory authority underlying such processes) used by the Department of Agriculture to remove surplus commodities from the market and support commodity prices and producer incomes, especially with regard to activities under section 32 of the Act of August

24, 1935 (7 U.S.C. 612c) and the importance of increasing purchases of specialty crops.

(b) SUBMISSION OF RESULTS.—Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture shall submit to Congress a report on the results of the evaluation.

SEC. 10105. QUALITY REQUIREMENTS FOR CLEMENTINES.

Section 8e(a) of the Agricultural Adjustment Act (7 U.S.C. 608e–1(a)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended in the first sentence by inserting after ''nectarines,'' the following: ''clementines,''.

SEC. 10106. IMPLEMENTATION OF FOOD SAFETY PROGRAMS UNDER MARKETING ORDERS.

Section 8c(6) of the Agricultural Adjustment Act (7 U.S.C. 608c(6)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

''(K) In the case of an order related to a specialty crop (as such term is defined in section 3(1) of the Specialty Crops Competitiveness Act of 2004 (Public Law 108–465; 118 Stat. 3883)), authorizing the implementation of quality-related food safety programs designed to enhance the safety of the specialty crop and products derived from specialty crops.''.

SEC. 10107. INCLUSION OF SPECIALTY CROPS IN CENSUS OF AGRICULTURE.

Section 2(a) of the Census of Agriculture Act of 1997 (7 U.S.C. 2204g(a) is amended by adding at the end the following new sentence: ''Beginning with the census of agriculture required to be conducted in 2008, the Secretary shall conduct as part of each census of agriculture a census of specialty crops (as such term is defined in section 3(1) of the Specialty Crops Competitiveness Act of 2004 (Public Law 108–465; 118 Stat. 3883)).''.

SEC. 10108. MATURITY REQUIREMENTS FOR HASS AVOCADOS.

Subtitle A of the Agricultural Marketing Act of 1946 is amended by adding at the end the following new section:

''SEC. 209. MATURITY REQUIREMENTS FOR HASS AVOCADOS.

''(a) MINIMUM PERCENTAGE OF DRY MATTER.—Not later than 180 days after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007, the Secretary of Agriculture shall issue final regulations to require that all Hass avocados sold to consumers in the United States meet the minimum maturity standard of not less than 20.8 percent dry matter.

''(b) EXCEPTIONS.—Subsection (a) and the regulations issued pursuant to such subsection shall not apply to Hass avocados—

"(1) intended for consumption by charitable institutions;

"(2) intended for distribution by relief agencies;

"(3) intended for commercial processing into products; or

"(4) that the Secretary determines should not be subject to such subsection or such regulations.

"(c) USE OF EXISTING INSPECTORS.—The Secretary shall, to the greatest extent practicable, use inspectors that inspect avocados for compliance with section 8e of the Agricultural Adjustment Act (7 U.S.C. 608e–1), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to conduct inspections under this section.

"(d) CIVIL PENALTIES.—The Secretary may require any person who violates this section or the regulations issued pursuant to this section to—

"(1) forfeit to the United States a sum equal to the value of the commodity at the time of violation, which forfeiture shall be recoverable in a civil suit bought in the name of the United States; or

"(2) on conviction, be fined not less than $50 or more than $5,000 for each violation.

"(e) DIVERSION.—In the case of any Hass avocados that do not meet the requirements of this section or the

regulations issued pursuant to this section, the Secretary may—

"(1) provide for the reinspection of the Hass avocados; or

"(2) authorize the diversion, export, or repacking of the Hass avocados.

"(f) FEES.—The Secretary may prescribe and collect fees to cover the costs of providing for the inspection of Hass avocados under this section. All fees and penalties collected shall be credited to the accounts that incur such costs and shall remain available until expended without fiscal year limitation.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.".

SEC. 10109. MUSHROOM PROMOTION, RESEARCH, AND CONSUMER INFORMATION.

(a) REGIONS AND MEMBERS.—Section 1925(b)(2) of the Mushroom Promotion, Research, and Consumer Information Act of 1990 (subtitle B of title XIX of Public Law 101–624; 7 U.S.C. 6104(b)(2)) is amended—

(1) in subparagraph (B), by striking "4 regions" and inserting "3 regions";

(2) in subparagraph (D), by striking "35,000,000 pounds" and inserting "50,000,000 pounds"; and

(3) by striking subparagraph (E), and inserting the following new subparagraph:

"(E) ADDITIONAL MEMBERS.—In addition to the members appointed pursuant to paragraph (1), and subject to the nine-member limit of members on the council provided in such paragraph, the Secretary shall appoint additional members to the council from a region which attains additional pounds of production as follows:

"(i) If a region's annual production is greater than 110,000,000 pounds, but less than or equal to 180,000,000 pounds, the region shall be represented by one additional member.

"(ii) If a region's annual production is greater than 180,000,000 pounds, but less than or equal to 260,000,000 pounds, the region shall be represented by two additional members.

"(iii) If a region's annual production is greater than 260,000,000 pounds, the

region shall be represented by three additional members.''.

(b) POWERS AND DUTIES OF COUNCIL.—Section 1925(c) of the Mushroom Promotion, Research, and Consumer Information Act of 1990 (subtitle B of title XIX of Public Law 101–624; 7 U.S.C. 6104(c)) is amended—

(1) by redesignating paragraphs (6), (7), and (8) as paragraphs (7), (8), and (9), respectively; and

(2) by inserting after paragraph (5), the following new paragraph (6):

''(6) to develop a program for good agricultural practices and good handling practices for mushrooms;''.

SEC. 10110. FRESH PRODUCE EDUCATION INITIATIVE.

(a) INITIATIVE AUTHORIZED.—The Secretary of Agriculture may carry out a program to educate persons involved in the fresh produce industry and the public about—

(1) scientifically proven practices for reducing microbiological pathogens on fresh produce; and

(2) methods of reducing the threat of cross-contamination of fresh produce through unsanitary handling practices.

(b) COOPERATION.—The Secretary may carry out the program in cooperation with public or private partners.

(c) FUNDING.—There are authorized to be appropriated such sums as are necessary for each of fiscal years 2008 through 2012 to carry out this section.

Subtitle C—Pest and Disease Management

SEC. 10201. PEST AND DISEASE PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a program to—

(1) conduct early pest detection and surveillance activities in cooperation with state departments of agriculture;

(2) determine and prioritize pest and disease threats to domestic production of specialty crops; and

(3) create an audit-based certification approach to protect against the spread of plant pests and to facilitate the interstate movement of plants and plant products.

(b) EARLY PEST DETECTION AND SURVEILLANCE IMPROVEMENT PROGRAM.—

(1) COOPERATIVE AGREEMENTS.—The Secretary of Agriculture shall enter into cooperative agreements with State departments of agriculture to provide grants to such State departments of agri-

culture for early pest detection and surveillance activities.

(2) APPLICATION.—A State department of agriculture seeking to enter into a cooperative agreement under this subsection shall submit to the Secretary an application containing such information as the Secretary may require. The Secretary shall notify applicants of the following:

(A) The requirements to be imposed on a department of agriculture for auditing of, and reporting on, the use of any funds provided by the Secretary under the cooperative agreement.

(B) The criteria to be used to ensure that early pest detection and surveillance activities supported under the cooperative agreement are based on sound scientific data or thorough risk assessments.

(C) The means of identifying pathways of pest introductions.

(3) USE OF FUNDS.—

(A) PEST DETECTION AND SURVEILLANCE ACTIVITIES.—A State department of agriculture that receives funds under this section shall use the funds to carry out early pest detection and

surveillance activities approved by the Secretary to prevent the introduction or spread of a pest.

(B) SUBAGREEMENTS.—A State department of agriculture may use funds received under this section to enter into subagreements with political subdivisions in such State that have legal responsibilities relating to agricultural pest and disease surveillance.

(4) SPECIAL FUNDING CONSIDERATIONS.—The Secretary shall provide, subject to the availability of funds under subsection (j), funds to a State department of agriculture that the Secretary determines is in a State that has a high risk of being affected by one or more pest, based on the following factors:

(A) The number of international airports and maritime facilities in that State.

(B) The volume of international passenger and cargo entry into that State.

(C) The geographic location of that State and if such location is conducive to agricultural pest and disease establishment due to the climate or crop diversity of that State.

(D) The types of agricultural commodities or plants produced in that State and if the commodities or plants produced are conducive

to agricultural pest and disease establishment due to the climate or crop diversity of that State.

(E) Whether the Secretary has declared an emergency in that State pursuant to section 442 of the Plant Protection Act (7 U.S.C. 7772) due to an agricultural pest or disease of Federal concern.

(F) Such other factors as the Secretary considers appropriate.

(5) COST-SHARE.—

(A) FEDERAL COST SHARE; FORM OF NON-FEDERAL COST SHARE.—Except as provided in subparagraph (B), a cooperative agreement entered into under paragraph (1) shall provide that—

(i) the Federal share of carrying out the cooperative agreement shall not exceed 75 percent of the total cost;

(ii) the non-Federal share of the cost of carrying out the agreement may be provided in-kind; and

(iii) in-kind costs may include indirect costs as considered appropriate by the Secretary.

(B) ABILITY TO PROVIDE FUNDS.—The Secretary shall not take the ability to provide non-Federal costs to carry out a cooperative agreement entered into under paragraph (1) into consideration when deciding whether to enter into a cooperative agreement with a State department of agriculture.

(C) SPECIAL FUNDING CONSIDERATIONS.—The non-federal share of carrying out paragraph (4) shall not exceed 40 percent of the total costs of carrying out such paragraph.

(6) REPORTING REQUIREMENT.—Not later than 180 days after the date of completion of an early pest detection and surveillance activity conducted by a State department of agriculture using funds provided under this section, the department of agriculture shall submit to the Secretary a report that describes the purposes and results of the activities, including any activities conducted pursuant to a subagreement referred to in paragraph (3)(B).

(c) THREAT IDENTIFICATION AND MITIGATION PROGRAM.—

(1) IN GENERAL.—In conducting the program established under subsection (a), the Secretary shall—

(A) develop risk assessments of the existing and potential threat to the specialty crop industry in the United States from pests and disease;

(B) prepare a list prioritizing pest and disease threats to the specialty crop industry;

(C) develop action plans, in consultation with State departments of agriculture and other State or regional resource partnerships, that effectively address pest and disease threats to the specialty crop industry, including pathway analysis, domestic and offshore mitigation measures, and comprehensive exclusion measures at ports of entry and other key distribution centers, in addition to strategies to employ if a pest or disease is introduced;

(D) implement such action plans as soon as they are developed to test the effectiveness of such action plans and help prevent new foreign and domestic pest and disease threats from being introduced or widely disseminated in the United States; and

(E) collaborate with the nursery industry, research institutions, and other appropriate entities to develop a nursery pest risk manage-

ment system to identify nursery pests and diseases, prevent the introduction, establishment, and spread of such pests and diseases, and reduce the risk of, prioritize, mitigate, and eradicate such pests and diseases.

(2) REPORTS.—Not later than one year after the date of the enactment of this Act, and annually thereafter, the Secretary shall update and submit to Congress the priority list and action plans described in paragraph (1), including an accounting of funds expended on the action plans.

(d) AUDIT-BASED APPROACH TO SPECIALTY CROP PHYTOSANITARY CERTIFICATION.—In conducting the program established under subsection (a), the Secretary shall provide funds and technical assistance to specialty crop growers, organizations representing such growers, and State and local agencies working with such growers and organizations for the development and implementation of certification systems based on audit-based approaches, such as best management practices or nursery pest risk management systems, to address plant pests and to mitigate the risk of plant pests in the movement of plants and plant products.

(e) COOPERATIVE AGREEMENTS.—The Secretary may enter into cooperative agreements with other Federal

departments or agencies, States or political subdivisions of States, national governments, local governments of other nations, domestic or international organizations, domestic or international associations, and other persons to carry out this section.

(f) CONSULTATION.—The Secretary shall consult with the National Plant Board, State departments of agriculture, and specialty crop grower organizations to establish funding priorities under this section for each fiscal year.

(g) ADMINISTRATIVE COSTS.—Not more than 5 percent of the funds provided under this section may be used for administrative costs.

(h) DEFINITIONS.—In this section:

(1) EARLY PEST DETECTION AND SURVEILLANCE.—The term ''early pest detection and surveillance'' means the full range of activities undertaken to find newly introduced pests, whether new to the United States or new to certain areas of the United States, before the pests become established, or before pest infestations become too large and costly to eradicate or control.

(2) PEST.—The term ''pest'' has the meaning given the term ''plant pest'' in section 403(14) of the Plant Protection Act (7 U.S.C. 7702(14)).

(3) SPECIALTY CROP.—The term ''specialty crop'' has the meaning given the term in section 3(1) of the Specialty Crop Competitiveness Act of 2004 (Public Law 108–465; 118 Stat. 3883; 7 U.S.C. 1621 note).

(4) STATE DEPARTMENT OF AGRICULTURE.—The term ''State department of agriculture'' means an agency of a State that has a legal responsibility to perform early pest detection and surveillance activities.

(i) SECRETARIAL DISCRETION.—Section 442(c) of the Plant Protection Act (7 U.S.C. 7772(c)) is amended by striking ''of longer than 60 days''.

(j) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section—

(1) $10,000,000 for fiscal year 2008;

(2) $25,000,000 for fiscal year 2009;

(3) $40,000,000 for fiscal year 2010;

(4) $55,000,000 for fiscal year 2011; and

(5) $70,000,000 for fiscal year 2012.

SEC. 10202. MULTI-SPECIES FRUIT FLY RESEARCH AND STERILE FLY PRODUCTION.

(a) CONSTRUCTION.—The Secretary of Agriculture shall construct a warehouse and irradiation containment

facility in Waimanalo, Hawaii, to support fruit fly rearing and sterilization activities.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated—

(1) $15,000,000 for the construction of a warehouse and irradiation containment facility pursuant to subsection (a); and

(2) $1,000,000 for fiscal year 2008 and each subsequent fiscal year for maintenance to the facilities constructed pursuant to this section.

Subtitle D—Organic Agriculture

SEC. 10301. NATIONAL ORGANIC CERTIFICATION COST-SHARE PROGRAM.

Section 10606 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523) is amended—

(1) in subsection (a), by striking ''$5,000,000 for fiscal year 2002'' and inserting ''$22,000,000 for fiscal year 2008''; and

(2) in subsection (b)(2), by striking ''$500'' and inserting ''$750''.

SEC. 10302. ORGANIC PRODUCTION AND MARKET DATA.

(a) NEW DATA REQUIREMENTS.—Section 7407 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925c) is amended to read as follows:

"SEC. 7407. ORGANIC DATA COLLECTION AND PUBLICATION.

"(a) DATA COLLECTION AND PUBLICATION.—To assist organic farmers in making informed production and marketing decisions, the Secretary of Agriculture shall collect and publish segregated data and survey information about the price, production, and marketing of major organically produced commodities, as determined by the Secretary.

"(b) FUNDING.—The Secretary of Agriculture shall use $3,000,000 of the funds of the Commodity Credit Corporation to carry out this section during fiscal year 2008, and such funds shall remain available until expended.".

(b) IMPLEMENTATION REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall submit to Congress a report regarding the progress made in implementing the amendment made by subsection (a).

SEC. 10303. ORGANIC CONVERSION, TECHNICAL, AND EDUCATIONAL ASSISTANCE.

(a) ESTABLISHMENT.—Not later than 180 days after the date of the enactment of this section, the Secretary shall establish a program to provide cost share and incentive payments and technical and educational assistance to producers to promote conservation practices and activities for production systems undergoing transition, in whole or

in part, to organic production in accordance with the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

(b) ORGANIC TRANSITION COST SHARE AND INCENTIVE PAYMENTS.—

(1) IN GENERAL.—The Secretary shall enter into contracts with eligible producers referred to in paragraph (2) to provide cost-share and incentive payments to assist in the transition to organic production systems.

(2) ELIGIBLE PRODUCERS.—A producer is an eligible producer under this paragraph if such producer agrees to—

(A) develop and carry out environmental and conservation activities consistent with an organic plan that protect soil, water, wildlife, air, and other natural resources as defined by the Secretary;

(B) receive technical and education assistance from the Secretary, or from organizations, institutions, and consultants with cooperative agreements with the Secretary, relating to—

(i) the development and implementation of conservation practices and activities that are part of an organic plan; or

(ii) other aspects of transition to organic production, including marketing, credit, business, and risk management plans;

(C) submit to annual verification by a certifying agent accredited by the Department of Agriculture under section 2115 of the Organic Foods Production Act of 1990 (7 U.S.C. 6514) to determine compliance of the producer with organic certification requirements; and

(D) develop marketing, credit, business, and risk management plans, as appropriate.

(3) CONTRACT.—A contract entered into under paragraph (1) shall provide that—

(A) payments provided to a producer under the contract shall only be used for—

(i) conservation management and vegetative and structural practices and activities during transition to certified organic production that—

(I) are consistent with an organic plan; and

(II) protect soil, water, wildlife, air, and other natural resources, as required under the Organic Foods

Production Act of 1990 (7 U.S.C. 6501 et seq.);

(ii) animal production measures consistent with an organic plan; and

(iii) such other measures as the Secretary determines are appropriate and consistent with an organic plan;

(B) subject to subparagraph (C), the contract shall terminate after a period of not more than three years;

(C) the Secretary may terminate the contract if the Secretary determines the eligible producer is not pursuing organic certification under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.); and

(D) the Secretary may require repayment in whole of payments already received if the Secretary determines the eligible producer is not pursuing organic certification under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

(4) LIMITATIONS ON PAYMENTS.—An eligible producer may not receive payments under paragraph (1)—

(A) for a total period of more than three years;

(B) an amount not to exceed $50 per acre for crop land, or $25 per acre for grazing land; and

(C) in an amount more than $10,000 in a fiscal year.

(c) TECHNICAL AND EDUCATIONAL ASSISTANCE.—The Secretary shall provide producers with technical and educational assistance, including through the use of competitive cooperative agreements with non-profit organizations, non-governmental organizations, institutes of higher education, or consultants with expertise in advisory services for organic producers on organic production systems, and the planning for and marketing of organic products.

(d) USE OF FUNDS.—The Secretary shall use 50 percent of the funds made available pursuant to the authorization of appropriations under subsection (f) to provide technical and educational assistance under subsection (c).

(e) DEFINITIONS.—In this section:

(1) ORGANIC PLAN.—The term ''organic plan'' means an organic plan submitted under section 2114(a) of the Organic Foods Production Act of 1990 (7 U.S.C. 6513(a)) and agreed to by the pro-

ducer and handler of a product and a certifying agent under such section.

(2) TECHNICAL AND EDUCATIONAL ASSISTANCE.—The term ''technical and educational assistance'' means the conveyance of information and counsel regarding economic and business planning, marketing, and organic practices, such as entomological practices and pest and weed control and prevention that satisfy organic practices.

(f) FUNDING.—There is authorized to be appropriated to carry out this section $50,000,000, which shall remain available until expended.

Subtitle E—Miscellaneous Provisions

SEC. 10401. GRANT PROGRAM TO IMPROVE MOVEMENT OF SPECIALTY CROPS.

(a) GRANTS AUTHORIZED.—The Secretary of Agriculture may make grants under this section to an eligible entity described in subsection (b)—

(1) to improve the cost-effective movement of specialty crops to local, regional, national, and international markets; and

(2) to address regional intermodal transportation deficiencies that adversely affect the move-

ment of specialty crops to markets inside or outside the United States.

(b) ELIGIBLE GRANT RECIPIENTS.—Grants may be made under this section to any of the following (or a combination thereof):

(1) State and local governments.

(2) Grower cooperatives.

(3) State or regional producer and shipper organizations.

(4) Other entities as determined to be appropriate by the Secretary.

(c) MATCHING FUNDS.—The recipient of a grant under this section shall contribute an amount of non-Federal funds toward the project for which the grant is provided that is at least equal to the amount of grant funds received by the recipient under this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for each of fiscal years 2008 through 2012 to carry out this section.

SEC. 10402. AUTHORIZATION OF APPROPRIATIONS FOR MARKET NEWS ACTIVITIES REGARDING SPECIALTY CROPS.

There are authorized to be appropriated to the Secretary of Agriculture such sums as may be necessary for

each of the fiscal years 2008 through 2012 to support the market news activities regarding specialty crops (as such term is defined in section 3(1) of the Specialty Crops Competitiveness Act of 2004 (Public Law 108–465; 118 Stat. 3883)).

SEC. 10403. FARMER MARKETING ASSISTANCE PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) agricultural direct farmer-to-consumer marketing activities, including farmers' markets, roadside stands, community supported agriculture, internet, mail-order, and other similar direct order marketing activities, significantly enhance the ability of agricultural producers to retain a greater share of their products' retail value;

(2) direct farmer-to-consumer marketing activities are a crucial component of the current and future viability of small and mid-sized farms and ranches and beginning and socially disadvantaged farmers and ranchers; and

(3) agricultural direct marketing activities contribute to the health and well-being of consumers in rural, urban, and tribal communities by providing access to healthy, fresh, and affordable food.

(b) PROGRAM.—Section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005) is amended—

(1) in subsection (a)—

(A) by striking ''Farmers' Market Promotion Program'' and inserting ''Farmer Marketing Assistance Program''; and

(B) by striking ''promote farmers' markets'' and inserting ''direct producer to consumer marketing'';

(2) in subsection (b)(1)—

(A) in subparagraph (A), by striking '', domestic farmers' markets, roadside stands, community-supported agriculture programs, and other''; and

(B) in subparagraph (B), by striking ''farmers' markets, roadside stands, community-supported agriculture programs, and other direct producer-to-consumer infrastructure'' and inserting ''direct producer-to-consumer marketing and infrastructure opportunities'';

(3) in subsection (c)—

(A) by redesignating paragraphs (1) through (7) as paragraphs (2) through (8), respectively;

(B) by inserting before paragraph (2) the following new paragraph:

''(1) two or more farmers or farm vendors who sell products through a common channel of distribution;''; and

(C) in paragraph (2) (as so redesignated) by striking ''an agricultural cooperative'' and inserting ''an agricultural cooperative or producer network or association'';

(4) by striking subsection (e) and inserting the following new subsections:

''(e) ELIGIBLE ACTIVITIES.—A recipient of a grant under this section may use the funds for the following activities:

''(1) Farmers markets.

''(2) Roadside stands.

''(3) Community supported agriculture operations, through which a farmer agrees to deliver a certain quantity of agricultural products to consumers at a set price.

''(4) The purchase of equipment or other activities supporting the use of electronic benefit transfer systems at farmers markets.

''(5) Agritourism activities facilitating the direct sale of agricultural products, including oper-

ations where the consumer picks their own agricultural products.

"(6) Other activities as determined appropriate by the Secretary.

"(f) FUNDING.—

"(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall use to carry out this section—

"(A) $5,000,000 in each of fiscal year 2008, 2009, and 2010; and

"(B) $10,000,000 in each of fiscal years 2011 and 2012.

"(2) USE OF FUNDS.—Not less than 10 percent of the funds used to carry out this section in a fiscal year under paragraph (1) shall be used to support the use of electronic benefits transfers at farmers' markets.".

SEC. 10404. NATIONAL CLEAN PLANT NETWORK.

(a) ESTABLISHMENT.—There is established in the Department of Agriculture a program to be known as the "National Clean Plant Network".

(b) NETWORK.—The Secretary of Agriculture shall use the network—

(1) to develop a sustainable national funding source for clean planting stock programs for horti-

cultural crops determined by the Secretary to be of priority for the United States; and

(2) to enter into cooperative agreements to entities that have the expertise, facilities, and climate necessary to efficiently produce, maintain, and distribute healthy planting stock for specialty crops.

(c) FUNDING.—

(1) COMMODITY CREDIT CORPORATION.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section $20,000,000 for fiscal years 2008 through 2012.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary for each of fiscal years 2008 through 2012 to carry out this section.

SEC. 10405. HEALTHY FOOD URBAN ENTERPRISE DEVELOPMENT PROGRAM.

(a) PURPOSE.—The purpose of this section is to support farm and ranch income by significantly enhancing a producer's share of the final retail product price through improved access to competitive processing and distribution systems which deliver affordable, locally and regionally produced foods to consumers, and improve food access in underserved communities.

(b) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term ''eligible entity'' includes—

(A) a small or midsized processor, distributor, wholesaler, or retail food outlet;

(B) a group of producers operating as a legally recognized marketing alliance;

(C) a producer-owned cooperative;

(D) a nonprofit organization;

(E) an economic development or community development corporation;

(F) a unit of State or local government; and

(G) an academic institution.

(2) INDIAN TRIBE.—The term ''Indian tribe'' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

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

(4) SOCIALLY DISADVANTAGED FARMER OR RANCHER.—The term ''socially disadvantaged farmer or rancher'' has the meaning given the term in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)).

(5) UNDERSERVED COMMUNITY.—The term "underserved community" includes any community that may have, as determined by the Secretary—

(A) limited access to affordable, healthy foods, including fresh fruits and vegetables, in grocery retail stores or farmer-to-consumer direct markets;

(B) high incidences of diet-related diseases, including obesity;

(C) high rates of hunger or food insecurity; or

(D) severe or persistent poverty in urban or rural communities, including Indian tribal communities.

(c) GRANT PROGRAM.—

(1) ESTABLISHMENT.—The Secretary, acting through the head of the market services branch of the Agricultural Marketing Service, shall establish a program under which the Secretary shall provide grants, on a competitive basis, to eligible entities to conduct enterprise feasibility studies (including studies of consumer preference), in accordance with the purpose of this section.

(2) APPLICATION.—To be eligible to receive a grant under this subsection, an eligible entity shall

submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(3) COORDINATION WITH OTHER AGENCIES.—In carrying out the program under this subsection, the Secretary shall coordinate, with respect to the development of the program and reviews of grant applications, with—

(A) the Cooperative State Research, Education, and Extension Service; and

(B) the Rural Business Cooperative Service.

(4) PRIORITY.—In providing grants under this subsection, the Secretary shall give priority to applications with proposed projects that—

(A) include features effectively targeting participation by socially disadvantaged farmers or ranchers or beginning farmers or ranchers;

(B) increase employment opportunities in underserved communities;

(C) support small and mid-sized farm viability and increase farming opportunities; or

(D) establish and maintain satisfactory environmental and labor standards, including worker protection.

(5) MAXIMUM AMOUNT.—The amount of a grant provided under this subsection shall not exceed $250,000.

(6) TERM.—A grant provided under this subsection shall have a term of not more than 3 years.

(7) REPORTS.—

(A) IN GENERAL.—Each eligible entity that receives a grant under this subsection shall submit to the Secretary an annual report describing the results and progress of each feasibility study to ensure sufficient progress is achieved with respect to the goals of the projects carried out by the eligible entity.

(B) PUBLIC AVAILABILITY.—The Secretary shall ensure that any information contained in a report under subparagraph (A) relating to consumer preference or producer availability is made available to the public.

(8) FUNDING.—There are authorized to be appropriated such sums as are necessary for each of fiscal years 2008 through 2012 to carry out this section.

(d) GRANT PROGRAM REQUIREMENTS.—

(1) TECHNICAL ASSISTANCE AND OUTREACH.—

(A) IN GENERAL.—The Secretary shall—

(i) provide to the public information relating to the grant programs under this section; and

(ii) provide technical assistance to—

(I) socially disadvantaged farmers or ranchers;

(II) Indian tribal organizations;

(III) low-income populations; and

(IV) other underserved communities and producers.

(B) SERVICE PROVIDERS.—In carrying out subparagraph (A), the Secretary may enter into contracts, on a competitive basis, with entities that, as determined by the Secretary—

(i) demonstrate experience in serving socially disadvantaged farmers or ranchers and other underserved communities and producers;

(ii) include, in the governance structure of the entity, 2 or more members representing the targeted communities served by the entity; and

(iii) will share information developed or used by the entity with—

(I) researchers;

(II) practitioners; and

(III) other interested parties.

(2) LIMITATIONS.—For purposes of the programs under this section, the Secretary—

(A) shall not give preference to any entity based on an agricultural commodity produced or supported by the entity; and

(B) shall encourage, to the maximum extent practicable, projects that use infrastructure efficiently for more than 1 agricultural product.

(3) REPORT.—Not less frequently than once each year, the Secretary shall submit to Congress a report that describes the programs (including the level of participation in each program) under this section, including information relating to—

(A) projects carried out under this section;

(B) characteristics of the agricultural producers and communities served by the projects;

(C) the benefits of the projects;

(D) data necessary to comply with—

(i) section 2501A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279–1); or

(ii) section 8(b)(5)(B) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)); and

(E) outreach and technical assistance activities carried out by the Secretary under paragraph (1).

TITLE XI—MISCELLANEOUS PROVISIONS

Subtitle A—Federal Crop Insurance

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Sec. 11002. Catastrophic risk protection administrative fee.
Sec. 11003. Funding for reimbursements, contracting, risk management education, and information technology.
Sec. 11004. Reimbursement of research and development costs related to new crop insurance products.
Sec. 11005. Research and development contracts for organic production coverage improvements.
Sec. 11006. Targeting risk management education for beginning farmers and ranchers and certain other farmers and ranchers.
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Sec. 11011. Sesame insurance pilot program.
Sec. 11012. National Drought Council and drought preparedness plans.
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Sec. 11014. Share of risk.
Sec. 11015. Livestock Assistance.
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Subtitle B—Livestock and Poultry

Sec. 11101. Sense of Congress regarding pseudorabies eradication program.
Sec. 11102. Arbitration of livestock and poultry contracts.
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Subtitle C—Socially Disadvantaged Producers and Limited Resource Producers

Sec. 11201. Outreach and technical assistance for socially disadvantaged farmers and ranchers and limited resource farmers and ranchers.
Sec. 11202. Improved program delivery by Department of Agriculture on Indian reservations.
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Sec. 11309. USDA Graduate School.
Sec. 11310. Prevention and investigation of payment and fraud and error.
Sec. 11311. Sense of Congress regarding food deserts, geographically isolated neighborhoods and communities with limited or no access to major chain grocery stores.
Sec. 11312. Pigford claims.
Sec. 11313. Comptroller general study of wastewater infrastructure near United States-Mexico border.
Sec. 11314. Elimination of statute of limitations applicable to collection of debt by administrative offset.
Sec. 11315. Pollinator protection.
Sec. 11316. Prohibition on use of live animals for marketing medical devices; fines under the Animal Welfare Act.
Sec. 11317. Protection of pets.

Subtitle A—Federal Crop Insurance

SEC. 11001. PREMIUMS AND REINSURANCE REQUIREMENTS.

(a) PREMIUM ADJUSTMENTS.—Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended by adding at the end the following new paragraph:

"(9) PREMIUM ADJUSTMENTS.—

"(A) PROHIBITION.—Except as provided in subparagraph (B), the paying, allowing, or giving, or offering to pay, allow, or give, directly or indirectly, either as an inducement to procure insurance or after insurance has been procured, any rebate, discount, abatement, credit, or reduction of the premium named in an insurance policy or any other valuable consideration or inducement whatsoever not specified in the policy, is strictly prohibited under this title.

"(B) EXCEPTIONS.—Subparagraph (A) does not apply with respect to the following:

"(i) A rebate authorized under subsection (b)(5)(B).

"(ii) A performance-based discount authorized under subsection (d)(3).".

(b) PAYMENT OF CATASTROPHIC RISK PROTECTION FEE ON BEHALF OF PRODUCERS.—Section 508(b)(5)(B) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(5)(B)) is amended—

(1) in the subparagraph heading, by inserting ''OF CATASTROPHIC RISK PROTECTION FEE'' after ''PAYMENT'';

(2) in clause (i)—

(A) by striking ''or other payment''; and

(B) by striking ''with catastrophic risk protection or additional coverage''; and inserting ''through the payment of all or a portion of catastrophic risk protection administrative fees'';

(3) in clause (ii)—

(A) by striking ''or other payment made by an insurance provider'' and inserting ''payment made pursuant to clause (i) by an insurance provider'';

(B) by striking ''issuance of catastrophic risk protection or additional coverage to'' and inserting ''payment of catastrophic risk protection administrative fees on behalf of''; and

(C) by striking ''or other payment'' the second place it appears;

(4) in clause (iv), by striking ''A policy or plan of insurance'' and inserting ''Catastrophic risk protection coverage'';

(5) in clause (v)—

(A) by striking ''licensing fee or other arrangement under this subparagraph'' and inserting ''licensing fee arrangement''; and

(B) by striking ''levels of additional coverage'' and inserting ''levels of coverage''; and

(6) by striking clause (vi).

(c) CHANGE IN DUE DATE FOR POLICYHOLDER PREMIUMS.—Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) in subsection (b)(5)(C), by striking ''the date that premium'' and inserting ''the same date on which the premium'';

(2) in subsection (c)(10)(B)—

(A) by inserting ''; TIME FOR PAYMENT'' after ''WAIVER''; and

(B) by adding at the end the following new sentence: ''Subparagraph (C) of such subsection shall apply with respect to the collection date for policy premiums.''; and

(3) in subsection (d), by adding at the end the following new paragraph:

"(4) BILLING DATE FOR PREMIUMS.—Beginning with the 2012 reinsurance year, the Corporation shall establish August 1 as the billing date for premiums.".

(d) REINSURANCE.—

(1) REIMBURSEMENT RATE.—Section 508(k)(4)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(A)) is amended by striking clause (ii) and inserting the following new clause:

"(ii) for the 2009 and subsequent reinsurance years, 2.9 percentage points below the rates, in effect as of the date of the enactment of this Act of the Farm, Nutrition, and Bioenergy Act of 2007, for all crop insurance policies used to define loss ratio.".

(2) RENEGOTIATION OF STANDARD REINSURANCE AGREEMENT.—Section 508(k) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)) is amended by adding at the end the following new paragraph:

"(8) RENEGOTIATION OF STANDARD REINSURANCE AGREEMENT.—

"(A) PERIODIC RENEGOTIATION.—Following the reinsurance year ending June 30, 2012, the Corporation may renegotiate the fi-

nancial terms of the standard reinsurance agreement during the next reinsurance year and once during each period of five reinsurance years thereafter.

"(B) EFFECT OF FEDERAL LAW CHANGES.—If changes in Federal law are enacted that require revisions in the financial terms of the standard reinsurance agreement, and such changes in the agreement are made on a mandatory basis by the Corporation, such changes will not be deemed to be a renegotiation of the agreement for purposes of subparagraph (A).

"(C) CONSULTATION.—Approved insurance providers and their representatives may confer with each other, and collectively with the Corporation, during the renegotiation process under subparagraph (A).".

(3) TREATMENT OF 2008 REINSURANCE YEAR.—Clause (ii) of section 508(k)(4)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(A)), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to the 2008 reinsurance year.

(e) CHANGE IN DUE DATE FOR ADMINISTRATIVE AND OPERATING EXPENSE PAYMENT.—Section 516(b) of the Federal Crop Insurance Act (7 U.S.C. 1516(b)) is amended by adding at the end the following new paragraph:

"(3) DUE DATE FOR ADMINISTRATIVE AND OPERATING EXPENSE PAYMENT.—Beginning with the 2012 reinsurance year, the Corporation shall make payments pursuant to paragraph (1)(B) during October 2012, and for subsequent reinsurance years, every October thereafter.".

(f) CONFORMING AMENDMENTS.—

(1) PREMIUM REDUCTION AUTHORITY.—Subsection 508(e) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended—

(A) in paragraph (2) by striking "paragraph (4)" and inserting "paragraph (3)";

(B) by striking paragraph (3); and

(C) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(2) PREMIUM RATE REDUCTION PILOT PROGRAM.—Section 523 of the Federal Crop Insurance Act (7 U.S.C. 1523) is amended—

(A) by striking subsection (d); and

(B) by redesignating subsection (e) as subsection (d).

(3) SUBMISSION OF POLICIES AND MATERIALS.—Section 508(h)(1)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)(1)(A)) is amended by striking "; and" and inserting "; or".

SEC. 11002. CATASTROPHIC RISK PROTECTION ADMINISTRATIVE FEE.

Section 508(b)(5)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(5)(A)) is amended by striking "$100 per crop per county" and inserting in its place "$200 per crop per county".

SEC. 11003. FUNDING FOR REIMBURSEMENTS, CONTRACTING, RISK MANAGEMENT EDUCATION, AND INFORMATION TECHNOLOGY.

(a) FUNDING.—Section 516 of the Federal Crop Insurance Act (7 U.S.C. 1516) is amended by adding at the end the following new subsections:

"(d) FUNDING FOR REIMBURSEMENTS, CONTRACTING, RISK MANAGEMENT EDUCATION, AND INFORMATION TECHNOLOGY.—Of the amounts made available from the insurance fund established under subsection (c), the Corporation shall use not more than $30,000,000 in each fiscal year to carry out the following:

"(1) Reimbursement of research and development and maintenance costs described under section 522(b).

"(2) Research and development contracting described under section 522(c).

"(3) Partnerships for risk management and implementation described under section 522(d).

"(4) Education and information programs described in section 524(a)(2).

"(5) Partnerships for risk management education program described in section 524(a)(3).

"(6) Information technology, as determined by the Corporation.

"(e) UNDERSERVED STATES.—Of the amount made available under subsection (d), the Corporation shall use not more than $5,000,000 in each fiscal year to carry out contracting for research and development described in section 522(c)(1)(A).".

(b) CONFORMING AMENDMENTS.—

(1) FORMER FUNDING PROVISION.—Section 522 of the Federal Crop Insurance Act (7 U.S.C. 1522) is amended by striking subsection (e) and inserting the following new subsection:

"(e) PROHIBITED RESEARCH AND DEVELOPMENT BY CORPORATION.—

"(1) NEW POLICIES.—Notwithstanding subsection (d), the Corporation shall not conduct research and development for any new policy for an agricultural commodity offered under this title.

"(2) EXISTING POLICIES.—Any policy developed by the Corporation under this title before October 1, 2000, may continue to be offered for sale to producers.".

(2) CROSS REFERENCE.—Section 523(c)(1) of the Federal Crop Insurance Act (7 U.S.C. 1523(c)(1)) is amended by striking "section 522(e)(4)" and inserting "section 522(e)".

(3) EDUCATION ASSISTANCE FUNDING.—Section 524(a) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)) is amended as follows:

(A) in paragraph (1), by striking "paragraph (4)" and inserting "section 516(d)"; and

(B) by striking paragraph (4).

SEC. 11004. REIMBURSEMENT OF RESEARCH AND DEVELOPMENT COSTS RELATED TO NEW CROP INSURANCE PRODUCTS.

(a) REIMBURSEMENT AUTHORIZED.—Paragraph (1) of section 522(b) of the Federal Crop Insurance Act (7 U.S.C. 1522(b)) is amended to read as follows:

"(1) RESEARCH AND DEVELOPMENT REIMBURSEMENT.—The Corporation shall provide a payment to reimburse an applicant for research and development costs directly related to a policy that—

"(A) is submitted to the Board pursuant to an FCIC Reimbursement Grant under paragraph (7); or

"(B) is submitted to the Board and approved by the Board under section 508(h) for reinsurance and, if applicable, offered for sale to producers.".

(b) FCIC REIMBURSEMENT GRANTS.—Section 522(b) of the Federal Crop Insurance Act (7 U.S.C. 1522(b)) is amended by adding at the end the following new paragraph:

"(7) FCIC REIMBURSEMENT GRANTS.—

"(A) GRANTS AUTHORIZED.—The Corporation shall provide FCIC Reimbursement Grants to persons proposing to prepare for submission to the Board crop insurance policies and provisions under subparagraphs (A) and (B) of section 508(h)(1), who apply and are approved for such FCIC Reimbursement Grants under the terms and conditions of this paragraph.

"(B) SUBMISSION OF APPLICATION.—The Board shall receive and consider applications for FCIC Reimbursement Grants at least once annually. An application to receive an FCIC Reimbursement Grant from the Corporation shall consist of such materials as the Board may require, including—

"(i) a concept paper that describes the proposal in sufficient detail for the Board to determine whether it satisfies the requirements of subparagraph (C);

"(ii) a summary of —

"(I) the need for the product, including an assessment of marketability and expected demand among affected producers;

"(II) support from producers, producer organizations, lenders, or other interested parties;

"(III) the impact the product would have on producers and on the crop insurance delivery system; and

"(IV) that no products are offered by the private sector providing

the same benefits and risk management services as the proposal.

"(iii) a summary of data sources available demonstrating that the product can reasonably be developed and properly rated; and

"(iv) identification of the risks the proposed product will cover and that the risks are insurable under the Act.

"(C) APPROVAL CONDITIONS.—Approval of an application for a FCIC Reimbursement Grant shall be by majority vote of the Board. The Board shall approve the application only if the Board finds that—

"(i) the proposal contained in the application—

"(I) provides coverage to a crop or region not traditionally served by the Federal crop insurance program;

"(II) provides crop insurance coverage in a significantly improved form;

"(III) addresses a recognized flaw or problem in the program;

"(IV) introduces a significant new concept or innovation to the program; or

"(V) provides coverage, benefits, or risk management services not available from the private sector;

"(ii) the applicant demonstrates the necessary qualifications to complete the project successfully in a timely manner with high quality;

"(iii) the proposal is in the interests of producers and can reasonably be expected to be actuarially appropriate;

"(iv) the Board determines that the Corporation has sufficient available funding to award the FCIC Reimbursement Grant; and

"(v) the proposed budget and timetable are reasonable.

"(D) PARTICIPATION.—In reviewing proposals under this paragraph, the Board may use the services of persons it deems appropriate for expert review. All proposals submitted under this paragraph will be treated as confidential in accordance with section 508(h)(4).

"(E) ENTERING INTO AGREEMENT.—Upon approval of the application, the Board shall enter into an agreement with the person for the development of a formal submission meeting the requirements for a complete submission established by the Board under section 508(h).

"(F) FEASIBILITY STUDIES.—In appropriate cases, the Corporation may structure the FCIC Reimbursement Grant to require, as an initial step within the overall process, the submitter to complete a feasibility study and report the results of such study to the Corporation prior to proceeding with further development. The Corporation may require such other reports as necessary to monitor the development efforts.

"(G) RATES.—Payment for work performed under this paragraph shall be based on rates determined by the Corporation for products submitted under section 508(h) of the Act or for those contracted by the Corporation under section 522(c) of the Act.

"(H) TERMINATION.—The Corporation or the submitter may terminate any FCIC Reimbursement Grant to reimburse expenses at any

time for just cause. If the Corporation or the submitter terminates the FCIC Reimbursement Grant before final approval of the product covered thereby, the submitter shall be entitled to reimbursement of all costs incurred to that point, or, in the case of a fixed rate agreement, to payment of an appropriate percentage. If the submitter terminates development without just cause, the Corporation may deny reimbursement.

"(I) CONSIDERATION OF PRODUCTS.—The Board shall consider any product submitted to it developed under this paragraph under the rules it has established for products submitted under section 508(h) of this Act.".

SEC. 11005. RESEARCH AND DEVELOPMENT CONTRACTS FOR ORGANIC PRODUCTION COVERAGE IMPROVEMENTS.

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

(1) by redesignating paragraph (10) as paragraph (11); and

(2) by inserting after paragraph (9) the following new paragraph:

"(10) CONTRACTS FOR ORGANIC PRODUCTION COVERAGE IMPROVEMENTS.—

"(A) CONTRACT REQUIRED.—Not later than 180 days after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007, the Corporation shall enter into one or more contracts for the development of improvements in Federal crop insurance policies covering crops produced in compliance with standards issued by the Department of Agriculture under the National Organic Program.

"(B) REVIEW OF UNDERWRITING, RISK, AND LOSS EXPERIENCE.—

"(i) REVIEW REQUIRED.—A contract under subparagraph (A) shall include a review of the underwriting, risk, and loss experience of organic crops covered by the Corporation, as compared with the same crops produced in the same counties and during the same time periods using non-organic methods. The review should be designed to allow the Corporation to determine whether significant, consistent, or systemic variations in loss history exist between organic and non-organic production,

and shall include the widest available range of data, including loss history under existing crop insurance policies, collected by the National Agricultural Statistics Service, and other sources of information.

"(ii) EFFECT ON PREMIUM SURCHARGE.—Unless the review under this subparagraph documents the existence of such significant, consistent, and systemic variations in loss history between organic and non-organic crops, either collectively or on an individual basis, the Corporation shall eliminate or reduce the premium surcharge that the Corporation charges for coverage for organic crops.

"(C) ADDITIONAL PRICE ELECTION.—A contract under subparagraph (A) shall include the development of a procedure, including any associated changes in policy terms or materials required for implementation of the procedure, to offer producers of organic crops an additional price election that would reflect the actual retail or wholesale prices, as appropriate, received by organic producers for their crops, as established using data collected and maintained

by the Agricultural Marketing Service or other sources. The development of the procedure shall be completed in a timely manner to allow the Corporation to begin offering the additional price election for organic crops with sufficient data for the 2009 crop year, and expand it thereafter as the Agricultural Marketing Service expands its data collection and availability for prices of organic crops.

"(D) REPORTING REQUIREMENTS.—The Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report on the progress made in developing and improving Federal crop insurance for organic crops, including the numbers and varieties of organic crops insured, the development of new insurance approaches, and the progress of the initiatives mandated under this paragraph. The report shall also include such recommendations as the Corporation considers appropriate regarding additional opportunities to improve Federal crop insurance coverage for such crops.".

SEC. 11006. TARGETING RISK MANAGEMENT EDUCATION FOR BEGINNING FARMERS AND RANCHERS AND CERTAIN OTHER FARMERS AND RANCHERS.

Section 524(a) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)) is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph:

"(4) TARGETING RISK MANAGEMENT EDUCATION FOR CERTAIN FARMERS AND RANCHERS.—

"(A) IN GENERAL.—In carrying out the education and information program established under paragraph (2) and the partnerships for risk management education program under paragraph (3), the Secretary shall include a special emphasis on risk management strategies and education and outreach specifically targeted at farmers and ranchers described in subparagraph (B).

"(B) COVERED FARMERS AND RANCHERS.—Subparagraph (A) applies with respect to the following:

"(i) Beginning farmers and ranchers.

"(ii) Immigrant farmers and ranchers who are attempting to become established producers in the United States.

"(iii) Socially disadvantaged farmers and ranchers.

"(iv) Farmers and ranchers who are preparing to retire and are using transition strategies to help new farmers and ranchers get started.

"(v) Farmers and ranchers who are converting their current production and marketing systems to pursue new markets.".

SEC. 11007. CROP INSURANCE INELIGIBILITY RELATED TO CROP PRODUCTION ON NONCROPLAND.

Section 502 of the Federal Crop Insurance Act (7 U.S.C. 1502) is amended by adding at the end the following new subsection:

"(e) CROP INSURANCE INELIGIBILITY RELATED TO CROP PRODUCTION ON NONCROPLAND.—

"(1) NONCROPLAND DEFINED.—In this subsection, the term 'noncropland' means native grassland and pasture the Secretary determines has never been used for crop production.

"(2) INELIGIBILITY.—Noncropland acreage on which an agricultural commodity for which a policy or plan of insurance is available under this title is planted shall be ineligible for crop insurance under this title for the first 4 years of planting, as determined by the Secretary.

"(3) YIELD DETERMINATION BASED ON COUNTY ACTUAL PRODUCTION HISTORY.—If an agricultural commodity ineligible for insurance as described in paragraph (2) is planted for 4 years, beginning with the fifth year in which the commodity is planted, the producer of the commodity may procure crop insurance for the commodity under this title. The yield for such crop insurance shall be determined only—

"(A) by using the actual production history for the farm; and

"(B) for each year in which the farm does not have an actual production history, by using the average actual production history for the commodity in the county in which the farm is located.

"(4) EFFECTIVE DATE.—This subsection shall apply to crop years following the 2007 crop year.".

SEC. 11008. FUNDS FOR DATA MINING.

Section 515(k) of the Federal Crop Insurance Act (7 U.S.C. 1515(k)) is amended by striking paragraph (1) and inserting the following new paragraph:

"(1) AVAILABLE FUNDS.—To carry out this section, the Corporation may use, from amounts made available from the insurance fund established under section 516(c)—

"(A) not more than $11,000,000 during fiscal year 2008; and

"(B) not more than $7,000,000 during fiscal year 2009 and each subsequent year thereafter.".

SEC. 11009. NONINSURED CROP ASSISTANCE PROGRAM.

Section 196(k)(1) of the Agricultural Market Transition Act (7 U.S.C. 7333(k)(1)) is amended by striking subparagraphs (A) and (B) and inserting the following new subparagraphs:

"(A) $200 per crop per county; or

"(B) $600 per producer per county, but not to exceed a total of $1,800 per producer.".

SEC. 11010. CHANGE IN DUE DATE FOR CORPORATION PAYMENTS FOR UNDERWRITING GAINS.

Effective beginning with the 2011 reinsurance year, the Federal Crop Insurance Corporation shall make pay-

ments for underwriting gains under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.)—

(1) for the 2011 reinsurance year on October 1, 2012; and

(2) for each reinsurance year thereafter on the October 1 of the next calendar year.

SEC. 11011. SESAME INSURANCE PILOT PROGRAM.

(a) PILOT PROGRAM REQUIRED.—The Secretary of Agriculture shall establish and carry out a pilot program under which a producer of non-dehiscent sesame under contract may elect to obtain multi-peril crop insurance, as determined by the Secretary.

(b) TERMS AND CONDITIONS.—The multi-peril crop insurance offered under the sesame insurance pilot program shall—

(1) be offered through reinsurance arrangements with private insurance companies;

(2) be actuarially sound; and

(3) require the payment of premiums and administrative fees by a producer obtaining the insurance.

(c) LOCATION.—The sesame insurance pilot program shall be carried out only in the State of Texas.

(d) RELATION TO PROHIBITION ON RESEARCH AND DEVELOPMENT BY CORPORATION.—Section 522(e)(4) of

the Federal Crop Insurance Act (7 U.S.C. 1522(e)(4)) shall apply with respect to the sesame insurance pilot program.

(e) DURATION.—The Secretary shall commence the sesame insurance pilot program as soon as practicable after the date of the enactment of this Act and continue the program through the 2012 crop year.

SEC. 11012. NATIONAL DROUGHT COUNCIL AND DROUGHT PREPAREDNESS PLANS.

(a) DEFINITIONS.—In this section:

(1) COUNCIL.—The term ''Council'' means the National Drought Council established by this section.

(2) CRITICAL SERVICE PROVIDER.—The term ''critical service provider'' means an entity that provides power, water (including water provided by an irrigation organization or facility), sewer services, or wastewater treatment.

(3) DROUGHT.—The term ''drought'' means a natural disaster that is caused by a deficiency in precipitation—

(A) that may lead to a deficiency in surface and subsurface water supplies (including rivers, streams, wetlands, ground water, soil

moisture, reservoir supplies, lake levels, and snow pack); and

(B) that causes or may cause—

(i) substantial economic or social impacts; or

(ii) physical damage or injury to individuals, property, or the environment.

(4) FUND.—The term ''Fund'' means the Drought Assistance Fund established by this section.

(5) INDIAN TRIBE.—The term ''Indian tribe'' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(6) INTERSTATE WATERSHED.—The term ''interstate watershed'' means a watershed that transcends State or Tribal boundaries, or both.

(7) MEMBER.—The term ''member'', with respect to the National Drought Council, means a member of the Council specified or appointed under this section or, in the absence of the member, the member's designee.

(8) MITIGATION.—The term ''mitigation'' means a short- or long-term action, program, or policy that is implemented in advance of or during a

drought to minimize any risks and impacts of drought.

(9) NEIGHBORING COUNTRY.—The term ''neighboring country'' means Canada and Mexico.

(10) OFFICE.—The term ''Office'' means the National Office of Drought Preparedness established under this section.

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

(12) STATE.—The term ''State'' means the several States, the District of Columbia, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, and the United States Virgin Islands.

(13) TRIGGER.—The term ''trigger'' means the thresholds or criteria that must be satisfied before mitigation or emergency assistance may be provided to an area—

(A) in which drought is emerging; or

(B) that is experiencing a drought.

(14) UNDER SECRETARY.—The term ''Under Secretary'' means the Under Secretary of Agriculture for Natural Resources and Environment.

(15) WATERSHED.—The term ''watershed'' means a region or area with common hydrology, an

area drained by a waterway that drains into a lake or reservoir, the total area above a given point on a stream that contributes water to the flow at that point, or the topographic dividing line from which surface streams flow in two different directions. In no case shall a watershed be larger than a river basin.

(16) WATERSHED GROUP.—The term ''watershed group'' means a group of individuals, formally recognized by the appropriate State or States, who represent the broad scope of relevant interests within a watershed and who work together in a collaborative manner to jointly plan the management of the natural resources contained within the watershed.

(b) EFFECT OF SECTION.—This section does not affect—

(1) the authority of a State to allocate quantities of water under the jurisdiction of the State; or

(2) any State water rights established as of the date of enactment of this Act.

(c) NATIONAL DROUGHT COUNCIL.—

(1) ESTABLISHMENT.—There is established in the Office of the Secretary of Agriculture a council to be known as the ''National Drought Council''.

(2) MEMBERSHIP.—

(A) COMPOSITION.—The Council shall be composed of—

(i) the Secretary (or the designee of the Secretary);

(ii) the Secretary of Commerce (or the designee of the Secretary of Commerce);

(iii) the Secretary of the Army (or the designee of the Secretary of the Army);

(iv) the Secretary of the Interior (or the designee of the Secretary of the Interior);

(v) the Director of the Federal Emergency Management Agency (or the designee of the Director);

(vi) the Administrator of the Environmental Protection Agency (or the designee of the Administrator);

(vii) 4 members appointed by the Secretary, in coordination with the National Governors Association, each of whom shall be the Governor of a State (or the designee of the Governor) and who collectively shall represent the geographic diversity of the Nation;

(viii) 1 member appointed by the Secretary, in coordination with the National Association of Counties;

(ix) 1 member appointed by the Secretary, in coordination with the United States Conference of Mayors;

(x) 1 member appointed by the Secretary of the Interior, in coordination with Indian tribes, to represent the interests of tribal governments; and

(xi) 1 member appointed by the Secretary, in coordination with the National Association of Conservation Districts, to represent local soil and water conservation districts.

(B) DATE OF APPOINTMENT.—The appointment of each member of the Council shall be made not later than 120 days after the date of enactment of this Act.

(3) TERM; VACANCIES.—

(A) TERM.—A non-Federal member of the Council appointed under paragraph (2) shall be appointed for a term of two years.

(B) VACANCIES.—A vacancy on the Council—

(i) shall not affect the powers of the Council; and

(ii) shall be filled in the same manner as the original appointment was made.

(C) TERMS OF MEMBERS FILLING VACANCIES.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term.

(4) MEETINGS.—

(A) IN GENERAL.—The Council shall meet at the call of the co-chairs.

(B) FREQUENCY.—The Council shall meet at least semiannually.

(5) QUORUM.—A majority of the members of the Council shall constitute a quorum, but a lesser number may hold hearings or conduct other business.

(6) COUNCIL LEADERSHIP.—

(A) IN GENERAL.—There shall be a Federal co-chair and non-Federal co-chair of the Council.

(B) APPOINTMENT.—

(i) FEDERAL CO-CHAIR.—The Secretary shall be Federal co-chair.

(ii) NON-FEDERAL CO-CHAIR.—The non-Federal members of the Council shall select, on a biannual basis, a non-Federal co-chair of the Council from among the members appointed under paragraph (2).

(7) DIRECTOR OF THE OFFICE.—

(A) IN GENERAL.—The Director of the Office shall serve as Secretary of the Council.

(B) DUTIES.—The Director of the Office shall serve the interests of all members of the Council.

(d) DUTIES OF THE COUNCIL.—

(1) IN GENERAL.—The Council shall—

(A) not later than one year after the date of the first meeting of the Council, develop a comprehensive National Drought Policy Action Plan that—

(i)(I) delineates and integrates responsibilities for activities relating to drought (including drought preparedness, mitigation, research, risk management, training, and emergency relief) among Federal agencies; and

(II) ensures that those activities are coordinated with the activities of the States, local governments, Indian tribes, and neighboring countries;

(ii) is consistent with—

(I) this Act and other applicable Federal laws; and

(II) the laws and policies of the States for water management;

(iii) is integrated with drought management programs of the States, Indian tribes, local governments, watershed groups, and private entities; and

(iv) avoids duplicating Federal, State, tribal, local, watershed, and private drought preparedness and monitoring programs in existence on the date of enactment of this Act;

(B) evaluate Federal drought-related programs in existence on the date of enactment of this Act and make recommendations to Congress and the President on means of eliminating—

(i) discrepancies between the goals of the programs and actual service delivery;

(ii) duplication among programs; and

(iii) any other circumstances that interfere with the effective operation of the programs;

(C) make recommendations to the President, Congress, and appropriate Federal Agencies on—

(i) the establishment of common interagency triggers for authorizing Federal drought mitigation programs; and

(ii) improving the consistency and fairness of assistance among Federal drought relief programs;

(D) encourage and facilitate the development of drought preparedness plans under subtitle C, including establishing the guidelines under this section;

(E) based on a review of drought preparedness plans, develop and make available to the public drought planning models to reduce water resource conflicts relating to water conservation and droughts;

(F) develop and coordinate public awareness activities to provide the public with access

to understandable, and informative materials on drought, including—

(i) explanations of the causes of drought, the impacts of drought, and the damages from drought;

(ii) descriptions of the value and benefits of land stewardship to reduce the impacts of drought and to protect the environment;

(iii) clear instructions for appropriate responses to drought, including water conservation, water reuse, and detection and elimination of water leaks;

(iv) information on State and local laws applicable to drought; and

(v) opportunities for assistance to resource-dependent businesses and industries in times of drought; and

(G) establish operating procedures for the Council.

(2) CONSULTATION.—In carrying out this subsection, the Council shall consult with groups affected by drought emergencies.

(3) REPORTS TO CONGRESS.—

(A) ANNUAL REPORT.—

(i) IN GENERAL.—Not later than one year after the date of the first meeting of the Council, and annually thereafter, the Council shall submit to Congress a report on the activities carried out under this section.

(ii) INCLUSIONS.—

(I) IN GENERAL.—The annual report shall include a summary of drought preparedness plans.

(II) INITIAL REPORT.—The initial report submitted under subparagraph (A) shall include any recommendations of the Council.

(B) FINAL REPORT.—Not later than seven years after the date of enactment of this Act, the Council shall submit to Congress a report that recommends—

(i) amendments to this section; and

(ii) whether the Council should continue.

(e) POWERS OF THE COUNCIL.—

(1) HEARINGS.—The Council may hold hearings, meet and act at any time and place, take any

testimony and receive any evidence that the Council considers advisable to carry out this section.

(2) INFORMATION FROM FEDERAL AGENCIES.—

(A) IN GENERAL.—The Council may obtain directly from any Federal agency any information that the Council considers necessary to carry out this section.

(B) PROVISION OF INFORMATION.—

(i) IN GENERAL.—Except as provided in clause (ii), on request of the Secretary or the non-Federal co-chair of the Council, the head of a Federal agency may provide information to the Council.

(ii) LIMITATION.—The head of a Federal agency shall not provide any information to the Council that the Federal agency head determines the disclosure of which may cause harm to national security interests.

(3) POSTAL SERVICES.—The Council may use the United States mail in the same manner and under the same conditions as other agencies of the Federal Government.

(4) GIFTS.—The Council may accept, use, and dispose of gifts or donations of services or property.

(f) COUNCIL PERSONNEL MATTERS.—

(1) COMPENSATION OF MEMBERS.—

(A) NON-FEDERAL EMPLOYEES.—A member of the Council who is not an officer or employee of the Federal Government shall serve without compensation.

(B) FEDERAL EMPLOYEES.—A member of the Council who is an officer or employee of the United States shall serve without compensation in addition to the compensation received for services of the member as an officer or employee of the Federal Government.

(2) TRAVEL EXPENSES.—A member of the Council shall be allowed travel expenses at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Council.

(g) TERMINATION OF COUNCIL.—The Council shall terminate at the end of the eighth fiscal year beginning on or after the date of the enactment of this Act.

(h) NATIONAL OFFICE OF DROUGHT PREPAREDNESS.—

(1) ESTABLISHMENT.—The Secretary shall establish an office to be known as the ''National Office of Drought Preparedness'' to provide assistance to the Council.

(2) DIRECTOR OF THE OFFICE.—

(A) APPOINTMENT.—

(i) IN GENERAL.—The Under Secretary shall appoint a Director of the Office under sections 3371 through 3375 of title 5, United States Code.

(ii) QUALIFICATIONS.—The Director of the Office shall be a person who has experience in—

(I) public administration; and

(II) drought mitigation or drought management.

(B) POWERS.—The Director of the Office may hire such other additional personnel or contract for services with other entities as necessary to carry out the duties of the Office.

(3) DETAIL OF GOVERNMENT EMPLOYEES.—

(A) IN GENERAL.—Except for the requirements of section 204, an employee of the Federal Government may be detailed to the Office without reimbursement, unless the Secretary,

on the recommendation of the Director of the Office, determines that reimbursement is appropriate.

(B) CIVIL SERVICE STATUS.—The detail of an employee shall be without interruption or loss of civil service status or privilege.

(i) DROUGHT ASSISTANCE FUND.—

(1) ESTABLISHMENT.—There is established within the Department of Agriculture a fund to be known as the ''Drought Assistance Fund''.

(2) PURPOSE.—The Fund shall be used to pay the costs of—

(A) providing technical and financial assistance (including grants and cooperative assistance) to States, Indian tribes, local governments, watershed groups, and critical service providers for the development and implementation of drought preparedness plans;

(B) providing to States, Indian tribes, local governments, watershed groups, and critical service providers the Federal share, as determined by the Secretary, in consultation with the other members of the Council, of the cost of mitigating the overall risk and impacts of droughts;

(C) assisting States, Indian tribes, local governments, watershed groups, and critical service providers in the development of mitigation measures to address environmental, economic, and human health and safety issues relating to drought; and

(D) expanding the technology transfer of drought and water conservation strategies and innovative water supply techniques.

(3) GUIDELINES.—

(A) IN GENERAL.—The Secretary, in consultation with the non-Federal co-chair of the Council and with the concurrence of the Council, shall develop and promulgate guidelines to implement this subsection.

(B) REQUIREMENTS.—The guidelines shall address the following:

(i) Ensure the distribution of amounts from the Fund within a reasonable period of time.

(ii) Take into consideration regional differences.

(iii) Take into consideration all impacts of drought in a balanced manner.

(iv) Prohibit the use of amounts from the Fund for Federal salaries that are not directly related to the provision of drought assistance.

(v) Require that distribution of amounts from the Fund granted to States, local governments, watershed groups, and critical service providers to meet the requirements of this subsection be coordinated with and managed by the State in which such local government or critical service provider is located, consistent with the drought preparedness priorities and relevant water management plans within the State.

(vi) Require that distribution of amounts from the Fund granted to Indian tribes to meet the requirements of this subsection be used to implement plans that are, to the extent practicable, in coordination with each State in which lands of the Indian tribe are located and consistent with existing drought preparedness and water management plans of such States.

(vii) Require that a State, Indian tribe, local government, watershed group, or critical service provider that receives Federal funds under paragraph (2) or (3) of subsection (b) cover not less than 25 percent of the overall cost incurred in carrying out the project for which the Federal funds are provided. This cost sharing requirement may be satisfied using non-Federal grants or cash donations made by non-Federal third parties.

(4) SPECIAL REQUIREMENT FOR INTERSTATE WATERSHEDS.—

(A) DEVELOPMENT OF DROUGHT PREPAREDNESS PLANS.—In order to receive funds under this subsection to develop drought preparedness plans for interstate watersheds, the guidelines shall also require the relevant States, Indian tribes, or both, in which the watershed is located, to coordinate in the development of the drought preparedness plan. The development of such plans shall—

(i) be consistent with the relevant States' and Tribal water laws, policies, and agreements;

(ii) be consistent and coordinated with any existing interstate stream compacts;

(iii) include the participation of any relevant watershed groups located in the relevant States, Indian tribes, or both; and

(iv) recognize that implementation of the interstate drought preparedness plan will involve further coordination among the relevant States, Indian tribes, or both, except that each State and Indian tribe has sole jurisdiction over implementation of that portion of the watershed that exists within their boundaries.

(B) IMPLEMENTATION OF DROUGHT PREPAREDNESS PLANS.—In order to receive funds under this subsection to implement drought preparedness plans for interstate watersheds, the guidelines shall also require, to the extent practicable, the relevant States, Indian tribes, or both, in which the watershed is located, to coordinate in the implementation of the drought preparedness plan, recognizing the sovereignty of the States and Indian tribes. Implementation of interstate drought preparedness plans shall—

(i) be contingent upon the existence of a drought preparedness plan, but not require the distribution of funds to all States and Indian tribes in which the watershed is located;

(ii) consider the level of impact within the watershed on each of the relevant States, Indian tribes, or both; and

(iii) not impede on State water rights established as of the date of enactment of this Act.

(j) DROUGHT PREPAREDNESS PLANS.—

(1) IN GENERAL.—The Secretary shall—

(A) with the concurrence of the Council, jointly develop guidelines for administering a national program to provide technical and financial assistance to States, Indian tribes, local governments, watershed groups, and critical service providers for the development, maintenance, and implementation of drought preparedness plans; and

(B) promulgate the guidelines developed under subparagraph (A).

(2) REQUIREMENTS.—To build on the experience and avoid duplication of efforts of Federal,

State, local, tribal, and regional drought plans in existence on the date of enactment of this Act, the guidelines may recognize and incorporate those plans.

(3) FEDERAL PLANS.—

(A) IN GENERAL.—The Secretary and other appropriate Federal agency heads shall develop and implement Federal drought preparedness plans for agencies under the jurisdiction of the appropriate Federal agency head.

(B) REQUIREMENTS.—The Federal plans—

(i) shall be integrated with each other;

(ii) may be included as components of other Federal planning requirements;

(iii) shall be integrated with drought preparedness plans of State, tribal, and local governments that are affected by Federal projects and programs; and

(iv) shall be completed not later than two years after the date of the enactment of this Act.

(4) STATE AND TRIBAL PLANS.—States and Indian tribes may develop and implement State and tribal drought preparedness plans that—

(A) address monitoring of resource conditions that are related to drought;

(B) identify areas that are at a high risk for drought;

(C) describes mitigation strategies to address and reduce the vulnerability of an area to drought; and

(D) are integrated with State, tribal, and local water plans in existence on the date of enactment of this Act.

(5) REGIONAL AND LOCAL PLANS.—Local governments, watershed groups, and regional water providers may develop and implement drought preparedness plans that—

(A) address monitoring of resource conditions that are related to drought;

(B) identify areas that are at a high risk for drought;

(C) describe mitigation strategies to address and reduce the vulnerability of an area to drought; and

(D) are integrated with corresponding State plans.

(6) PLAN ELEMENTS.—A drought preparedness plan—

(A) shall be consistent with Federal and State laws, contracts, and policies;

(B) shall allow each State to continue to manage water and wildlife in the State;

(C) shall address the health, safety, and economic interests of those persons directly affected by drought;

(D) shall address the economic impact on resource-dependent businesses and industries, including regional tourism;

(E) may include—

(i) provisions for water management strategies to be used during various drought or water shortage thresholds, consistent with State water law;

(ii) provisions to address key issues relating to drought (including public health, safety, economic factors, and environmental issues such as water quality, water quantity, protection of threatened and endangered species, and fire management);

(iii) provisions that allow for public participation in the development, adoption, and implementation of drought plans;

(iv) provisions for periodic drought exercises, revisions, and updates;

(v) a hydrologic characterization study to determine how water is being used during times of normal water supply availability to anticipate the types of drought mitigation actions that would most effectively improve water management during a drought;

(vi) drought triggers;

(vii) specific implementation actions for droughts;

(viii) a water shortage allocation plan, consistent with State water law; and

(ix) comprehensive insurance and financial strategies to manage the risks and financial impacts of droughts; and

(F) shall take into consideration—

(i) the financial impact of the plan on the ability of the utilities to ensure rate stability and revenue stream; and

(ii) economic impacts from water shortages.

(k) AUTHORIZATION OF APPROPRIATIONS.—

(1) COUNCIL.—There is authorized to be appropriated to carry out the activities of the Council $2,000,000 for fiscal year 2008 and for each of the subsequent seven fiscal years.

(2) FUND.—There are authorized to be appropriated to the Fund such sums as are necessary to carry out subsection (i).

SEC. 11013. PAYMENT OF PORTION OF PREMIUM FOR AREA REVENUE PLANS.

Section 508(e) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended—

(1) in paragraph (2), in the matter preceding subparagraph (A), by striking ''paragraph (4)'' and inserting ''paragraphs (4), (6), and (7)''; and

(2) by adding at the end the following:

''(6) PREMIUM SUBSIDY FOR AREA REVENUE PLANS.—Subject to paragraph (4), in the case of a policy or plan of insurance that covers losses due to a reduction in revenue in an area, the amount of the premium paid by the Corporation shall be as follows:

''(A) In the case of additional area coverage equal to or greater than 70 percent, but less than 75 percent, of the recorded county yield indemnified at not greater than 100 per-

cent of the expected market price, the amount shall be equal to the sum of—

"(i) 59 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

"(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

"(B) In the case of additional area coverage equal to or greater than 75 percent, but less than 85 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

"(i) 55 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

"(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

"(C) In the case of additional area coverage equal to or greater than 85 percent, but less than 90 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

"(i) 49 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

"(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

"(D) In the case of additional area coverage equal to or greater than 90 percent of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

"(i) 44 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

"(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage

level selected to cover operating and administrative expenses.

"(7) PREMIUM SUBSIDY FOR AREA YIELD PLANS.—Subject to paragraph (4), in the case of a policy or plan of insurance that covers losses due to a loss of yield or prevented planting in an area, the amount of the premium paid by the Corporation shall be as follows:

"(A) In the case of additional area coverage equal to or greater than 70 percent, but less than 80 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

"(i) 59 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

"(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

"(B) In the case of additional area coverage equal to or greater than 80 percent, but less than 90 percent, of the recorded county

yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

"(i) 55 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

"(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.

"(C) In the case of additional area coverage equal to or greater than 90 percent, of the recorded county yield indemnified at not greater than 100 percent of the expected market price, the amount shall be equal to the sum of—

"(i) 51 percent of the amount of the premium established under subsection (d)(2)(B)(i) for the coverage level selected; and

"(ii) the amount determined under subsection (d)(2)(B)(ii) for the coverage level selected to cover operating and administrative expenses.".

SEC. 11014. SHARE OF RISK.

(a) IN GENERAL.—Section 508(k)(3) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(3)) is amended—

(1) by striking ''require the'' and inserting ''require—

''(A) the'';

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

(3) by adding at the end the following:

''(B)(i) the cumulative underwriting gain or loss, and the associated premium and losses with such amount, calculated under any reinsurance agreement (except livestock) ceded to the Corporation by each approved insurance provider to be not less than 12.5 percent; and

''(ii) the Corporation to pay a ceding commission to reinsured companies of 2 percent of the premium used to define the loss ratio for the approved insurance provider's book of business that is described in clause (i).''.

(b) CONFORMING AMENDMENTS.—Section 516(a)(2) of the Federal Crop Insurance Act (7 U.S.C. 1516(a)(2)) is amended by adding at the end the following new subparagraph:

''(E) Costs associated with the ceding commissions described in section 508(k)(3)(B)(ii).''.

(c) EFFECTIVE DATE.—This section shall take effect on the first June 30th after the date of the enactment of this Act.

SEC. 11015. LIVESTOCK ASSISTANCE.

Notwithstanding any other provision of law, the purchase of a Non-insured Assistance Program policy shall not be a requirement to receive any Federal livestock disaster assistance.

SEC. 11016. DETERMINATION OF CERTAIN SWEET POTATO PRODUCTION.

In the case of sweet potatoes, Risk Management Agency Pilot Program data shall not be considered for purposes of determining production for the 2005–2006 Farm Service Agency Crop Disaster Program.

Subtitle B—Livestock and Poultry

SEC. 11101. SENSE OF CONGRESS REGARDING PSEUDORABIES ERADICATION PROGRAM.

It is the sense of Congress that—

(1) the Secretary should recognize the threat feral swine pose to the domestic swine population;

(2) keeping the United States commercial swine herd free of pseudorabies is essential to maintaining and growing pork export markets;

(3) the establishment of a swine surveillance system will assist the swine industry in the moni-

toring, surveillance, and eradication of pseudorabies; and

(4) pseudorabies eradication is a high priority that the Secretary should carry out under the authorities of the Animal Health Protection Act.

SEC. 11102. ARBITRATION OF LIVESTOCK AND POULTRY CONTRACTS.

The Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.) is amended—

(1) by redesignating section 416 as section 417; and

(2) by inserting after section 415 the following new section:

"SEC. 416. ARBITRATION OF LIVESTOCK AND POULTRY CONTRACTS.

''(a) ISSUANCE OF REGULATIONS.—The Secretary of Agriculture shall promulgate regulations to establish standards related to the inclusion of arbitration provisions in livestock and poultry production contracts.

''(b) CONTENT.—Such regulations shall—

''(1) establish permissible agreements with respect to venue of arbitration, allocation of arbitration costs, number and appointment of arbitrators, and any other element of an arbitration agreement that the Secretary determines to be necessary;

"(2) permit a producer to seek relief in a small claims court in lieu of arbitration for disputes or claims within the jurisdiction of a small claims court, despite the existence of an arbitration agreement; and

"(3) require any person appointed or to be appointed as an arbitrator to disclose any circumstance likely to raise doubt as to the arbitrator's impartiality.".

SEC. 11103. STATE-INSPECTED MEAT AND POULTRY.

(a) REVIEW OF STATE MEAT AND POULTRY INSPECTION PROGRAMS.—

(1) REPORT.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Agriculture shall submit to Congress a report containing the results of a review by the Secretary of each State meat and poultry inspection program. Such report shall include—

(A) a determination of the effectiveness of each State meat and poultry inspection program; and

(B) an identification of changes that are necessary to enable future transition to a State program of enforcing Federal inspection re-

quirements as described in the amendments made by subsections (b) and (c).

(2) AUTHORIZATION OF APPROPRIATIONS.—

(A) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this section.

(B) AVAILABLE FUNDS.—Notwithstanding any other provision of law, only funds specifically appropriated under subparagraph (A) may be used to carry out this subsection.

(b) STATE MEAT INSPECTION PROGRAMS.—

(1) IN GENERAL.—Title III of the Federal Meat Inspection Act (21 U.S.C. 661 et seq.) is amended to read as follows:

"TITLE III—STATE MEAT INSPECTION PROGRAMS

"SEC. 301. POLICY AND FINDINGS.

''(a) POLICY.—It is the policy of Congress to protect the public from meat and meat food products that are adulterated or misbranded and to assist in efforts by State and other government agencies to accomplish that policy.

''(b) FINDINGS.—Congress finds that—

''(1) the goal of a safe and wholesome supply of meat and meat food products throughout the United States would be better served if a consistent

set of requirements, established by the Federal Government, were applied to all meat and meat food products, whether produced under State inspection or Federal inspection;

"(2) under such a system, State and Federal meat inspection programs would function together to create a seamless inspection system to ensure food safety and inspire consumer confidence in the food supply in interstate commerce; and

"(3) such a system would ensure the viability of State meat inspection programs, which should help to foster the viability of small establishments.

"SEC. 302. APPROVAL OF STATE MEAT INSPECTION PROGRAMS.

"(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may approve a State meat inspection program and allow the shipment in commerce of carcasses, parts of carcasses, meat, and meat food products inspected under the State meat inspection program in accordance with this title.

"(b) ELIGIBILITY.—

"(1) IN GENERAL.—To receive or maintain approval from the Secretary for a State meat inspection program in accordance with subsection (a), a State shall—

"(A) implement a State meat inspection program that enforces the mandatory antemortem and postmortem inspection, reinspection, sanitation, and related Federal requirements of titles I, II, and IV (including the regulations, directives, notices, policy memoranda, and other regulatory requirements issued under those titles); and

"(B) enter into a cooperative agreement with the Secretary in accordance with subsection (c).

"(2) ADDITIONAL REQUIREMENTS.—

"(A) IN GENERAL.—In addition to the requirements described in paragraph (1), a State meat inspection program reviewed in accordance with section 11103(a) of the Farm, Nutrition, and Bioenergy Act of 2007 shall implement, not later than 180 days after the date on which the report is submitted under subsection (b) of such section, all recommendations from the review, in a manner approved by the Secretary.

"(B) REVIEW OF NEW STATE MEAT INSPECTION PROGRAMS.—

"(i) REVIEW REQUIREMENT.—Not later than one year after the date on which the Secretary approves a new State meat inspection program, the Secretary shall conduct a review of the new State meat inspection program, which shall include—

"(I) a determination of the effectiveness of the new State meat inspection program; and

"(II) identification of changes necessary to ensure enforcement of Federal inspection requirements.

"(ii) IMPLEMENTATION REQUIREMENTS.—In addition to the requirements described in paragraph (1), to continue to be an approved State meat inspection program, a new State meat inspection program shall implement all recommendations from the review conducted in accordance with this subparagraph, in a manner approved by the Secretary.

"(iii) DEFINITION OF NEW STATE MEAT INSPECTION PROGRAM.—In this subparagraph, the term 'new State meat inspection program' means a State meat in-

spection program that is not approved in accordance with subsection (a) between the effective date of the Farm, Nutrition, and Bioenergy Act of 2007 and the date that is one year after the effective date of such Act.

"(c) COOPERATIVE AGREEMENT.—Notwithstanding chapter 63 of title 31, United States Code, the Secretary may enter into a cooperative agreement with a State that—

"(1) establishes the terms governing the relationship between the Secretary and the State meat inspection program;

"(2) provides that the State will adopt (including adoption by reference) provisions identical to titles I, II, and IV (including the regulations, directives, notices, policy memoranda, and other regulatory requirements issued under those titles);

"(3) provides that State-inspected and passed meat and meat food products shall be marked with a mark of State inspection, which shall be deemed to be an official mark, in accordance with requirements issued by the Secretary;

"(4) provides that the State will comply with all labeling requirements issued by the Secretary gov-

erning meat and meat food products inspected under the State meat inspection program;

"(5) provides that the Secretary shall have authority—

"(A) to detain and seize livestock, carcasses, parts of carcasses, meat, and meat food products under the State meat inspection program;

"(B) to obtain access to facilities, records, livestock, carcasses, parts of carcasses, meat, and meat food products of any person, firm, or corporation that slaughters, processes, handles, stores, transports, or sells meat or meat food products inspected under the State meat inspection program to determine compliance with this Act (including the regulations issued under this Act); and

"(C) to direct the State to conduct any activity authorized to be conducted by the Secretary under this Act (including the regulations issued under this Act); and

"(6) includes such other terms as the Secretary determines to be necessary to ensure that the actions of the State and the State meat inspection program are consistent with this Act (including the reg-

ulations, directives, notices, policy memoranda, and other regulatory requirements issued under this Act).

"(d) RESTRICTION ON ESTABLISHMENT SIZE.—After the date that is 90 days after the effective date of the Farm, Nutrition, and Bioenergy Act of 2007, establishments with more than 50 employees may not be accepted into a State meat inspection program. Any establishment that is subject to state inspection on such date, may remain subject to State inspection.

"(e) REIMBURSEMENT OF STATE COSTS.—The Secretary may reimburse a State for not more than 50 percent of the State's costs of meeting the Federal requirements for the State meat inspection program.

"(f) SAMPLING.—A duly authorized representative of the Secretary shall be afforded access to State inspected establishments to take reasonable samples of the inventory of such establishments upon payment of the fair market value therefor.

"(g) NONCOMPLIANCE.—If the Secretary determines that a State meat inspection program does not comply with this title or the cooperative agreement under subsection (c), the Secretary shall take such action as the Secretary determines to be necessary to ensure that the carcasses, parts of carcasses, meat, and meat food products

in the State are inspected in a manner that effectuates this Act (including the regulations, directives, notices, policy memoranda, and other regulatory requirements issued under this Act).

"SEC. 303. AUTHORITY TO TAKE OVER STATE MEAT INSPECTION PROGRAMS.

"(a) NOTIFICATION.—If the Secretary has reason to believe that a State is not in compliance with this Act (including the regulations, directives, notices, policy memoranda, and other regulatory requirements issued under this Act) or the cooperative agreement under section 302(c) and is considering the revocation or temporary suspension of the approval of the State meat inspection program, the Secretary shall promptly notify and consult with the Governor of the State.

"(b) SUSPENSION AND REVOCATION.—

"(1) IN GENERAL.—The Secretary may revoke or temporarily suspend the approval of a State meat inspection program and take over a State meat inspection program if the Secretary determines that the State meat inspection program is not in compliance with this Act (including the regulations, directives, notices, policy memoranda, and other regulatory requirements issued under this Act) or the cooperative agreement under section 302(c).

"(2) PROCEDURES FOR REINSTATEMENT.—A State meat inspection program that has been the subject of a revocation may be reinstated as an approved State meat inspection program under this Act only in accordance with the procedures under section 302(b)(2)(B).

"(c) PUBLICATION.—If the Secretary revokes or temporarily suspends the approval of a State meat inspection program in accordance with subsection (b), the Secretary shall publish notice of the revocation or temporary suspension under that subsection in the Federal Register.

"(d) INSPECTION OF ESTABLISHMENTS.—Not later than 30 days after the date of publication of a determination under subsection (c), an establishment subject to a State meat inspection program with respect to which the Secretary makes a determination under subsection (b) shall be inspected by the Secretary.

"SEC. 304. EXPEDITED AUTHORITY TO TAKE OVER INSPECTION OF STATE-INSPECTED ESTABLISHMENTS.

"Notwithstanding any other provision of this title, if the Secretary determines that an establishment operating under a State meat inspection program is not operating in accordance with this Act (including the regulations, directives, notices, policy memoranda, and other regulatory

requirements issued under this Act) or the cooperative agreement under section 302(c), and the State, after notification by the Secretary to the Governor, has not taken appropriate action within a reasonable time as determined by the Secretary, the Secretary may immediately determine that the establishment is an establishment that shall be inspected by the Secretary, until such time as the Secretary determines that the State will meet the requirements of this Act (including the regulations, directives, notices, policy memoranda, and other regulatory requirements) and the cooperative agreement with respect to the establishment.

"SEC. 305. ANNUAL REVIEW.

"(a) IN GENERAL.—The Secretary shall develop and implement a process to annually review each State meat inspection program approved under this title and to certify the State meat inspection programs that comply with the cooperative agreement entered into with the State under section 302(c).

"(b) COMMENT FROM INTERESTED PARTIES.—In developing the review process described in subsection (a), the Secretary shall solicit comment from interested parties.

"SEC. 306. FEDERAL INSPECTION OPTION.

"(a) IN GENERAL.—An establishment that operates in a State with an approved State meat inspection program may apply for inspection under the State meat inspection program or for Federal inspection.

"(b) LIMITATION.—An establishment shall not make an application under subsection (a) more than once every four years.".

(2) RESTAURANTS AND RETAIL STORES.—Title IV of the Federal Meat Inspection Act is amended—

(A) by redesignating section 411 (21 U.S.C. 681) as section 414; and

(B) by inserting after section 410 (21 U.S.C. 680) the following:

"SEC. 411. RESTAURANTS AND RETAIL STORES.

"(a) LIMITATION ON APPLICABILITY OF INSPECTION REQUIREMENTS.—The provisions of this Act requiring inspection of the slaughter of animals and the preparation of carcasses, parts of carcasses, meat, and meat food products shall not apply to operations of types traditionally and usually conducted at retail stores and restaurants, as determined by the Secretary, if the operations are conducted at a retail store, restaurant, or similar retail establishment for sale of such prepared articles in normal retail quantities or for service of the articles to consumers at such an establishment.

"(b) CENTRAL KITCHEN FACILITIES.—

"(1) IN GENERAL.—For the purposes of this section, operations conducted at a central kitchen facility of a restaurant shall be considered to be conducted at a restaurant if the central kitchen of the restaurant prepares meat or meat food products that are ready to eat when they leave the facility and are served in meals or as entrees only to customers at restaurants owned or operated by the same person, firm, or corporation that owns or operates the facility.

"(2) EXCEPTION.—A facility described in paragraph (1) shall be subject to section 202 and may be subject to the inspection requirements of title I for as long as the Secretary determines to be necessary, if the Secretary determines that the sanitary conditions or practices of the facility or the processing procedures or methods at the facility are such that any of the meat or meat food products of the facility are rendered adulterated.

"SEC. 412. ACCEPTANCE OF INTERSTATE SHIPMENTS OF MEAT AND MEAT FOOD PRODUCTS.

"Notwithstanding any provision of State law, a State or local government shall not prohibit or restrict the movement or sale of meat or meat food products that have been

inspected and passed in accordance with this Act for interstate commerce.

"SEC. 413. ADVISORY COMMITTEES FOR FEDERAL AND STATE PROGRAMS.

"The Secretary may appoint advisory committees consisting of such representatives of appropriate State agencies as the Secretary and the State agencies may designate to consult with the Secretary concerning State and Federal programs with respect to meat inspection and other matters within the scope of this Act.".

(c) STATE POULTRY INSPECTION PROGRAMS.—

(1) IN GENERAL.—The Poultry Products Inspection Act (21 U.S.C. 451 et seq.) is amended by striking section 5 and inserting the following:

"SEC. 5. STATE POULTRY INSPECTION PROGRAMS.

"(a) POLICY.—It is the policy of Congress to protect the public from poultry products that are adulterated or misbranded and to assist in efforts by State and other government agencies to accomplish that policy.

"(b) FINDINGS.—Congress finds that—

"(1) the goal of a safe and wholesome supply of poultry products throughout the United States would be better served if a consistent set of requirements, established by the Federal Government, were

applied to all poultry products, whether produced under State inspection or Federal inspection;

"(2) under such a system, State and Federal poultry inspection programs would function together to create a seamless inspection system to ensure food safety and inspire consumer confidence in the food supply in interstate commerce; and

"(3) such a system would ensure the viability of State poultry inspection programs, which should help to foster the viability of small official establishments.

"(c) APPROVAL OF STATE POULTRY INSPECTION PROGRAMS.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may approve a State poultry inspection program and allow the shipment in commerce of poultry products inspected under the State poultry inspection program in accordance with this section and section 5A.

"(2) ELIGIBILITY.—

"(A) IN GENERAL.—To receive or maintain approval from the Secretary for a State poultry inspection program in accordance with paragraph (1), a State shall—

"(i) implement a State poultry inspection program that enforces the mandatory antemortem and postmortem inspection, reinspection, sanitation, and related Federal requirements of sections 1 through 4 and 6 through 33 (including the regulations, directives, notices, policy memoranda, and other regulatory requirements issued under those sections); and

"(ii) enter into a cooperative agreement with the Secretary in accordance with paragraph (3).

"(B) ADDITIONAL REQUIREMENTS.—

"(i) IN GENERAL.—In addition to the requirements described in subparagraph (A), a State poultry inspection program reviewed in accordance with section 11103(a) of the Farm, Nutrition, and Bioenergy Act of 2007 shall implement, not later 180 days after the date on which the report is submitted under subsection (b) of such section, all recommendations from the review, in a manner approved by the Secretary.

"(ii) REVIEW OF NEW STATE POULTRY INSPECTION PROGRAMS.—

"(I) REVIEW REQUIREMENT.—Not later than one year after the date on which the Secretary approves a new State poultry inspection program, the Secretary shall conduct a review of the new State poultry inspection program, which shall include—

"(aa) a determination of the effectiveness of the new State poultry inspection program; and

"(bb) identification of changes necessary to ensure enforcement of Federal inspection requirements.

"(II) IMPLEMENTATION REQUIREMENTS.—In addition to the requirements described in subparagraph (A), to continue to be an approved State poultry inspection program, a new State poultry inspection program shall implement all recommendations from the review conducted in accord-

ance with this clause, in a manner approved by the Secretary.

"(III) DEFINITION OF NEW STATE POULTRY INSPECTION PROGRAM.—In this clause, the term 'new State poultry inspection program' means a State poultry inspection program that is not approved in accordance with paragraph (1) between the effective date of the Farm, Nutrition, and Bioenergy Act of 2007 and the date that is one year after the effective date of such Act.

"(3) COOPERATIVE AGREEMENT.—Notwithstanding chapter 63 of title 31, United States Code, the Secretary may enter into a cooperative agreement with a State that—

"(A) establishes the terms governing the relationship between the Secretary and the State poultry inspection program;

"(B) provides that the State will adopt (including adoption by reference) provisions identical to sections 1 through 4 and 6 through 33 (including the regulations, directives, notices,

policy memoranda, and other regulatory requirements issued under those sections);

"(C) provides that State-inspected and passed poultry products may be marked with the mark of State inspection, which shall be deemed to be an official mark, in accordance with requirements issued by the Secretary;

"(D) provides that the State will comply with all labeling requirements issued by the Secretary governing poultry products inspected under the State poultry inspection program;

"(E) provides that the Secretary shall have authority—

"(i) to detain and seize poultry and poultry products under the State poultry inspection program;

"(ii) to obtain access to facilities, records, and poultry products of any person that slaughters, processes, handles, stores, transports, or sells poultry products inspected under the State poultry inspection program to determine compliance with this Act (including the regulations issued under this Act); and

"(iii) to direct the State to conduct any activity authorized to be conducted by the Secretary under this Act (including the regulations issued under this Act); and

"(F) includes such other terms as the Secretary determines to be necessary to ensure that the actions of the State and the State poultry inspection program are consistent with this Act (including the regulations, directives, notices, policy memoranda, and other regulatory requirements issued under this Act).

"(4) RESTRICTION ON ESTABLISHMENT SIZE.—After the date that is 90 days after the effective date of the Farm, Nutrition, and Bioenergy Act of 2007, establishments with more than 50 employees may not be accepted into a State meat inspection program. Any establishment that is subject to state inspection on such date may remain subject to state inspection.

"(5) REIMBURSEMENT OF STATE COSTS.—The Secretary may reimburse a State for not more than 60 percent of the State's costs of meeting the Federal requirements for the State poultry inspection program.

"(6) SAMPLING.—A duly authorized representative of the Secretary shall be afforded access to State inspected establishments to take reasonable samples of their inventory upon payment of the fair market value therefor.

"(7) NONCOMPLIANCE.—If the Secretary determines that a State poultry inspection program does not comply with this section, section 5A, or the cooperative agreement under paragraph (3), the Secretary shall take such action as the Secretary determines to be necessary to ensure that the poultry products in the State are inspected in a manner that effectuates this Act (including the regulations, directives, notices, policy memoranda, and other regulatory requirements issued under this Act).

"(d) ANNUAL REVIEW.—

"(1) IN GENERAL.—The Secretary shall develop and implement a process to annually review each State poultry inspection program approved under this section and to certify the State poultry inspection programs that comply with the cooperative agreement entered into with the State under subsection (c)(3).

"(2) COMMENT FROM INTERESTED PARTIES.—In developing the review process described in para-

graph (1), the Secretary shall solicit comment from interested parties.

"(e) FEDERAL INSPECTION OPTION.—

"(1) IN GENERAL.—An official establishment that operates in a State with an approved State poultry inspection program may apply for inspection under the State poultry inspection program or for Federal inspection.

"(2) LIMITATION.—An official establishment shall not make an application under paragraph (1) more than once every 4 years.

"SEC. 5A. AUTHORITY TO TAKE OVER STATE POULTRY INSPECTION ACTIVITIES.

"(a) AUTHORITY TO TAKE OVER STATE POULTRY INSPECTION PROGRAMS.—

"(1) NOTIFICATION.—If the Secretary has reason to believe that a State is not in compliance with this Act (including the regulations, directives, notices, policy memoranda, and other regulatory requirements issued under this Act) or the cooperative agreement under section 5(c)(3) and is considering the revocation or temporary suspension of the approval of the State poultry inspection program, the Secretary shall promptly notify and consult with the Governor of the State.

"(2) SUSPENSION AND REVOCATION.—

"(A) IN GENERAL.—The Secretary may revoke or temporarily suspend the approval of a State poultry inspection program and take over a State poultry inspection program if the Secretary determines that the State poultry inspection program is not in compliance with this Act (including the regulations, directives, notices, policy memoranda, and other regulatory requirements issued under this Act) or the cooperative agreement.

"(B) PROCEDURES FOR REINSTATEMENT.—A State poultry inspection program that has been the subject of a revocation may be reinstated as an approved State poultry inspection program under this Act only in accordance with the procedures under section 5(c)(2)(B)(ii).

"(3) PUBLICATION.—If the Secretary revokes or temporarily suspends the approval of a State poultry inspection program in accordance with paragraph (2), the Secretary shall publish notice of the revocation or temporary suspension under that paragraph in the Federal Register.

"(4) INSPECTION OF ESTABLISHMENTS.—Not later than 30 days after the date of publication of a determination under paragraph (3), an official establishment subject to a State poultry inspection program with respect to which the Secretary makes a determination under paragraph (2) shall be inspected by the Secretary.

"(b) EXPEDITED AUTHORITY TO TAKE OVER INSPECTION OF STATE-INSPECTED OFFICIAL ESTABLISHMENTS.—Notwithstanding any other provision of this title, if the Secretary determines that an official establishment operating under a State poultry inspection program is not operating in accordance with this Act (including the regulations, directives, notices, policy memoranda, and other regulatory requirements issued under this Act) or the cooperative agreement under section 5(c)(3), and the State, after notification by the Secretary to the Governor, has not taken appropriate action within a reasonable time as determined by the Secretary, the Secretary may immediately determine that the official establishment is an establishment that shall be inspected by the Secretary, until such time as the Secretary determines that the State will meet the requirements of this Act (including the regulations, directives, notices, policy memoranda, and other reg-

ulatory requirements) and the cooperative agreement with respect to the official establishment.''.

(2) RESTAURANTS AND RETAIL STORES, ACCEPTANCE OF INTERSTATE SHIPMENTS OF POULTRY PRODUCTS, AND ADVISORY COMMITTEES FOR FEDERAL AND STATE PROGRAMS.—The Poultry Products Inspection Act (21 U.S.C. 451 et seq.) is amended by inserting after section 30 the following:

''SEC. 31. RESTAURANTS AND RETAIL STORES.

''(a) LIMITATION ON APPLICABILITY OF INSPECTION REQUIREMENTS.—The provisions of this Act requiring inspection of the slaughter of poultry and the processing of poultry products shall not apply to operations of types traditionally and usually conducted at retail stores and restaurants, if the operations are conducted at a retail store, restaurant, or similar retail establishment for sale of such prepared articles in normal retail quantities or for service of the articles to consumers at such an establishment.

''(b) CENTRAL KITCHEN FACILITIES.—

''(1) IN GENERAL.—For the purposes of this section, operations conducted at a central kitchen facility of a restaurant shall be considered to be conducted at a restaurant if the central kitchen of the restaurant prepares poultry products that are ready to eat when they leave the facility and are served in

meals or as entrees only to customers at restaurants owned or operated by the same person that owns or operates the facility.

''(2) EXCEPTION.—A facility described in paragraph (1) shall be subject to section 11(b) and may be subject to the inspection requirements of this Act for as long as the Secretary determines to be necessary, if the Secretary determines that the sanitary conditions or practices of the facility or the processing procedures or methods at the facility are such that any of the poultry products of the facility are rendered adulterated.

''SEC. 32. ACCEPTANCE OF INTERSTATE SHIPMENTS OF POULTRY PRODUCTS.

''Notwithstanding any provision of State law, a State or local government shall not prohibit or restrict the movement or sale of poultry products that have been inspected and passed in accordance with this Act for interstate commerce.

''SEC. 33. ADVISORY COMMITTEES FOR FEDERAL AND STATE PROGRAMS.

''The Secretary may appoint advisory committees consisting of such representatives of appropriate State agencies as the Secretary and the State agencies may designate to consult with the Secretary concerning State and

Federal programs with respect to poultry product inspection and other matters within the scope of this Act.''.

(d) REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall promulgate such regulations as are necessary to implement the amendments made by subsections (b) and (c).

(e) EFFECTIVE DATE.—The amendments made by subsections (b) and (c) of this Act shall take effect on the date that is 180 days after the date of the enactment of this Act.

SEC. 11104. COUNTRY OF ORIGIN LABELING.

Subtitle D of the Agricultural Marketing Act of 1946 (7 U.S.C. 1638 et seq.) is amended—

(1) in section 281(2)(A)—

(A) in clause (v) by striking ''and'';

(B) in clause (vi), by striking ''peanuts.'' and inserting ''peanuts; and''; and

(C) by adding at the end the following new clause:

''(vii) meat produced from goats.'';

(2) in section 282—

(A) in subsection (a), by striking paragraphs (2) and (3) and inserting the following:

"(2) DESIGNATION OF COUNTRY OF ORIGIN FOR BEEF, LAMB, PORK, AND GOAT.—

"(A) UNITED STATES COUNTRY OF ORIGIN.—A retailer of a covered commodity that is beef, lamb, pork, or goat may designate the covered commodity as exclusively having a United States country of origin only if the covered commodity is derived from an animal that was—

"(i) exclusively born, raised, and slaughtered in the United States;

"(ii) born and raised in Alaska or Hawaii and transported for a period of not more than 60 days through Canada to the United States and slaughtered in the United States; or

"(iii) present in the United States on or before January 1, 2008.

"(B) MULTIPLE COUNTRIES OF ORIGIN.—A retailer of a covered commodity that is beef, lamb, pork, or goat that is derived from an animal that is—

"(i) not exclusively born, raised, and slaughtered in the United States,

"(ii) born, raised, or slaughtered in the United States, and

"(iii) not imported into the United States for immediate slaughter,

may designate the country of origin of such covered commodity as all of the countries in which the animal may have been born, raised, or slaughtered.

"(C) IMPORTED FOR IMMEDIATE SLAUGHTER.—A retailer of a covered commodity that is beef, lamb, pork, or goat that is derived from an animal that is imported into the United States for immediate slaughter must designate the origin of such covered commodity as—

"(i) the country from which the animal was imported; and

"(ii) the United States.

"(D) FOREIGN COUNTRY OF ORIGIN.—A retailer of a covered commodity that is beef, lamb, pork, or goat that is derived from an animal that is not born, raised, or slaughtered in the United States must designate a country other than the United States as the country of origin of such commodity.

"(E) GROUND BEEF, PORK, AND LAMB.—The notice of country of origin for ground beef, ground pork, or ground lamb shall include—

"(i) a list of all countries of origin of such ground beef, ground pork, or ground lamb; or

"(ii) a list of all reasonably possible countries of origin of such ground beef, ground pork, or ground lamb.

"(3) DESIGNATION OF COUNTRY OF ORIGIN FOR FISH.—

"(A) IN GENERAL.—A retailer of a covered commodity that is farm-raised fish or wild fish may designate the covered commodity as having a United States country of origin only if the covered commodity—

"(i) in the case of farm-raised fish, is hatched, raised, harvested, and processed in the United States; and

"(ii) in the case of wild fish, is—

"(I) harvested in the United States, a territory of the United States, or a State, or by a vessel that is documented under chapter 121 of

1 title 46, United States Code, or reg-
2 istered in the United States; and
3 "(II) processed in the United
4 States, a territory of the United
5 States, or a State, including the wa-
6 ters thereof.
7 "(B) DESIGNATION OF WILD FISH AND
8 FARM-RAISED FISH.—The notice of country of
9 origin for wild fish and farm-raised fish shall
10 distinguish between wild fish and farm-raised
11 fish.
12 "(4) DESIGNATION OF COUNTRY OF ORIGIN
13 FOR PERISHABLE AGRICULTURAL COMMODITIES AND
14 PEANUTS.—
15 "(A) IN GENERAL.—A retailer of a covered
16 commodity that is a perishable agricultural
17 commodity or peanut may designate the covered
18 commodity as having a United States country
19 of origin only if the covered commodity is exclu-
20 sively produced in the United States.
21 "(B) STATE, REGION, LOCALITY OF THE
22 UNITED STATES.—With respect to a covered
23 commodity that is a perishable agricultural
24 commodity produced exclusively in the United
25 States, designation by a retailer of the State,

region, or locality of the United States where such commodity was produced shall be sufficient to identify the United States as the country of origin.''; and

(B) by striking subsection (d) and inserting the following:

''(d) AUDIT VERIFICATION SYSTEM.—

''(1) IN GENERAL.—The Secretary may conduct an audit of any person that prepares, stores, handles, or distributes a covered commodity for retail sale to verify compliance with this subtitle (including the regulations promulgated under section 284(b)).

''(2) RECORD REQUIREMENTS.—

''(A) IN GENERAL.—A person subject to an audit under paragraph (1) shall provide the Secretary with verification of the country of origin of covered commodities. Records maintained in the course of the normal conduct of the business of such person, including animal health papers, import or customs documents, or producer affidavits, may serve as such verification.

''(B) PROHIBITION ON REQUIREMENT OF ADDITIONAL RECORDS.—The Secretary may not require a person that prepares, stores, handles, or distributes a covered commodity to maintain

a record of the country of origin of a covered commodity other than those maintained in the course of the normal conduct of the business of such person.'';

(3) in section 283—

(A) by striking subsections (a) and (c);

(B) by redesignating subsection (b) subsection (a);

(C) in subsection (a) (as so redesignated), by striking ''retailer'' and inserting ''retailer or person engaged in the business of supplying a covered commodity to a retailer''; and

(D) by adding at the end the following new subsection:

''(b) FINES.—If, on completion of the 30-day period described in subsection (a)(2), the Secretary determines that the retailer or person engaged in the business of supplying a covered commodity to a retailer has—

''(1) not made a good faith effort to comply with section 282, and

''(2) continues to willfully violate section 282 with respect to the violation about which the retailer or person received notification under subsection (a)(1),

after providing notice and an opportunity for a hearing before the Secretary with respect to the violation, the Secretary may fine the retailer or person in an amount of not more than $1,000 for each violation.''.

SEC. 11105. SENSE OF CONGRESS REGARDING THE VOLUNTARY CONTROL PROGRAM FOR LOW PATHOGENIC AVIAN INFLUENZA.

It is the sense of Congress that—

(1) the voluntary control program for low pathogenic avian influenza is a critical component of the animal health protection system of the United States, as well as a safeguard against highly pathogenic avian influenza; and

(2) the Secretary of Agriculture has appropriately provided for the payment of compensation to owners of poultry and cooperating State agencies of 100 percent of eligible costs, and the Secretary should continue to provide such payments at 100 percent of such costs.

SEC. 11106. SENSE OF CONGRESS REGARDING THE CATTLE FEVER TICK ERADICATION PROGRAM.

It is the sense of Congress that—

(1) the cattle fever tick and the southern cattle tick are vectors of the causal agent of babesiosis, a severe and often fatal disease of cattle; and

(2) implementing a national strategic plan for the cattle fever tick eradication program is a high priority that the secretary should carry out in order to—

(A) prevent the entry of cattle fever ticks into the United States;

(B) enhance and maintain an effective surveillance program to rapidly detect any cattle fever tick incursions; and

(C) research, identify, and procure the tools and knowledge necessary to prevent and eradicate cattle fever ticks in the United States.

Subtitle C—Socially Disadvantaged Producers and Limited Resource Producers

SEC. 11201. OUTREACH AND TECHNICAL ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS AND LIMITED RESOURCE FARMERS AND RANCHERS.

Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended—

(1) in subsection (a)—

(A) by striking paragraph (2) and inserting the following new paragraph:

"(2) REQUIREMENTS.—The outreach and technical assistance program under paragraph (1) shall be used—

"(A) to enhance coordination of the outreach, technical assistance, and education efforts authorized under agriculture programs; and

"(B) to assist the Secretary in—

"(i) reaching socially disadvantaged or limited resource farmers and ranchers and prospective socially disadvantaged or limited resource farmers and ranchers in an appropriate manner; and

"(ii) improving the participation of those farmers and ranchers in Department programs, as determined under section 2501A.";

(B) in paragraph (3)—

(i) in subparagraph (A), by striking "entity to provide information" and inserting "entity that has demonstrated an ability to carry out the requirements described in paragraph (2) to provide outreach"; and

(ii) by adding at the end the following new subparagraphs:

"(D) ADDITIONAL CONTRACTING AUTHORITY.—Any agency of the Department of Agriculture may make grants and enter into contracts and cooperative agreements with a community-based organization that meets the definition of an eligible entity under subsection (e) in order to utilize the community-based organization to provide outreach and technical assistance.

"(E) REPORT.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and make publicly available, an annual report that includes a list of the following:

"(i) The recipients of funds made available under the program.

"(ii) The activities undertaken and services provided.

"(iii) The number of producers served and outcomes of such service.

"(iv) The problems and barriers identified by entities in trying to increase participation by socially disadvantaged farmers and ranchers."; and

(C) in paragraph (4)—

(i) by striking subparagraph (A), and inserting the following new subparagraph:

''(A) AVAILABILITY OF FUNDS.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available $15,000,000 for each of the fiscal years 2008 through 2012 to carry out this subsection.'';

(ii) in subparagraph (B), by striking ''authorized to be appropriated under subparagraph (A)'' and inserting ''made available under subparagraph (A)''; and

(iii) by adding at the end the following new subparagraph:

''(C) LIMITATION ON USE OF FUNDS FOR ADMINISTRATIVE EXPENSES.—Not more than 5 percent of the amounts made available under subparagraph (A) for a fiscal year may be used for expenses related to administering the program under this section.''; and

(2) in subsection (e)(5)(A)(ii)—

(A) by inserting ''and on behalf of'' before ''socially''; and

(B) by striking ''2-year'' and inserting ''3-year''.

SEC. 11202. IMPROVED PROGRAM DELIVERY BY DEPARTMENT OF AGRICULTURE ON INDIAN RESERVATIONS.

Section 2501(g)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(g)(1)) is amended—

(1) in the first sentence, by striking ''where there is a demonstrated demand for service'' after ''offices''; and

(2) by striking the second sentence.

SEC. 11203. TRANSPARENCY AND ACCOUNTABILITY FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

Section 2501A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279–1) is amended by striking subsection (c) and inserting the following new subsections:

''(c) COMPILATION OF PROGRAM PARTICIPATION DATA.—

''(1) ANNUAL REQUIREMENT.—For each county and State in the United States, the Secretary of Agriculture (referred to in this section as the 'Secretary') shall annually compile program application and participation rate data regarding socially disadvantaged farmers and ranchers by computing for

each program of the Department of Agriculture that serves agricultural producers and landowners—

"(A) raw numbers of applicants and participants by race, ethnicity, and gender, subject to appropriate privacy protections, as determined by the Secretary; and

"(B) the application and participation rate, by race, ethnicity, and gender, as a percentage of the total participation rate of all agricultural producers and landowners.

"(2) AUTHORITY TO COLLECT DATA.—The heads of the agencies of the Department of Agriculture shall collect and transmit to the Secretary any data, including data on race, gender, and ethnicity, that the Secretary determines to be necessary to carry out paragraph (1).

"(3) REPORT.—Using the technologies and systems of the National Agricultural Statistics Service, the Secretary shall compile and present the data compiled under paragraph (1) for each program described in that paragraph in a manner that includes the raw numbers and participation rates for—

"(A) the entire United States;

"(B) each State; and

"(C) each county in each State.

"(4) PUBLIC AVAILABILITY OF REPORT.—The Secretary shall maintain and make readily available to the public, via website and otherwise in electronic and paper form, the report described in paragraph (3).

"(d) LIMITATIONS ON USE OF DATA.—

"(1) PRIVACY PROTECTIONS.—In carrying out this section, the Secretary shall not disclose the names or individual data of any program participant.

"(2) AUTHORIZED USES.—The data under this section shall be used exclusively for the purposes described in subsection (a).

"(3) LIMITATION.—Except as otherwise provided, the data under this section shall not be used for the evaluation of individual applications for assistance.".

SEC. 11204. BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.

Section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f) is amended by striking subsection (h) and inserting the following new subsection:

"(h) AVAILABILITY OF FUNDS.—Of the funds of the Commodity Credit Corporation, the Secretary shall make

available $15,000,000 for each of the fiscal years 2008 through 2012 to carry out this section.''.

SEC. 11205. PROVISION OF RECEIPT FOR SERVICE OR DENIAL OF SERVICE.

In any case in which a producer or landowner, or prospective producer or landowner, requests from the Department of Agriculture any benefit or service offered by the Department to agricultural producers or landowners, the Secretary of Agriculture shall provide for the issuance, on the date on which the producer or landowner, or prospective producer or landowner, makes the request, a receipt containing—

(1) the date, place, and subject of the request; and

(2) the action taken, not taken, or recommendations made in response to the request.

SEC. 11206. TRACKING OF SOCIALLY DISADVANTAGED FARMERS AND RANCHERS AND LIMITED RESOURCE FARMERS AND RANCHERS IN CENSUS OF AGRICULTURE AND CERTAIN STUDIES.

The Secretary of Agriculture shall ensure, to the maximum extent practicable, that the Census of Agriculture and studies carried out by the Economic Research Service accurately document the number, location, and

economic contributions of socially disadvantaged farmers and ranchers and limited resource farmers and ranchers in agricultural production.

SEC. 11207. FARMWORKER COORDINATOR.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish the position of Farmworker Coordinator (in this section referred to as the ''Coordinator''), which shall be located in the Office of Outreach of the Department of Agriculture.

(b) DUTIES.—The Secretary may delegate to the Coordinator responsibility for any or all of the following:

(1) Assisting in administering the program established by section 2281 of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 5177a).

(2) Serving as a liaison to community-based non-profit organizations that represent, and have demonstrated experience serving, low-income migrant and seasonal farmworkers.

(3) Coordinating with the Department of Agriculture and State and local governments to assure that farmworker needs are assessed and met during declared disasters and other emergencies.

(4) Consulting with the Office of Small Farm Coordination, Office of Outreach, Outreach Coordi-

nators, and other entities to better integrate farmworker perspectives, concerns, and interests into the ongoing programs of the Department.

(5) Consulting with Hispanic-serving institutions on research, program improvements, or agricultural education opportunities that assist low-income and migrant seasonal farmworkers.

(6) Assuring that farmworkers have access to services and support to enter agriculture as producers.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as necessary to carry out this section for fiscal years 2008 through 2012.

SEC. 11208. OFFICE OF OUTREACH RELOCATION.

(a) RELOCATION PROPOSAL.—Not more than 18 months after the date of enactment of the Act, the Secretary shall develop a proposal to relocate the Office of Outreach of the Department of Agriculture.

(b) ADMINISTRATION.—The Office of Outreach shall be responsible for the administration of—

(1) the outreach and technical assistance program established under section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279);

(2) the beginning farmer and rancher development program established under section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f); and

(3) the coordination of the outreach activities among the various agencies within the Department.

(c) REPORT.—After the relocation described in this section is completed, the Secretary shall submit to Congress a report that includes information describing the new location of the program.

SEC. 11209. MINORITY FARMER ADVISORY COMMITTEE.

(a) ESTABLISHMENT.—Not later than 18 months after the date of enactment of this Act, the Secretary of Agriculture shall establish an advisory committee, to be known as the ''Advisory Committee on Minority Farmers'' (in this section referred to as the ''Committee''), which shall be overseen by the Office of Outreach of the Department of Agriculture.

(b) DUTIES.—The Committee shall—

(1) review all civil rights cases to ensure that they are processed in a timely manner;

(2) ensure that the processing of civil rights cases complies with applicable laws;

(3) report quarterly to the Secretary of Agriculture on civil rights enforcement and outreach;

(4) monitor and annually report to Congress on compliance with all civil rights and related laws by all agencies and under all programs of the Department;

(5) recommend to the Secretary corrective actions to prevent civil rights violations;

(6) review the operations of the outreach and technical assistance program established under section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

(7) review ongoing efforts toward outreach in the agencies and programs of the Department.

(c) MEMBERSHIP OF COMMITTEE.—The Committee shall be composed of the following:

(1) Three members appointed by the Secretary.

(2) Two members appointed by the chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate, in consultation with the ranking member of the Committee.

(3) Two members appointed by the chairman of the Committee on Agriculture of the House of Representatives, in consultation with the ranking member of the Committee.

(4) A civil rights professional.

(5) A socially disadvantaged farmer or rancher.

(6) Such other persons or professionals as determined by the Secretary to be appropriate.

SEC. 11210. COORDINATOR FOR CHRONICALLY UNDERSERVED RURAL AREAS.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a Coordinator for Chronically Underserved Rural Areas (in this section referred to as the ''Coordinator''), to be located in the Office of Outreach of the Department of Agriculture.

(b) MISSION.—The mission of the Coordinator shall be to direct Department of Agriculture resources to high need, high poverty rural areas.

(c) DUTIES.—The Coordinator shall consult with other offices in directing technical assistance, strategic regional planning, at the State and local level, for developing rural economic development that leverages the resources of State and local governments and non-profit and community development organizations.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as necessary to carry out this section for fiscal years 2008 through 2012.

Subtitle D—Other Miscellaneous Provisions

SEC. 11301. DESIGNATION OF SEPARATE COTTON-PRODUCING STATES UNDER COTTON RESEARCH AND PROMOTION ACT.

Section 17(f) of the Cotton Research and Promotion Act (7 U.S.C. 2116(f)) is amended by adding at the end the following new sentence: ''Notwithstanding the preceding sentence, effective beginning with the 2008 crop of cotton, the States of Kansas, Virginia, and Florida shall each be deemed to be a separate cotton-producing State for the purposes of this Act.''.

SEC. 11302. COTTON CLASSIFICATION SERVICES.

(a) EXTENSION.—The first sentence of section 3a of the Act of March 3, 1927 (commonly known as the Cotton Statistics and Estimates Act; 7 U.S.C. 473a), is amended by striking ''2007'' and inserting ''2012''.

(b) ESTABLISHMENT OF OFFICES.—The second sentence of section 3a of the Act of March 3, 1927, is amended in the proviso—

(1) by striking ''and'' at the end of clause (6);

(2) by striking the period at the end of clause (7) and inserting ''; and''; and

(3) by adding at the end the following new clause: ''(8) the Secretary may enter into long-term

lease agreements that exceed five years or may take title to property, including through purchase agreements, for the purposes of obtaining offices to be used for the classification of cotton in accordance with this Act if the Secretary determines such action would best effectuate the purposes of this Act.''.

SEC. 11303. AVAILABILITY OF EXCESS AND SURPLUS COMPUTERS IN RURAL AREAS.

The Secretary of Agriculture may make available to any city or town located in a rural area (as defined in section 343(a)(13)(A) of the Consolidated Farm and Rural Development Act) excess or surplus computers or other technical equipment of the Department of Agriculture.

SEC. 11304. PERMANENT DEBARMENT FROM PARTICIPATION IN DEPARTMENT OF AGRICULTURE PROGRAMS FOR FRAUD.

The Secretary of Agriculture is hereby granted the authority to permanently debar an individual, organization, corporation, or other entity convicted of knowingly defrauding the United States in connection with any program administered by the Department of Agriculture from any subsequent participation in Department of Agriculture programs.

SEC. 11305. NO DISCRIMINATION AGAINST USE OF REGISTERED PESTICIDE PRODUCTS OR CLASSES OF PESTICIDE PRODUCTS.

In establishing priorities and evaluation criteria for the approval of plans, contracts, and agreements under title II, the Secretary of Agriculture shall not discriminate against the use of specific registered pesticide products or classes of pesticide products.

SEC. 11306. PROHIBITION ON CLOSURE OR RELOCATION OF COUNTY OFFICES FOR THE FARM SERVICE AGENCY, RURAL DEVELOPMENT AGENCY, AND NATURAL RESOURCES CONSERVATION SERVICE.

Until the date that is one year after the date of the enactment of this Act, the Secretary of Agriculture may not close or relocate a county or field office of the Farm Service Agency, Rural Development Agency, or Natural Resources Conservation Service of the Department of Agriculture.

SEC. 11307. REGULATION OF EXPORTS OF PLANTS, PLANT PRODUCTS, BIOLOGICAL CONTROL ORGANISMS, AND NOXIOUS WEEDS.

(a) IN GENERAL.—Subtitle A of title IV of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7701 et seq.) is amended by adding at the end the following new section:

"SEC. 420. REGULATION OF EXPORTS OF PLANTS, PLANT PRODUCTS, BIOLOGICAL CONTROL ORGANISMS, AND NOXIOUS WEEDS.

"(a) IN GENERAL.—The Secretary may regulate plants, plant products, biological control organisms, and noxious weeds for export purposes.

"(b) DUTIES.—The Secretary shall—

"(1) coordinate fruit and vegetable market analyses with the private sector and the Administrator of Foreign Agricultural Service; and

"(2) make publicly available on an Internet website—

"(A) the status of all export petitions;

"(B) to the greatest extent possible, an explanation of the sanitary or phytosanitary issues associated with each pending export petition; and

"(C) to the greatest extent possible, information on the import requirements of foreign countries for fruits and vegetables.

"(c) REGULATIONS.—The Secretary may issue regulations to implement this section.".

(b) TABLE OF CONTENTS.—The table of contents in section 1(b) of such Act (7 U.S.C. 1501 note) is amended by inserting after the item relating to section 419 the following new item:

"Sec. 420. Regulation of exports of plants, plant products, biological control organisms, and noxious weeds.".

SEC. 11308. GRANTS TO REDUCE PRODUCTION OF METHAMPHETAMINES FROM ANHYDROUS AMMONIA.

(a) GRANT AUTHORITY.—The Secretary of Agriculture may make a grant to an eligible entity to enable the entity to obtain and add to an anhydrous ammonia fertilizer nurse tank a substance which will reduce the amount of methamphetamine which can be produced from any anhydrous ammonia removed from the tank.

(b) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term "eligible entity" means—

(A) a producer of agricultural commodities;

(B) a cooperative association a majority of the members of which produce or process agricultural commodities, and

(C) a person in the trade or business of—

(i) selling an agricultural product, including an agricultural chemical, at retail, predominantly to farmers and ranchers; or

(ii) aerial and ground application of an agricultural chemical.

(2) NURSE TANK.—The term ''nurse tank'' shall have the meaning set forth in section 173.315(m) of title 49, Code of Federal Regulations, as in effect as of the date of the enactment of this Act.

(c) GRANT AMOUNT.—The amount of a grant made under this section to an entity shall be not less than $40 and not more than $60, multiplied by the number of fertilizer nurse tanks of the entity.

(d) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this section, there are authorized to be appropriated to the Secretary a total of not more than $15,000,000 for fiscal years 2008 through 2012.

SEC. 11309. USDA GRADUATE SCHOOL.

(a) Section 921 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2279b) is amended by striking subsections (a) through (k) and inserting the following: ''The Department of Agriculture shall not establish, maintain, or otherwise operate a non-appropriated fund instrumentality of the United States to develop, administer, or provide educational training and professional development activities, including educational activities for Federal agencies, Federal employees, non-

profit organizations, other entities, and members of the general public.''.

(b) EFFECTIVE DATE.—The amendment made in subsection (a) apply beginning October 1, 2008.

SEC. 11310. PREVENTION AND INVESTIGATION OF PAYMENT AND FRAUD AND ERROR.

Section 1113(k) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3413(k)) is amended to read as follows:

''(k) DISCLOSURE NECESSARY FOR PROPER ADMINISTRATION OF PROGRAMS OF CERTAIN GOVERNMENT AUTHORITIES.—

''(1) DISCLOSURE TO GOVERNMENT AUTHORITIES.—Nothing in this title shall apply to the disclosure by the financial institution of the financial records of any customer to the Department of the Treasury, the Social Security Administration, the Railroad Retirement Board, or any other Government authority that certifies, disburses, or collects payments, when the disclosure of such information is necessary to, and such information is used solely for the purposes of—

''(A) the proper administration of section 1441 of the Internal Revenue Code of 1986 (26 U.S.C. 1441);

"(B) the proper administration of title II of the Social Security Act (42 U.S.C. 401 et seq.);

"(C) the proper administration of the Railroad Retirement Act of 1974 (45 U.S.C. 231 et seq.);

"(D) the verification of the identify of any person in connection with the issuance of a Federal payment or collection of funds by a Government authority; or

"(E) the investigation or recovery of an improper Federal payment or collection of funds, or an improperly negotiated Treasury check.

"(2) LIMITATIONS ON SUBSEQUENT DISCLOSURE.—Notwithstanding any other provision of law, any request authorized by paragraph (1), and the information contained therein, may be used by the financial institution and its agents solely for the purpose of providing the customer's financial records to the Government authority requesting the information and shall be barred from redisclosure by the financial institution or its agents. Any Government authority receiving information pursuant to paragraph (1) may not disclose or use the information

except for the purposes set forth in such paragraph.''.

SEC. 11311. SENSE OF CONGRESS REGARDING FOOD DESERTS, GEOGRAPHICALLY ISOLATED NEIGHBORHOODS AND COMMUNITIES WITH LIMITED OR NO ACCESS TO MAJOR CHAIN GROCERY STORES.

It is the sense of Congress that the Secretary of Agriculture, in conjunction with the National Institutes of Health, the Centers for Disease Control, the Institute of Medicine and faith-based organizations, should—

(1) conduct a national assessment of food deserts in the United States, namely those geographically isolated neighborhoods and communities with limited or no access to major-chain grocery stores; and

(2) develop recommendations for eliminating food deserts.

SEC. 11312. PIGFORD CLAIMS.

(a) IN GENERAL.—Any Pigford claimant who has not previously obtained a determination on the merits of a Pigford claim may, in a civil action, obtain that determination.

(b) LIMITATION.—Notwithstanding any other provision of law—

(1) all payments or debt relief (including any limitation on foreclosure under subsection (f)) made pursuant to an action commenced under subsection (a) shall be made exclusively from funds made available pursuant to subsection (h), Provided that the total amount of payments and debt relief pursuant to an action commenced under subsection (a) shall not exceed $100,000,000; and

(2) in no event may such payments or debt relief be made from the Judgement Fund established by 31 U.S.C. 1304.

(c) INTENT OF CONGRESS AS TO REMEDIAL NATURE OF SECTION.—It is the intent of Congress that this section be liberally construed so as to effectuate its remedial purpose of giving a full determination on the merits for each Pigford claim denied that determination.

(d) LOAN DATA.—

(1) REPORT TO PERSON SUBMITTING PETITION.—Not later than 60 days after the Secretary of Agriculture receives notice of a complaint filed by a claimant under subsection (a), the Secretary shall provide to the claimant a report on farm credit loans made within the claimant's county or adjacent county by the Department during the period beginning on January 1 of the year preceding the year or years

1 covered by the complaint and ending on December
2 31 of year following such year or years. Such report
3 shall contain information on all persons whose appli-
4 cation for a loan was accepted, including—
5 (A) the race of the applicant;
6 (B) the date of application;
7 (C) the date of the loan decision;
8 (D) the location of the office making the
9 loan decision; and
10 (E) all data relevant to the process of de-
11 ciding on the loan.
12 (2) NO PERSONALLY IDENTIFIABLE INFORMA-
13 TION.—The reports provided pursuant to paragraph
14 (1) shall not contain any information that would
15 identify any person that applied for a loan from the
16 Department of Agriculture.
17 (e) EXPEDITED RESOLUTIONS AUTHORIZED.—Any
18 person filing a complaint under this Act for discrimination
19 in the application for, or making or servicing of, a farm
20 loan, at his or her discretion, may seek liquidated damages
21 of $50,000, discharge of the debt that was incurred under,
22 or affected by, the discrimination that is the subject of
23 the person's complaint, and a tax payment in the amount
24 equal to 25 percent of the liquidated damages and loan
25 principal discharged, in which case—

(1) if only such damages, debt discharge, and tax payment are sought, the complainant shall be able to prove his or her case by substantial evidence; and

(2) the court shall decide the case based on a review of documents submitted by the complainant and defendant relevant to the issues of liability and damages.

(f) LIMITATION ON FORECLOSURES.—The Secretary of Agriculture may not begin acceleration on or foreclosure of a loan if a borrower is a Pigford claimant and, in an appropriate administrative proceeding, makes a prima facie case that the foreclosure is related to a Pigford claim.

(g) DEFINITIONS.—In this Act—

(1) the term ''Pigford claimant'' means an individual who previously submitted a late-filing request under section 5(g) of the consent decree in the case of Pigford v. Glickman, approved by the United States District Court for the District of Columbia on April 14, 1999; and

(2) the term ''Pigford claim'' means a discrimination complaint, as defined by section 1(h) of that consent decree and documented under section 5(b) of that consent decree.

(h) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available $100,000,000 for fiscal year 2008, to remain available until expended, for payments and debt relief in satisfaction of claims against the United States under subsection (a), and for any actions made pursuant to subsection (f).

SEC. 11313. COMPTROLLER GENERAL STUDY OF WASTEWATER INFRASTRUCTURE NEAR UNITED STATES-MEXICO BORDER.

The Comptroller General shall conduct a study of the state of wastewater infrastructure in rural communities within 150 miles of the United States-Mexico border to determine what the Federal Government can do to assist border rural communities in bringing wastewater infrastructure up to date.

SEC. 11314. ELIMINATION OF STATUTE OF LIMITATIONS APPLICABLE TO COLLECTION OF DEBT BY ADMINISTRATIVE OFFSET.

(a) ELIMINATION.—Section 3716(e) of title 31, United States Code, is amended to read as follows:

''(e)(1) Notwithstanding any other provision of law, regulation, or administrative limitation, no limitation on the period within which an offset may be initiated or taken pursuant to this section shall be effective.

"(2) This section does not apply when a statute explicitly prohibits using administrative offset or setoff to collect the claim or type of claim involved.".

(b) APPLICATION OF AMENDMENT.—The amendment made by subsection (a) shall apply to any debt outstanding on or after the date of the enactment of this Act.

SEC. 11315. POLLINATOR PROTECTION.

(a) SHORT TITLE.—This section may be cited as the "Pollinator Protection Act of 2007".

(b) FINDINGS.—Congress finds that—

(1) many of the crops that humans and livestock consume rely on pollinators for healthy growth;

(2) pollination by honey and native bees adds more than $18,000,000,000 annually to the value of United States crops;

(3) ⅓ of the food supply of the United States depends on bee pollination, which makes the management and protection of pollinators an issue of paramount importance to the security of the United States food supply system;

(4) colony collapse disorder is the name that has been given to the latest die-off of honey bee colonies, exacerbating the continual decline of pollinators in North America;

(5) honey bee colonies in more than 23 states have been affected by colony collapse disorder;

(6) if the current rate of decline continues, the United States will be forced to rely more heavily on imported foods, which will destabilize the food security of the United States through adverse affects on the availability, price, and quality of the many fruits, vegetables, and other products that depend on animal pollination; and

(7) enhanced funding for research on honey bees, native bees, parasites, pathogens, toxins, and other environmental factors affecting bees and pollination of cultivated and wild plants will result in methods of response to colony collapse disorder and other factors causing the decline of pollinators in North America.

(c) AUTHORIZATIONS OF APPROPRIATIONS.—

(1) AGRICULTURAL RESEARCH SERVICE.—There is authorized to be appropriated to the Secretary of Agriculture, acting through the Agricultural Research Service—

(A) $3,000,000 for each of fiscal years 2008 through 2012, to be used for new personnel, facilities improvement, and additional

research at Department of Agriculture Bee Research Laboratories;

(B) $2,500,000 for each of fiscal years 2008 and 2009, to be used for research on honey and native bee physiology, insect pathology, insect chemical ecology, and honey and native bee toxicology at other Department of Agriculture facilities in New York, Florida, California, Utah, and Texas; and

(C) $1,750,000 for each of fiscal years 2008 through 2010, to be used for an area-wide research program to identify causes and solutions for colony collapse disorder in affected States.

(2) COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE.—There is authorized to be appropriated to the Secretary of Agriculture, acting through the Cooperative State Research, Education, and Extension Service, $10,000,000 for each of fiscal years 2008 through 2012 to be used to fund Department of Agriculture extension and research grants to investigate—

(A) honey bee biology, immunology, and ecology;

(B) honey bee genomics;

(C) honey bee bioinformatics;

(D) native bee crop pollination and habitat conservation;

(E) native bee taxonomy and ecology;

(F) pollination biology;

(G) sublethal effects of insecticides, herbicides, and fungicides on honey bees, native pollinators, and other beneficial insects;

(H) the effects of genetically-modified crops, including the interaction of genetically-modified crops with honey bees and other native pollinators; and

(I) honey, bumble, and other native bee parasites and pathogens and effects on other native pollinators.

(3) ANIMAL AND PLANT HEALTH INSPECTION SERVICE.—There is authorized to be appropriated to the Secretary of Agriculture, acting through the Animal and Plant Health Inspection Service, $2,250,000 for each of fiscal years 2008 through 2012 to conduct a nationwide honey bee pest and pathogen surveillance program.

(d) ANNUAL REPORTS.—The Secretary of Agriculture, acting through the Agricultural Research Service and the Cooperative State Research, Education, and Ex-

tension Service, shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the status and progress of bee research projects that are carried out by the Secretary.

(e) GIVING POLLINATOR HABITAT AND PROTECTION A PRIORITY IN CONSERVATION PROGRAMS.—Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) is amended by adding at the end the following new subsection:

''(c) NATIVE AND MANAGED POLLINATORS.—In carrying out any conservation program administered by the Secretary, except the farmland protection program, the Secretary shall establish a priority and provide incentives for—

''(1) increasing habitat for native and managed pollinators, especially native habitat; and

''(2) establishing cropping systems, integrated pest management regimes, and other practices to protect native and managed pollinators.''.

SEC. 11316. PROHIBITION ON USE OF LIVE ANIMALS FOR MARKETING MEDICAL DEVICES; FINES UNDER THE ANIMAL WELFARE ACT.

(a) PROHIBITION ON USE OF ANIMALS FOR MARKETING OF MEDICAL DEVICES.—The Animal Welfare Act

(7 U.S.C. 2131 et seq.) is amended by inserting after section 17 the following new section:

"PROHIBITION ON USE OF LIVE ANIMALS FOR MARKETING MEDICAL DEVICES

"SEC. 18. (a) IN GENERAL.—No person may use a live animal to—

"(1) demonstrate a medical device or product to a sales representative for the purpose of marketing such medical device or product;

"(2) train a sales representative to use a medical device or product;

"(3) demonstrate a medical device or product in a workshop or training session for the purpose of marketing a medical device or product; or

"(4) create a multimedia recording (including a video recording) for the purpose of marketing a medical device or product.

"(b) EXCEPTION.—Subsection (a) shall not apply to the training of medical personnel for a purpose other than marketing a medical device or product.

"(c) DEVICE DEFINED.—In this section, the term 'device' has the meaning given the term in section 201(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(h))."

(b) FINES FOR VIOLATIONS OF THE ANIMAL WELFARE ACT.—Section 19(b) of the Animal Welfare Act (7 U.S.C. 2149(b)) is amended—

(1) in the first sentence by striking ''not more than $2,500 for each such violation'' and inserting ''not more than $10,000 for each such violation''; and

(2) by striking the second sentence and inserting the following: ''Each violation, each day during which a violation continues, and, in the case of a violation with respect to animals, each animal that is the subject of such a violation shall be a separate offense.''.

(c) REPORTS ON ACTIVITIES UNDER THE ANIMAL WELFARE ACT.—The Animal Welfare Act (7 U.S.C. 2131 et seq.) is further amended by striking section 25 and inserting the following new section:

''ANNUAL REPORT

''SEC. 25. Not later than March 1 of each year, the Secretary shall submit to Congress a report containing—

''(1) an identification of all research facilities, exhibitors, and other persons and establishments licensed by the Secretary under section 3 and section 12;

"(2) an identification of all research facilities, intermediate handlers, carriers, and exhibitors registered under section 6;

"(3) the nature and place of all investigations and inspections conducted by the Secretary under section 16, and all reports received by the Secretary under section 13;

"(4) recommendations for legislation to improve the administration of this Act or any provisions of this Act; and

"(5) recommendations and conclusions concerning the aircraft environment as it relates to the carriage of live animals in air transportation.".

SEC. 11317. PROTECTION OF PETS.

(a) SHORT TITLE.—This section may be cited as the "Pet Safety and Protection Act of 2007".

(b) RESEARCH FACILITIES.—Section 7 of the Animal Welfare Act (7 U.S.C. 2137) is amended to read as follows:

"SEC. 7. SOURCES OF DOGS AND CATS FOR RESEARCH FACILITIES.

"(a) DEFINITION OF PERSON.—In this section, the term 'person' means any individual, partnership, firm, joint stock company, corporation, association, trust, estate, pound, shelter, or other legal entity.

"(b) USE OF DOGS AND CATS.—No research facility or Federal research facility may use a dog or cat for research or educational purposes if the dog or cat was obtained from a person other than a person described in subsection (d).

"(c) SELLING, DONATING, OR OFFERING DOGS AND CATS.—No person, other than a person described in subsection (d), may sell, donate, or offer a dog or cat to any research facility or Federal research facility.

"(d) PERMISSIBLE SOURCES.—A person from whom a research facility or a Federal research facility may obtain a dog or cat for research or educational purposes under subsection (b), and a person who may sell, donate, or offer a dog or cat to a research facility or a Federal research facility under subsection (c), shall be—

"(1) a dealer licensed under section 3 that has bred and raised the dog or cat;

"(2) a publicly owned and operated pound or shelter that—

"(A) is registered with the Secretary;

"(B) is in compliance with section 28(a)(1) and with the requirements for dealers in subsections (b) and (c) of section 28; and

"(C) obtained the dog or cat from its legal owner, other than a pound or shelter;

"(3) a person that is donating the dog or cat and that—

"(A) bred and raised the dog or cat; or

"(B) owned the dog or cat for not less than 1 year immediately preceding the donation;

"(4) a research facility licensed by the Secretary; and

"(5) a Federal research facility licensed by the Secretary.

"(e) PENALTIES.—

"(1) IN GENERAL.—A person that violates this section shall be fined $1,000 for each violation.

"(2) ADDITIONAL PENALTY.—A penalty under this subsection shall be in addition to any other applicable penalty.

"(f) NO REQUIRED SALE OR DONATION.—Nothing in this section requires a pound or shelter to sell, donate, or offer a dog or cat to a research facility or Federal research facility.".

(c) FEDERAL RESEARCH FACILITIES.—Section 8 of the Animal Welfare Act (7 U.S.C. 2138) is amended—

(1) by striking "Sec. 8. No department" and inserting the following:

"SEC. 8. FEDERAL RESEARCH FACILITIES.

"Except as provided in section 7, no department";

(2) by striking "research or experimentation or"; and

(3) by striking "such purposes" and inserting "that purpose".

(d) CERTIFICATION.—Section 28(b)(1) of the Animal Welfare Act (7 U.S.C. 2158(b)(1)) is amended by striking "individual or entity" and inserting "research facility or Federal research facility".

(e) EFFECTIVE DATE.—The amendments made by subsections (b), (c), and (d) take effect on the date that is 90 days after the date of the enactment of this Act.

TITLE XII—PREVENTION OF TAX TREATY EXPLOITATION TO EVADE UNITED STATES TAXATION

Sec. 12001. Limitation on treaty benefits for certain deductible payments.

SEC. 12001. LIMITATION ON TREATY BENEFITS FOR CERTAIN DEDUCTIBLE PAYMENTS.

(a) IN GENERAL.—Section 894 of the Internal Revenue Code of 1986 (relating to income affected by treaty) is amended by adding at the end the following new subsection:

"(d) LIMITATION ON TREATY BENEFITS FOR CERTAIN DEDUCTIBLE PAYMENTS.—

"(1) IN GENERAL.—In the case of any deductible related-party payment, the amount of any withholding tax imposed under chapter 3 (and any tax imposed under subpart A or B of this part) with respect to such payment shall not be less than the amount which would be imposed if the payment were made directly to the foreign parent corporation (taking into account any income tax treaty between the United States and the country in which the foreign parent corporation is resident).

"(2) DEDUCTIBLE RELATED-PARTY PAYMENT.—For purposes of this subsection, the term 'deductible related-party payment' means any payment made, directly or indirectly, by any person to any other person if the payment is allowable as a deduction under this chapter and both persons are members of the same foreign controlled group of entities.

"(3) FOREIGN CONTROLLED GROUP OF ENTITIES.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'foreign controlled group of entities' means a controlled group of entities the common parent of which is a foreign corporation.

"(B) CONTROLLED GROUP OF ENTITIES.—The term 'controlled group of entities' means a controlled group of corporations as defined in section 1563(a)(1), except that—

"(i) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears therein, and

"(ii) the determination shall be made without regard to subsections (a)(4) and (b)(2) of section 1563.

A partnership or any other entity (other than a corporation) shall be treated as a member of a controlled group of entities if such entity is controlled (within the meaning of section 954(d)(3)) by members of such group (including any entity treated as a member of such group by reason of this sentence).

"(4) FOREIGN PARENT CORPORATION.—For purposes of this subsection, the term 'foreign parent corporation' means, with respect to any deductible related-party payment, the common parent of the foreign controlled group of entities referred to in paragraph (3)(A).

"(5) REGULATIONS.—The Secretary may prescribe such regulations or other guidance as are nec-

essary or appropriate to carry out the purposes of this subsection, including regulations or other guidance which provide for—

"(A) the treatment of two or more persons as members of a foreign controlled group of entities if such persons would be the common parent of such group if treated as one corporation, and

"(B) the treatment of any member of a foreign controlled group of entities as the common parent of such group if such treatment is appropriate taking into account the economic relationships among such entities.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after the date of the enactment of this Act.

TITLE XIII—ADDITIONAL OFFSETS

Subtitle A—Conservation of Resources Fees and Repeal of Royalty Relief

Sec. 13001. Conservation of resources fees.
Sec. 13002. Repeal of certain taxpayer subsidized royalty relief for the oil and gas industry.
Sec. 13003. Time for payment of corporate estimated taxes.

Subtitle B—Allocation of Offsets

Sec. 13011. Report on funds; rate of federal crop insurance.

Subtitle A—Conservation of Resources Fees and Repeal of Royalty Relief

SEC. 13001. CONSERVATION OF RESOURCES FEES.

(a) CONSERVATION OF RESOURCES FEES.—

(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary of the Interior by regulation shall establish a conservation of resources fee for producing Federal oil and gas leases in the Gulf of Mexico.

(2) FEE TERMS.—The fee under paragraph (1)—

(A) subject to subparagraph (C), shall apply to covered leases that are producing leases;

(B) shall be set at $9 per barrel for oil and $1.25 per million Btu for gas, respectively, in 2005 dollars; and

(C) shall apply only to production of oil or gas occurring—

(i) in any calendar year in which the arithmetic average of the daily closing prices for light sweet crude oil on the New York Mercantile Exchange (NYMEX) exceeds $34.73 per barrel for oil and $4.34

per million Btu for gas in 2005 dollars; and

(ii) on or after October 1, 2006.

(3) TREATMENT OF RECEIPTS.—Amounts received by the United States as fees under this subsection shall be treated as offsetting receipts.

(b) COVERED LEASE DEFINED.—In this section the term ''covered lease'' means a lease for oil or gas production in the Gulf of Mexico that is—

(1) in existence on the date of enactment of this Act;

(2) issued by the Department of the Interior under section 304 of the Outer Continental Shelf Deep Water Royalty Relief Act (43 U.S.C. 1337 note; Public Law 104–58); and

(3) not subject to limitations on royalty relief based on market price that are equal to or less than the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

SEC. 13002. REPEAL OF CERTAIN TAXPAYER SUBSIDIZED ROYALTY RELIEF FOR THE OIL AND GAS INDUSTRY.

(a) REPEAL OF PROVISIONS OF ENERGY POLICY ACT OF 2005.—The following provisions of the Energy Policy Act of 2005 (Public Law 109–58) are repealed:

(1) Section 344 (42 U.S.C. 15904; relating to incentives for natural gas production from deep wells in shallow waters of the Gulf of Mexico).

(2) Section 345 (42 U.S.C. 15905; relating to royalty relief for deep water production in the Gulf of Mexico).

(3) Subsection (i) of section 365 (42 U.S.C. 15924; relating to the prohibition on drilling-related permit application cost recovery fees).

(b) PROVISIONS RELATING TO PLANNING AREAS OFFSHORE ALASKA.—Section 8(a)(3)(B) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(B)) is amended by striking ''and in the Planning Areas offshore Alaska'' after ''West longitude''.

(c) PROVISIONS RELATING TO NAVAL PETROLEUM RESERVE IN ALASKA.—Section 107 of the Naval Petroleum Reserves Production Act of 1976 (as transferred, redesignated, moved, and amended by section 347 of the Energy Policy Act of 2005 (119 Stat. 704)) is amended—

(1) in subsection (i) by striking paragraphs (2) through (6); and

(2) by striking subsection (k).

SEC. 13003. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking ''114.50 percent'' and inserting ''115.75 percent''.

Subtitle B—Allocation of Offsets

SEC. 13011. REPORT ON FUNDS; RATE OF FEDERAL CROP INSURANCE.

(a) REPORT.—Not later than the September 15 preceding each fiscal year, the Secretary of the Interior shall report to the Secretary of Agriculture the total amount expected to be received in the fiscal year as a result of the changes in subtitle A.

(b) RATE.—Notwithstanding section 508(k)(4)(A)(ii) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(A)(ii)), the reimbursement rate established for each of the reinsurance years 2012 through 2017 shall be the lesser of—

(1) the rate established in such section; and

(2) the product of—

(A) the rate established in such section; and

(B) the factor calculated in subsection (c).

(c) CALCULATION.—In carrying out subsection (b), the Secretary of the Interior shall calculate the appropriate factor by dividing the amount calculated under subsection (a) for the fiscal year by the amount calculated under subsection (a) for fiscal year 2012.

Passed the House of Representatives July 27, 2007.

Attest:

Clerk.

110TH CONGRESS
1ST SESSION

H. R. 2419

AN ACT

To provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes.