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HOUSE OF REPRESENTATIVES

REPORT
107–226

PROVIDING FOR CONSIDERATION OF H.R. 2646, FARM SECURITY ACT OF 2001

OCTOBER 2, 2001.—Referred to the House Calendar and ordered to be printed

Mr. HASTINGS of Washington, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 248]

The Committee on Rules, having had under consideration House Resolution 248, by a nonrecord vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

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

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

The rule further makes in order only those amendments that have been printed in the Congressional Record before October 3, 2001, and provides that each such amendment may be offered only by the Member who caused it to be printed or a designee and shall be considered as read.

Finally, the rule provides one motion to recommit with or without instructions.

The waiver of all points of order against consideration of the bill includes a waiver of clause 3(c)(3) of rule XIII (requiring the inclu-

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sion in the report of a CBO cost estimate), which is necessary because the Committee on International Relations did not include an adequate cost estimate in its report. The waiver also includes a waiver of section 303 of the Congressional Budget Act of 1974 (prohibiting consideration of legislation, as reported, providing new budget authority, changes in revenues, or changes in the public debt for a fiscal year until the budget resolution for that year has been agreed to), which is necessary because the bill provides for new budget authority that is first provided in fiscal year 2003 and Congress has not yet approved a budget resolution for FY 03. Additionally, the waiver includes a waiver of section 401 of the Congressional Budget Act (prohibiting consideration of legislation providing new entitlement authority which becomes effective during the current fiscal year), which is necessary because the bill provides for new entitlement for fiscal year 2002.

AMENDMENTS MADE IN ORDER UNDER THE RULE

PART A

TEXT OF AMENDMENT IN THE NATURE OF A SUBSTITUTE TO BE CONSIDERED AS ORIGINAL TEXT FOR THE PURPOSE OF FURTHER AMENDMENT (AS MODIFIED BY THE AMENDMENT IN PART B)

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

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

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

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

Sec. 1. Short title; table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 100. Definitions.

Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments

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

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

Sec. 121. Availability of nonrecourse marketing assistance loans for covered commodities.
Sec. 122. Loan rates for nonrecourse marketing assistance loans.
Sec. 123. Term of loans.
Sec. 124. Repayment of loans.
Sec. 125. Loan deficiency payments.
Sec. 126. Payments in lieu of loan deficiency payments for grazed acreage.

Sec. 127. Special marketing loan provisions for upland cotton.
Sec. 128. Special competitive provisions for extra long staple cotton.
Sec. 129. Availability of recourse loans for high moisture feed grains and seed cotton and other fibers.
Sec. 130. Availability of nonrecourse marketing assistance loans for wool and mohair.
Sec. 131. Availability of nonrecourse marketing assistance loans for honey.

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

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

CHAPTER 2—SUGAR

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

CHAPTER 3—PEANUTS

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

Subtitle D—Administration

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

TITLE II—CONSERVATION

Subtitle A—Environmental Conservation Acreage Reserve Program

Sec. 201. General provisions.

Subtitle B—Conservation Reserve Program

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

Subtitle C—Wetlands Reserve Program

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

Subtitle D—Environmental Quality Incentives Program

Sec. 231. Purposes.
Sec. 232. Definitions.
Sec. 233. Establishment and administration.
Sec. 234. Evaluation of offers and payments.
Sec. 235. Environmental Quality Incentives Program plan.
Sec. 236. Duties of the Secretary.
Sec. 237. Limitation on payments.
Sec. 238. Ground and surface water conservation.

Subtitle E—Funding and Administration

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

Subtitle F—Other Programs

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

Subtitle G—Repeals

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

TITLE III—TRADE

Sec. 301. Market Access Program.
Sec. 302. Food for Progress.
Sec. 303. Surplus commodities for developing or friendly countries.
Sec. 304. Export Enhancement Program.
Sec. 305. Foreign Market Development Cooperator Program.
Sec. 306. Export Credit Guarantee Program.
Sec. 307. Food for Peace (PL 480).
Sec. 308. Emerging markets.
Sec. 309. Bill Emerson Humanitarian Trust.

Sec. 310. Technical assistance for specialty crops.
Sec. 311. Farmers to Africa and the Caribbean Basin.
Sec. 312. George McGovern–Robert Dole International Food for Education and Child Nutrition Program.
Sec. 313. Study on fee for services.
Sec. 314. National export strategy report.

TITLE IV—NUTRITION PROGRAMS

Subtitle A—Food Stamp Program

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

Subtitle B—Commodity Distribution

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

Subtitle C—Miscellaneous Provisions

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

TITLE V—CREDIT

Sec. 501. Eligibility of limited liability companies for farm ownership loans, farm operating loans, and emergency loans.
Sec. 502. Suspension of limitation on period for which borrowers are eligible for guaranteed assistance.
Sec. 503. Administration of Certified Lenders and Preferred Certified Lenders programs.
Sec. 504. Simplified loan guarantee application available for loans of greater amounts.
Sec. 505. Elimination of requirement that Secretary require county committees to certify in writing that certain loan reviews have been conducted.
Sec. 506. Authority to reduce percentage of loan guaranteed if borrower income is insufficient to service debt.
Sec. 507. Timing of loan assessments.
Sec. 508. Making and servicing of loans by personnel of State, county, or area committees.
Sec. 509. Eligibility of employees of State, county, or area committee for loans and loan guarantees.
Sec. 510. Emergency loans in response to an economic emergency resulting from quarantines and sharply increasing energy costs.
Sec. 511. Extension of authority to contract for servicing of farmer program loans.
Sec. 512. Authorization for loans.
Sec. 513. Reservation of funds for direct operating loans for beginning farmers and ranchers.
Sec. 514. Extension of interest rate reduction program.

Sec. 515. Increase in duration of loans under down payment loan program.
Sec. 516. Horse breeder loans.
Sec. 517. Sunset of direct loan programs under the Consolidated Farm and Rural Development Act.
Sec. 518. Definition of debt forgiveness.
Sec. 519. Loan eligibility for borrowers with prior debt forgiveness.
Sec. 520. Allocation of certain funds for socially disadvantaged farmers and ranchers.
Sec. 521. Horses considered to be livestock under the Consolidated Farm and Rural Development Act.

TITLE VI—RURAL DEVELOPMENT

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

TITLE VII—RESEARCH AND RELATED MATTERS

Subtitle A—Extensions

Sec. 700. Market expansion research.

Sec. 701. National Rural Information Center Clearinghouse.
Sec. 702. Grants and fellowships for food and agricultural sciences education.
Sec. 703. Policy research centers.
Sec. 704. Human nutrition intervention and health promotion research program.
Sec. 705. Pilot research program to combine medical and agricultural research.
Sec. 706. Nutrition education program.
Sec. 707. Continuing animal health and disease research programs.
Sec. 708. Appropriations for research on national or regional problems.
Sec. 709. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
Sec. 710. National research and training centennial centers at 1890 land-grant institutions.
Sec. 711. Hispanic-serving institutions.
Sec. 712. Competitive grants for international agricultural science and education programs.
Sec. 713. University research.
Sec. 714. Extension service.
Sec. 715. Supplemental and alternative crops.
Sec. 716. Aquaculture research facilities.
Sec. 717. Rangeland research.
Sec. 718. National genetics resources program.
Sec. 719. High-priority research and extension initiatives.
Sec. 720. Nutrient management research and extension initiative.
Sec. 721. Agricultural telecommunications program.
Sec. 722. Alternative agricultural research and commercialization revolving fund.
Sec. 723. Assistive technology program for farmers with disabilities.
Sec. 724. Partnerships for high-value agricultural product quality research.
Sec. 725. Biobased products.
Sec. 726. Integrated research, education, and extension competitive grants program.
Sec. 727. Institutional capacity building grants.
Sec. 728. 1994 Institution research grants.
Sec. 729. Endowment for 1994 Institutions.
Sec. 730. Precision agriculture.
Sec. 731. Thomas Jefferson initiative for crop diversification.
Sec. 732. Support for research regarding diseases of wheat, triticale, and barley caused by Fusarium Graminearum or by Tilletia Indica.
Sec. 733. Office of Pest Management Policy.
Sec. 734. National Agricultural Research, Extension, Education, and Economics Advisory Board.
Sec. 735. Grants for research on production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.
Sec. 736. Biomass research and development.
Sec. 737. Agricultural experiment stations research facilities.
Sec. 738. Competitive, special, and facilities research grants national research initiative.
Sec. 739. Federal agricultural research facilities authorization of appropriations.
Sec. 740. Cotton classification services.
Sec. 740A. Critical agricultural materials research.

Subtitle B—Modifications

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

Subtitle C—Related Matters

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

Subtitle D—Repeal of Certain Activities and Authorities

Sec. 771. Food Safety Research Information Office and National Conference.
Sec. 772. Reimbursement of expenses under Sheep Promotion, Research, and Information Act of 1994.
Sec. 773. National genetic resources program.
Sec. 774. National Advisory Board on Agricultural Weather.
Sec. 775. Agricultural information exchange with Ireland.
Sec. 776. Pesticide resistance study.
Sec. 777. Expansion of education study.
Sec. 778. Support for advisory board.
Sec. 779. Task force on 10-year strategic plan for agricultural research facilities.

Subtitle E—Agriculture Facility Protection

Sec. 790. Additional protections for animal or agricultural enterprises, research facilities, and other entities.

TITLE VIII—FORESTRY INITIATIVES

Sec. 801. Repeal of forestry incentives program and Stewardship Incentive Program.
Sec. 802. Establishment of Forest Land Enhancement Program.
Sec. 803. Renewable resources extension activities.
Sec. 804. Enhanced community fire protection.
Sec. 805. International forestry program.
Sec. 806. Long-term forest stewardship contracts for hazardous fuels removal and implementation of National Fire Plan.
Sec. 807. McIntire-Stennis cooperative forestry research program.

TITLE IX—MISCELLANEOUS PROVISIONS

Subtitle A—Tree Assistance Program

Sec. 901. Eligibility.
Sec. 902. Assistance.
Sec. 903. Limitation on assistance.
Sec. 904. Definitions.

Subtitle B—Other Matters

Sec. 921. Hazardous fuel reduction grants to prevent wildfire disasters and transform hazardous fuels to electric energy, useful heat, or transportation fuels.
Sec. 922. Bioenergy program.
Sec. 923. Availability of section 32 funds.
Sec. 924. Seniors farmers' market nutrition program.
Sec. 925. Department of Agriculture authorities regarding caneberries.
Sec. 926. National Appeals Division.
Sec. 927. Outreach and assistance for socially disadvantaged farmers and ranchers.
Sec. 928. Equal treatment of potatoes and sweet potatoes.
Sec. 929. Reference to sea grass and sea oats as crops covered by noninsured crop disaster assistance program.
Sec. 930. Operation of Graduate School of Department of Agriculture.
Sec. 931. Assistance for livestock producers.

TITLE I—COMMODITY PROGRAMS

SEC. 100. DEFINITIONS.

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

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

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

1 made by the producers on the farm under subsection
2 (a) of such section.
3 (3) COUNTER-CYCLICAL PAYMENT.—The term
4 "counter-cyclical payment" means a payment made
5 to producers under section 105.
6 (4) COVERED COMMODITY.—The term "covered
7 commodity" means wheat, corn, grain sorghum, bar-
8 ley, oats, upland cotton, rice, soybeans, and other
9 oilseeds.
10 (5) EFFECTIVE PRICE.—The term "effective
11 price", with respect to a covered commodity for a
12 crop year, means the price calculated by the Sec-
13 retary under section 105 to determine whether
14 counter-cyclical payments are required to be made
15 for that crop year.
16 (6) ELIGIBLE PRODUCER.—The term "eligible
17 producer" means a producer described in section
18 101(a).
19 (7) FIXED, DECOUPLED PAYMENT.—The term
20 "fixed, decoupled payment" means a payment made
21 to producers under section 104.
22 (8) OTHER OILSEED.—The term "other oil-
23 seed" means a crop of sunflower seed, rapeseed,
24 canola, safflower, flaxseed, mustard seed, or, if des-
25 ignated by the Secretary, another oilseed.

1 (9) PAYMENT ACRES.—The term "payment
2 acres" means 85 percent of the base acres of a cov-
3 ered commodity on a farm, as established under sec-
4 tion 103, upon which fixed, decoupled payments and
5 counter-cyclical payments are to be made.
6 (10) PAYMENT YIELD.—The term "payment
7 yield" means the yield established under section 102
8 for a farm for a covered commodity.
9 (11) PRODUCER.—The term "producer" means
10 an owner, operator, landlord, tenant, or share-
11 cropper who shares in the risk of producing a crop
12 and who is entitled to share in the crop available for
13 marketing from the farm, or would have shared had
14 the crop been produced. In determining whether a
15 grower of hybrid seed is a producer, the Secretary
16 shall not take into consideration the existence of a
17 hybrid seed contract and shall ensure that program
18 requirements do not adversely affect the ability of
19 the grower to receive a payment under this title.
20 (12) SECRETARY.—The term "Secretary"
21 means the Secretary of Agriculture.
22 (13) STATE.—The term "State" means each of
23 the several States of the United States, the District
24 of Columbia, the Commonwealth of Puerto Rico, and

1 any other territory or possession of the United
2 States.
3 (14) TARGET PRICE.—The term "target price"
4 means the price per bushel (or other appropriate
5 unit in the case of upland cotton, rice, and other oil-
6 seeds) of a covered commodity used to determine the
7 payment rate for counter-cyclical payments.
8 (15) UNITED STATES.—The term "United
9 States", when used in a geographical sense, means
10 all of the States.

11 Subtitle A—Fixed Decoupled Pay-
12 ments and Counter-Cyclical
13 Payments

14 **SEC. 101. PAYMENTS TO ELIGIBLE PRODUCERS.**

15 (a) PAYMENTS REQUIRED.—Beginning with the
16 2002 crop of covered commodities, the Secretary shall
17 make fixed decoupled payments and counter-cyclical pay-
18 ments under this subtitle—
19 (1) to producers on a farm that were parties to
20 a production flexibility contract under section 111 of
21 the Federal Agriculture Improvement and Reform
22 Act of 1996 (7 U.S.C. 7211) for fiscal year 2002;
23 and
24 (2) to other producers on farms in the United
25 States as described in section 103(a).

1 (b) TENANTS AND SHARECROPPERS.—In carrying
2 out this title, the Secretary shall provide adequate safe-
3 guards to protect the interests of tenants and share-
4 croppers.

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

9 **SEC. 102. ESTABLISHMENT OF PAYMENT YIELD.**

10 (a) ESTABLISHMENT AND PURPOSE.—For the pur-
11 pose of making fixed decoupled payments and counter-cy-
12 clical payments under this subtitle, the Secretary shall
13 provide for the establishment of a payment yield for each
14 farm for each covered commodity in accordance with this
15 section.

16 (b) USE OF FARM PROGRAM PAYMENT YIELD.—Ex-
17 cept as otherwise provided in this section, the payment
18 yield for each of the 2002 through 2011 crops of a covered
19 commodity for a farm shall be the farm program payment
20 yield in effect for the 2002 crop of the covered commodity
21 under section 505 of the Agricultural Act of 1949 (7
22 U.S.C. 1465).

23 (c) FARMS WITHOUT FARM PROGRAM PAYMENT
24 YIELD.—In the case of a farm for which a farm program
25 payment yield is unavailable for a covered commodity

1 (other than soybeans or other oilseeds), the Secretary shall
2 establish an appropriate payment yield for the covered
3 commodity on the farm taking in consideration the farm
4 program payment yields applicable to the commodity
5 under subsection (b) for similar farms in the area.

6 (d) PAYMENT YIELDS FOR OILSEEDS.—

7 (1) DETERMINATION OF AVERAGE YIELD.—In
8 the case of soybeans and each other oilseed, the Sec-
9 retary shall determine the average yield for the oil-
10 seed on a farm for the 1998 through 2001 crop
11 years, excluding any crop year in which the acreage
12 planted to the oilseed was zero. If, for any of these
13 four crop years in which the oilseed was planted, the
14 farm would have satisfied the eligibility criteria es-
15 tablished to carry out section 1102 of the Agri-
16 culture, Rural Development, Food and Drug Admin-
17 istration, and Related Agencies Appropriations Act,
18 1999 (Public Law 105–277; 7 U.S.C. 1421 note),
19 the Secretary shall assign a yield for that year equal
20 to 65 percent of the county yield.

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

24 (A) The average yield for the oilseed deter-
25 mined under paragraph (1).

1 (B) The ratio resulting from dividing the
2 national average yield for the oilseed for the
3 1981 through 1985 crops by the national aver-
4 age yield for the oilseed for the 1998 through
5 2001 crops.

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

8 (a) ELECTION BY PRODUCERS OF BASE ACRE CAL-
9 CULATION METHOD.—For the purpose of making fixed
10 decoupled payments and counter-cyclical payments with
11 respect to a farm, the Secretary shall give producers on
12 the farm an opportunity to elect one of the following as
13 the method by which the base acres of all covered commod-
14 ities on the farm are to be determined:

15 (1) The four-year average of acreage actually
16 planted on the farm to a covered commodity for har-
17 vest, grazing, haying, silage, or other similar pur-
18 poses during crop years 1998, 1999, 2000, and
19 2001 and any acreage on the farm that the pro-
20 ducers were prevented from planting during such
21 crop years to the covered commodity because of
22 drought, flood, or other natural disaster, or other
23 condition beyond the control of the producer, as de-
24 termined by the Secretary.

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

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

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

21 (d) APPLICATION OF ELECTION TO ALL COVERED
22 COMMODITIES.—The election made under subsection (a)
23 or deemed to be made under subsection (c) with respect
24 to a farm shall apply to all of the covered commodities
25 on the farm. Producers may not make the election de-

1 scribed in subsection (a)(1) for one covered commodity
2 and the election described in subsection (a)(2) for other
3 covered commodities on the farm.

4 (e) TREATMENT OF CONSERVATION RESERVE CON-
5 TRACT ACREAGE.—

6 (1) IN GENERAL.—In the case of producers on
7 a farm that make the election described in sub-
8 section (a)(2), the Secretary shall provide for an ad-
9 justment in the base acres for the farm whenever ei-
10 ther of the following circumstances occur:

11 (A) A conservation reserve contract en-
12 tered into under section 1231 of the Food Secu-
13 rity Act of 1985 (16 U.S.C. 3831) with respect
14 to the farm expires or is voluntarily terminated.

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

18 (2) SPECIAL PAYMENT RULES.—For the fiscal
19 year and crop year in which a base acre adjustment
20 under paragraph (1) is first made, the producers on
21 the farm shall elect to receive either fixed decoupled
22 payments and counter-cyclical payments with respect
23 to the acreage added to the farm under this sub-
24 section or a prorated payment under the conserva-
25 tion reserve contract, but not both.

1 (f) PAYMENT ACRES.—The payment acres for a cov-
2 ered commodity on a farm shall be equal to 85 percent
3 of the base acres for the commodity.

4 (g) PREVENTION OF EXCESS BASE ACRES.—

5 (1) REQUIRED REDUCTION.—If the sum of the
6 base acres for a farm, together with the acreage de-
7 scribed in paragraph (2), exceeds the actual crop-
8 land acreage of the farm, the Secretary shall reduce
9 the quantity of base acres for one or more covered
10 commodities for the farm or peanut acres for the
11 farm as necessary so that the sum of the base acres
12 and acreage described in paragraph (2) does not ex-
13 ceed the actual cropland acreage of the farm. The
14 Secretary shall give the producers on the farm the
15 opportunity to select the base acres or peanut acres
16 against which the reduction will be made.

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

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

21 (B) Any acreage on the farm enrolled in
22 the conservation reserve program or wetlands
23 reserve program under chapter 1 of subtitle D
24 of title XII of the Food Security Act of 1985
25 (16 U.S.C. 3830 et seq.).

1 (C) Any other acreage on the farm enrolled
2 in a conservation program for which payments
3 are made in exchange for not producing an ag-
4 ricultural commodity on the acreage.
5 (3) EXCEPTION FOR DOUBLE-CROPPED ACRE-
6 AGE.—In applying paragraph (1), the Secretary
7 shall make an exception in the case of double crop-
8 ping, as determined by the Secretary.
9 **SEC. 104. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS.**
10 (a) PAYMENT REQUIRED.—For each of the 2002
11 through 2011 crop years of each covered commodity, the
12 Secretary shall make fixed, decoupled payments to eligible
13 producers.
14 (b) PAYMENT RATE.—The payment rates used to
15 make fixed, decoupled payments with respect to covered
16 commodities for a crop year are as follows:
17 (1) Wheat, $0.53 per bushel.
18 (2) Corn, $0.30 per bushel.
19 (3) Grain sorghum, $0.36 per bushel.
20 (4) Barley, $0.25 per bushel.
21 (5) Oats, $0.025 per bushel.
22 (6) Upland cotton, $0.0667 per pound.
23 (7) Rice, $2.35 per hundredweight.
24 (8) Soybeans, $0.42 per bushel.
25 (9) Other oilseeds, $0.0074 per pound.

1 (c) PAYMENT AMOUNT.—The amount of the fixed,
2 decoupled payment to be paid to the eligible producers on
3 a farm for a covered commodity for a crop year shall be
4 equal to the product of the following:
5 (1) The payment rate specified in subsection
6 (b).
7 (2) The payment acres of the covered com-
8 modity on the farm.
9 (3) The payment yield for the covered com-
10 modity for the farm.
11 (d) TIME FOR PAYMENT.—
12 (1) GENERAL RULE.—Fixed, decoupled pay-
13 ments shall be paid not later than September 30 of
14 each of fiscal years 2002 through 2011. In the case
15 of the 2002 crop, payments may begin to be made
16 on or after December 1, 2001.
17 (2) ADVANCE PAYMENTS.—At the option of an
18 eligible producer, 50 percent of the fixed, decoupled
19 payment for a fiscal year shall be paid on a date se-
20 lected by the producer. The selected date shall be on
21 or after December 1 of that fiscal year, and the pro-
22 ducer may change the selected date for a subsequent
23 fiscal year by providing advance notice to the Sec-
24 retary.

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

9 **SEC. 105. AVAILABILITY OF COUNTER-CYCLICAL PAY-**
10 **MENTS.**

11 (a) PAYMENT REQUIRED.—The Secretary shall make
12 counter-cyclical payments with respect to a covered com-
13 modity whenever the Secretary determines that the effec-
14 tive price for the commodity is less than the target price
15 for the commodity.

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

19 (1) The higher of the following:

20 (A) The national average market price re-
21 ceived by producers during the 12-month mar-
22 keting year for the commodity, as determined
23 by the Secretary.

24 (B) The national average loan rate for a
25 marketing assistance loan for the covered com-

1 modity in effect for the same period under sub-
2 title B.
3 (2) The payment rate in effect for the covered
4 commodity under section 104 for the purpose of
5 making fixed, decoupled payments with respect to
6 the commodity.
7 (c) TARGET PRICE.—For purposes of subsection (a),
8 the target prices for covered commodities are as follows:
9 (1) Wheat, $4.04 per bushel.
10 (2) Corn, $2.78 per bushel.
11 (3) Grain sorghum, $2.64 per bushel.
12 (4) Barley, $2.39 per bushel.
13 (5) Oats, $1.47 per bushel.
14 (6) Upland cotton, $0.736 per pound.
15 (7) Rice, $10.82 per hundredweight.
16 (8) Soybeans, $5.86 per bushel.
17 (9) Other oilseeds, $0.1036 per pound.
18 (d) PAYMENT RATE.—The payment rate used to
19 make counter-cyclical payments with respect to a covered
20 commodity for a crop year shall be equal to the difference
21 between—
22 (1) the target price for the commodity; and
23 (2) the effective price determined under sub-
24 section (b) for the commodity.

1 (e) PAYMENT AMOUNT.—The amount of the counter-
2 cyclical payment to be paid to the eligible producers on
3 a farm for a covered commodity for a crop year shall be
4 equal to the product of the following:
5 (1) The payment rate specified in subsection
6 (d).
7 (2) The payment acres of the covered com-
8 modity on the farm.
9 (3) The payment yield for the covered com-
10 modity for the farm.
11 (f) TIME FOR PAYMENTS.—
12 (1) GENERAL RULE.—The Secretary shall make
13 counter-cyclical payments under this section for a
14 crop of a covered commodity as soon as possible
15 after determining under subsection (a) that such
16 payments are required for that crop year.
17 (2) PARTIAL PAYMENT.—The Secretary may
18 permit, and, if so permitted, an eligible producer
19 may elect to receive, up to 50 percent of the pro-
20 jected counter-cyclical payment, as determined by
21 the Secretary, to be made under this section for a
22 crop of a covered commodity upon completion of the
23 first six months of the marketing year for that crop.
24 The producer shall repay to the Secretary the
25 amount, if any, by which the partial payment ex-

1 ceeds the actual counter-cyclical payment to be made
2 for that marketing year.
3 (g) SPECIAL RULE FOR CURRENTLY UNDESIGNATED
4 OILSEED.—If the Secretary uses the authority under sec-
5 tion 100(8) to designate another oilseed as an oilseed for
6 which counter-cyclical payments may be made, the Sec-
7 retary may modify the target price specified in subsection
8 (c)(9) that would otherwise apply to that oilseed as the
9 Secretary considers appropriate.

10 **SEC. 106. PRODUCER AGREEMENT REQUIRED AS CONDI-**
11 **TION ON PROVISION OF FIXED, DECOUPLED**
12 **PAYMENTS AND COUNTER-CYCLICAL PAY-**
13 **MENTS.**

14 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—
15 (1) REQUIREMENTS.—Before the producers on
16 a farm may receive fixed, decoupled payments or
17 counter-cyclical payments with respect to the farm,
18 the producers shall agree, in exchange for the
19 payments—
20 (A) to comply with applicable conservation
21 requirements under subtitle B of title XII of
22 the Food Security Act of 1985 (16 U.S.C. 3811
23 et seq.);

1 (B) to comply with applicable wetland pro-
2 tection requirements under subtitle C of title
3 XII of the Act (16 U.S.C. 3821 et seq.);
4 (C) to comply with the planting flexibility
5 requirements of section 107; and
6 (D) to use the land on the farm, in an
7 amount equal to the base acres, for an agricul-
8 tural or conserving use, and not for a non-
9 agricultural commercial or industrial use, as de-
10 termined by the Secretary.
11 (2) COMPLIANCE.—The Secretary may issue
12 such rules as the Secretary considers necessary to
13 ensure producer compliance with the requirements of
14 paragraph (1).
15 (b) EFFECT OF FORECLOSURE.—A producer may not
16 be required to make repayments to the Secretary of fixed,
17 decoupled payments and counter-cyclical payments if the
18 farm has been foreclosed on and the Secretary determines
19 that forgiving the repayments is appropriate to provide
20 fair and equitable treatment. This subsection shall not
21 void the responsibilities of the producer under subsection
22 (a) if the producer continues or resumes operation, or con-
23 trol, of the farm. On the resumption of operation or con-
24 trol over the farm by the producer, the requirements of

1 subsection (a) in effect on the date of the foreclosure shall
2 apply.
3 (c) TRANSFER OR CHANGE OF INTEREST IN FARM.—
4 (1) TERMINATION.—Except as provided in
5 paragraph (4), a transfer of (or change in) the inter-
6 est of a producer in base acres for which fixed, de-
7 coupled payments or counter-cyclical payments are
8 made shall result in the termination of the payments
9 with respect to the base acres, unless the transferee
10 or owner of the acreage agrees to assume all obliga-
11 tions under subsection (a). The termination shall be
12 effective on the date of the transfer or change.
13 (2) TRANSFER OF PAYMENT BASE.—There is
14 no restriction on the transfer of a farm's base acres
15 or payment yield as part of a change in the pro-
16 ducers on the farm.
17 (3) MODIFICATION.—At the request of the
18 transferee or owner, the Secretary may modify the
19 requirements of subsection (a) if the modifications
20 are consistent with the objectives of such subsection,
21 as determined by the Secretary.
22 (4) EXCEPTION.—If a producer entitled to a
23 fixed, decoupled payment or counter-cyclical pay-
24 ment dies, becomes incompetent, or is otherwise un-
25 able to receive the payment, the Secretary shall

1 make the payment, in accordance with regulations
2 prescribed by the Secretary.
3 (d) ACREAGE REPORTS.—
4 (1) IN GENERAL.—As a condition on the receipt
5 of any benefits under this subtitle or subtitle B, the
6 Secretary shall require producers to submit to the
7 Secretary acreage reports.
8 (2) CONFORMING AMENDMENT.—Section 15 of
9 the Agricultural Marketing Act (12 U.S.C. 1141j) is
10 amended by striking subsection (d).
11 (e) REVIEW.—A determination of the Secretary
12 under this section shall be considered to be an adverse
13 decision for purposes of the availability of administrative
14 review of the determination.
15 **SEC. 107. PLANTING FLEXIBILITY.**
16 (a) PERMITTED CROPS.—Subject to subsection (b),
17 any commodity or crop may be planted on base acres on
18 a farm.
19 (b) LIMITATIONS AND EXCEPTIONS REGARDING
20 CERTAIN COMMODITIES.—
21 (1) LIMITATIONS.—The planting of the fol-
22 lowing agricultural commodities shall be prohibited
23 on base acres:
24 (A) Fruits.

1 (B) Vegetables (other than lentils, mung
2 beans, and dry peas).
3 (C) Wild rice.
4 (2) EXCEPTIONS.—Paragraph (1) shall not
5 limit the planting of an agricultural commodity spec-
6 ified in such paragraph—
7 (A) in any region in which there is a his-
8 tory of double-cropping of covered commodities
9 with agricultural commodities specified in para-
10 graph (1), as determined by the Secretary, in
11 which case the double-cropping shall be per-
12 mitted;
13 (B) on a farm that the Secretary deter-
14 mines has a history of planting agricultural
15 commodities specified in paragraph (1) on base
16 acres, except that fixed, decoupled payments
17 and counter-cyclical payments shall be reduced
18 by an acre for each acre planted to such an ag-
19 ricultural commodity; or
20 (C) by a producer who the Secretary deter-
21 mines has an established planting history of a
22 specific agricultural commodity specified in
23 paragraph (1), except that—
24 (i) the quantity planted may not ex-
25 ceed the producer's average annual plant-

1 ing history of such agricultural commodity
2 in the 1991 through 1995 crop years (ex-
3 cluding any crop year in which no plant-
4 ings were made), as determined by the
5 Secretary; and
6 (ii) fixed, decoupled payments and
7 counter-cyclical payments shall be reduced
8 by an acre for each acre planted to such
9 agricultural commodity.

10 **SEC. 108. RELATION TO REMAINING PAYMENT AUTHORITY**
11 **UNDER PRODUCTION FLEXIBILITY CON-**
12 **TRACTS.**

13 (a) TERMINATION OF SUPERSEDED PAYMENT AU-
14 THORITY.—Notwithstanding section 113(a)(7) of the Fed-
15 eral Agriculture Improvement and Reform Act of 1996 (7
16 U.S.C. 7213(a)(7)) or any other provision of law, the Sec-
17 retary shall not make payments for fiscal year 2002 after
18 the date of the enactment of this Act under production
19 flexibility contracts entered into under section 111 of such
20 Act (7 U.S.C. 7211).

21 (b) CONTRACT PAYMENTS MADE BEFORE ENACT-
22 MENT.—If, on or before the date of the enactment of this
23 Act, a producer receives all or any portion of the payment
24 authorized for fiscal year 2002 under a production flexi-
25 bility contract, the Secretary shall reduce the amount of

1 the fixed, decoupled payment otherwise due the producer
2 for that same fiscal year by the amount of the fiscal year
3 2002 payment previously received by the producer.

4 **SEC. 109. PAYMENT LIMITATIONS.**

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

9 **SEC. 110. PERIOD OF EFFECTIVENESS.**

10 This subtitle shall be effective beginning with the
11 2002 crop year of each covered commodity through the
12 2011 crop year.

13 Subtitle B—Marketing Assistance
14 Loans and Loan Deficiency Pay-
15 ments

16 **SEC. 121. AVAILABILITY OF NONRECOURSE MARKETING AS-**
17 **SISTANCE LOANS FOR COVERED COMMOD-**
18 **ITIES.**

19 (a) NONRECOURSE LOANS AVAILABLE.—

20 (1) AVAILABILITY.—For each of the 2002
21 through 2011 crops of each covered commodity, the
22 Secretary shall make available to producers on a
23 farm nonrecourse marketing assistance loans for
24 covered commodities produced on the farm. The
25 loans shall be made under terms and conditions that

1 are prescribed by the Secretary and at the loan rate
2 established under section 122 for the covered com-
3 modity.
4 (2) INCLUSION OF EXTRA LONG STAPLE COT-
5 TON.—In this subtitle, the term "covered com-
6 modity" includes extra long staple cotton.
7 (b) ELIGIBLE PRODUCTION.—Any production of a
8 covered commodity on a farm shall be eligible for a mar-
9 keting assistance loan under subsection (a).
10 (c) TREATMENT OF CERTAIN COMMINGLED COM-
11 MODITIES.—In carrying out this subtitle, the Secretary
12 shall make loans to a producer that is otherwise eligible
13 to obtain a marketing assistance loan, but for the fact the
14 covered commodity owned by the producer is commingled
15 with covered commodities of other producers in facilities
16 unlicensed for the storage of agricultural commodities by
17 the Secretary or a State licensing authority, if the pro-
18 ducer obtaining the loan agrees to immediately redeem the
19 loan collateral in accordance with section 166 of the Fed-
20 eral Agriculture Improvement and Reform Act of 1996 (7
21 U.S.C. 7286).
22 (d) COMPLIANCE WITH CONSERVATION AND WET-
23 LANDS REQUIREMENTS.—As a condition of the receipt of
24 a marketing assistance loan under subsection (a), the pro-
25 ducer shall comply with applicable conservation require-

1 ments under subtitle B of title XII of the Food Security
2 Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-
3 land protection requirements under subtitle C of title XII
4 of the Act (16 U.S.C. 3821 et seq.) during the term of
5 the loan.

6 (e) DEFINITION OF EXTRA LONG STAPLE COT-
7 TON.—In this subtitle, the term "extra long staple cotton"
8 means cotton that—

9 (1) is produced from pure strain varieties of the
10 Barbadense species or any hybrid thereof, or other
11 similar types of extra long staple cotton, designated
12 by the Secretary, having characteristics needed for
13 various end uses for which United States upland cot-
14 ton is not suitable and grown in irrigated cotton-
15 growing regions of the United States designated by
16 the Secretary or other areas designated by the Sec-
17 retary as suitable for the production of the varieties
18 or types; and

19 (2) is ginned on a roller-type gin or, if author-
20 ized by the Secretary, ginned on another type gin for
21 experimental purposes.

22 (f) TERMINATION OF SUPERSEDED LOAN AUTHOR-
23 ITY.—Notwithstanding section 131 of the Federal Agri-
24 culture Improvement and Reform Act of 1996 (7 U.S.C.
25 7231), nonrecourse marketing assistance loans shall not

be made for the 2002 crop of covered commodities under subtitle C of title I of such Act.

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

(a) WHEAT.—

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

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

(B) not more than $2.58 per bushel.

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

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

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

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

(b) FEED GRAINS.—

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

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

(B) not more than $1.89 per bushel.

(2) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that

1 the ratio of ending stocks of corn or grain sorghum
2 to total use for the marketing year will be—
3 (A) equal to or greater than 25 percent,
4 the Secretary may reduce the loan rate for the
5 covered commodity for the corresponding crop
6 by an amount not to exceed 10 percent in any
7 year;
8 (B) less than 25 percent but not less than
9 12.5 percent, the Secretary may reduce the loan
10 rate for the covered commodity for the cor-
11 responding crop by an amount not to exceed 5
12 percent in any year; or
13 (C) less than 12.5 percent, the Secretary
14 may not reduce the loan rate for the covered
15 commodity for the corresponding crop.
16 (3) OTHER FEED GRAINS.—The loan rate for a
17 marketing assistance loan under section 121 for bar-
18 ley and oats shall be—
19 (A) established at such level as the Sec-
20 retary determines is fair and reasonable in rela-
21 tion to the rate that loans are made available
22 for corn, taking into consideration the feeding
23 value of the commodity in relation to corn; but
24 (B) not more than—

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

(ii) $1.21 per bushel for oats.

(c) UPLAND COTTON.—

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

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

(B) 90 percent of the average, for the 15-week period beginning July 1 of the year pre-

1 ceding the year in which the crop is planted, of
2 the five lowest-priced growths of the growths
3 quoted for Middling 1 3/32-inch cotton C.I.F.
4 Northern Europe (adjusted downward by the
5 average difference during the period April 15
6 through October 15 of the year preceding the
7 year in which the crop is planted between the
8 average Northern European price quotation of
9 such quality of cotton and the market
10 quotations in the designated United States spot
11 markets for the base quality of upland cotton),
12 as determined by the Secretary.
13 (2) LIMITATIONS.—The loan rate for a mar-
14 keting assistance loan for upland cotton shall not be
15 less than $0.50 per pound or more than $0.5192 per
16 pound.
17 (d) EXTRA LONG STAPLE COTTON.—The loan rate
18 for a marketing assistance loan under section 121 for
19 extra long staple cotton shall be—
20 (1) not less than 85 percent of the simple aver-
21 age price received by producers of extra long staple
22 cotton, as determined by the Secretary, during three
23 years of the five-year period ending July 31 of the
24 year preceding the year in which the crop is planted,
25 excluding the year in which the average price was

1 the highest and the year in which the average price
2 was the lowest in the period; but
3 (2) not more than $0.7965 per pound.
4 (e) RICE.—The loan rate for a marketing assistance
5 loan under section 121 for rice shall be $6.50 per hun-
6 dredweight.
7 (f) OILSEEDS.—
8 (1) SOYBEANS.—The loan rate for a marketing
9 assistance loan under section 121 for soybeans shall
10 be—
11 (A) not less than 85 percent of the simple
12 average price received by producers of soybeans,
13 as determined by the Secretary, during the
14 marketing years for the immediately preceding
15 five crops of soybeans, excluding the year in
16 which the average price was the highest and the
17 year in which the average price was the lowest
18 in the period; but
19 (B) not more than $4.92 per bushel.
20 (2) OTHER OILSEEDS.—The loan rate for a
21 marketing assistance loan under section 121 for
22 other oilseeds shall be—
23 (A) not less than 85 percent of the simple
24 average price received by producers of the other
25 oilseed, as determined by the Secretary, during

1 the marketing years for the immediately pre-
2 ceding five crops of the other oilseed, excluding
3 the year in which the average price was the
4 highest and the year in which the average price
5 was the lowest in the period; but
6 (B) not more than $0.087 per pound.

7 **SEC. 123. TERM OF LOANS.**

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

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

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

21 **SEC. 124. REPAYMENT OF LOANS.**

22 (a) REPAYMENT RATES FOR WHEAT, FEED GRAINS,
23 AND OILSEEDS.—The Secretary shall permit a producer
24 to repay a marketing assistance loan under section 121

1 for wheat, corn, grain sorghum, barley, oats, and oilseeds
2 at a rate that is the lesser of—
3 (1) the loan rate established for the commodity
4 under section 122, plus interest (as determined by
5 the Secretary); or
6 (2) a rate that the Secretary determines will—
7 (A) minimize potential loan forfeitures;
8 (B) minimize the accumulation of stocks of
9 the commodity by the Federal Government;
10 (C) minimize the cost incurred by the Fed-
11 eral Government in storing the commodity; and
12 (D) allow the commodity produced in the
13 United States to be marketed freely and com-
14 petitively, both domestically and internationally.
15 (b) REPAYMENT RATES FOR UPLAND COTTON AND
16 RICE.—The Secretary shall permit producers to repay a
17 marketing assistance loan under section 121 for upland
18 cotton and rice at a rate that is the lesser of—
19 (1) the loan rate established for the commodity
20 under section 122, plus interest (as determined by
21 the Secretary); or
22 (2) the prevailing world market price for the
23 commodity (adjusted to United States quality and
24 location), as determined by the Secretary.

1 (c) REPAYMENT RATES FOR EXTRA LONG STAPLE
2 COTTON.—Repayment of a marketing assistance loan for
3 extra long staple cotton shall be at the loan rate estab-
4 lished for the commodity under section 122, plus interest
5 (as determined by the Secretary).
6 (d) PREVAILING WORLD MARKET PRICE.—For pur-
7 poses of this section and section 127, the Secretary shall
8 prescribe by regulation—
9 (1) a formula to determine the prevailing world
10 market price for each covered commodity, adjusted
11 to United States quality and location; and
12 (2) a mechanism by which the Secretary shall
13 announce periodically the prevailing world market
14 price for each covered commodity.
15 (e) ADJUSTMENT OF PREVAILING WORLD MARKET
16 PRICE FOR UPLAND COTTON.—
17 (1) IN GENERAL.—During the period beginning
18 on the date of the enactment of this Act and ending
19 July 31, 2012, the prevailing world market price for
20 upland cotton (adjusted to United States quality and
21 location) established under subsection (d) shall be
22 further adjusted if—
23 (A) the adjusted prevailing world market
24 price is less than 115 percent of the loan rate

1 for upland cotton established under section 122,
2 as determined by the Secretary; and
3 (B) the Friday through Thursday average
4 price quotation for the lowest-priced United
5 States growth as quoted for Middling (M) 1 3/32-
6 inch cotton delivered C.I.F. Northern Europe is
7 greater than the Friday through Thursday av-
8 erage price of the 5 lowest-priced growths of
9 upland cotton, as quoted for Middling (M)
10 1 3/32-inch cotton, delivered C.I.F. Northern Eu-
11 rope (referred to in this section as the "North-
12 ern Europe price").
13 (2) FURTHER ADJUSTMENT.—Except as pro-
14 vided in paragraph (3), the adjusted prevailing world
15 market price for upland cotton shall be further ad-
16 justed on the basis of some or all of the following
17 data, as available:
18 (A) The United States share of world ex-
19 ports.
20 (B) The current level of cotton export sales
21 and cotton export shipments.
22 (C) Other data determined by the Sec-
23 retary to be relevant in establishing an accurate
24 prevailing world market price for upland cotton

1 (adjusted to United States quality and loca-
2 tion).
3 (3) LIMITATION ON FURTHER ADJUSTMENT.—
4 The adjustment under paragraph (2) may not ex-
5 ceed the difference between—
6 (A) the Friday through Thursday average
7 price for the lowest-priced United States growth
8 as quoted for Middling 1 3/32-inch cotton deliv-
9 ered C.I.F. Northern Europe; and
10 (B) the Northern Europe price.
11 (f) TIME FOR FIXING REPAYMENT RATE.—In the
12 case of a producer that marketed or otherwise lost bene-
13 ficial interest in a covered commodity before repaying the
14 marketing assistance loan made under section 121 with
15 respect to the commodity, the Secretary shall permit the
16 producer to repay the loan at the lowest repayment rate
17 that was in effect for that covered commodity under this
18 section as of the date that the producer lost beneficial in-
19 terest, as determined by the Secretary.
20 **SEC. 125. LOAN DEFICIENCY PAYMENTS.**
21 (a) AVAILABILITY OF LOAN DEFICIENCY PAY-
22 MENTS.—Except as provided in subsection (d), the Sec-
23 retary may make loan deficiency payments available to
24 producers who, although eligible to obtain a marketing as-
25 sistance loan under section 121 with respect to a covered

1 commodity, agree to forgo obtaining the loan for the com-
2 modity in return for payments under this section.
3 (b) COMPUTATION.—A loan deficiency payment
4 under this section shall be computed by multiplying—
5 (1) the loan payment rate determined under
6 subsection (c) for the covered commodity; by
7 (2) the quantity of the covered commodity pro-
8 duced by the eligible producers, excluding any quan-
9 tity for which the producers obtain a loan under sec-
10 tion 121.
11 (c) LOAN PAYMENT RATE.—For purposes of this sec-
12 tion, the loan payment rate shall be the amount by
13 which—
14 (1) the loan rate established under section 122
15 for the covered commodity; exceeds
16 (2) the rate at which a loan for the commodity
17 may be repaid under section 124.
18 (d) EXCEPTION FOR EXTRA LONG STAPLE COT-
19 TON.—This section shall not apply with respect to extra
20 long staple cotton.
21 (e) TIME FOR PAYMENT.—The Secretary shall make
22 a payment under this section to a producer with respect
23 to a quantity of a covered commodity as of the earlier of
24 the following:

1 (1) The date on which the producer marketed
2 or otherwise lost beneficial interest in the com-
3 modity, as determined by the Secretary.
4 (2) The date the producer requests the pay-
5 ment.
6 (f) CONTINUATION OF SPECIAL LDP RULE FOR
7 2001CROP YEAR.—Section 135(a)(2) of the Federal Agri-
8 culture Improvement and Reform Act of 1996 (7 U.S.C.
9 7235(a)(2)) is amended by striking "2000 crop year" and
10 inserting "2000 and 2001 crop years".

11 **SEC. 126. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAY-**
12 **MENTS FOR GRAZED ACREAGE.**

13 (a) ELIGIBLE PRODUCERS.—Effective for the 2002
14 through 2011 crop years, in the case of a producer that
15 would be eligible for a loan deficiency payment under sec-
16 tion 125 for wheat, barley, or oats, but that elects to use
17 acreage planted to the wheat, barley, or oats for the graz-
18 ing of livestock, the Secretary shall make a payment to
19 the producer under this section if the producer enters into
20 an agreement with the Secretary to forgo any other har-
21 vesting of the wheat, barley, or oats on that acreage.
22 (b) PAYMENT AMOUNT.—The amount of a payment
23 made to a producer on a farm under this section shall
24 be equal to the amount determined by multiplying—

1 (1) the loan deficiency payment rate determined
2 under section 125(c) in effect, as of the date of the
3 agreement, for the county in which the farm is lo-
4 cated; by
5 (2) the payment quantity determined by
6 multiplying—
7 (A) the quantity of the grazed acreage on
8 the farm with respect to which the producer
9 elects to forgo harvesting of wheat, barley, or
10 oats; and
11 (B) the payment yield for that covered
12 commodity on the farm.
13 (c) TIME, MANNER, AND AVAILABILITY OF PAY-
14 MENT.—
15 (1) TIME AND MANNER.—A payment under this
16 section shall be made at the same time and in the
17 same manner as loan deficiency payments are made
18 under section 125.
19 (2) AVAILABILITY.—The Secretary shall estab-
20 lish an availability period for the payment author-
21 ized by this section that is consistent with the avail-
22 ability period for wheat, barley, and oats established
23 by the Secretary for marketing assistance loans au-
24 thorized by this subtitle.

1 (d) PROHIBITION ON CROP INSURANCE OR NON-
2 INSURED CROP ASSISTANCE.—A 2002 through 2011 crop
3 of wheat, barley, or oats planted on acreage that a pro-
4 ducer elects, in the agreement required by subsection (a),
5 to use for the grazing of livestock in lieu of any other har-
6 vesting of the crop shall not be eligible for insurance under
7 the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.)
8 or noninsured crop assistance under section 196 of the
9 Federal Agriculture Improvement and Reform Act of 1996
10 (7 U.S.C. 7333).

11 **SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UP-**
12 **LAND COTTON.**

13 (a) COTTON USER MARKETING CERTIFICATES.—
14 (1) ISSUANCE.—During the period beginning on
15 the date of the enactment of this Act and ending
16 July 31, 2012, the Secretary shall issue marketing
17 certificates or cash payments, at the option of the
18 recipient, to domestic users and exporters for docu-
19 mented purchases by domestic users and sales for
20 export by exporters made in the week following a
21 consecutive four-week period in which—
22 (A) the Friday through Thursday average
23 price quotation for the lowest-priced United
24 States growth, as quoted for Middling (M)
25 1 3/32-inch cotton, delivered C.I.F. Northern Eu-

1 rope exceeds the Northern Europe price by
2 more than 1.25 cents per pound; and
3 (B) the prevailing world market price for
4 upland cotton (adjusted to United States qual-
5 ity and location) does not exceed 134 percent of
6 the loan rate for upland cotton established
7 under section 122.
8 (2) VALUE OF CERTIFICATES OR PAYMENTS.—
9 The value of the marketing certificates or cash pay-
10 ments shall be based on the amount of the difference
11 (reduced by 1.25 cents per pound) in the prices dur-
12 ing the fourth week of the consecutive four-week pe-
13 riod multiplied by the quantity of upland cotton in-
14 cluded in the documented sales.
15 (3) ADMINISTRATION OF MARKETING CERTIFI-
16 CATES.—
17 (A) REDEMPTION, MARKETING, OR EX-
18 CHANGE.—The Secretary shall establish proce-
19 dures for redeeming marketing certificates for
20 cash or marketing or exchange of the certifi-
21 cates for agricultural commodities owned by the
22 Commodity Credit Corporation or pledged to
23 the Commodity Credit Corporation as collateral
24 for a loan in such manner, and at such price
25 levels, as the Secretary determines will best ef-

1 fectuate the purposes of cotton user marketing
2 certificates, including enhancing the competi-
3 tiveness and marketability of United States cot-
4 ton. Any price restrictions that would otherwise
5 apply to the disposition of agricultural commod-
6 ities by the Commodity Credit Corporation shall
7 not apply to the redemption of certificates
8 under this subsection.
9 (B) DESIGNATION OF COMMODITIES AND
10 PRODUCTS.—To the extent practicable, the Sec-
11 retary shall permit owners of certificates to des-
12 ignate the commodities and products, including
13 storage sites, the owners would prefer to receive
14 in exchange for certificates
15 (C) TRANSFERS.—Marketing certificates
16 issued to domestic users and exporters of up-
17 land cotton may be transferred to other persons
18 in accordance with regulations issued by the
19 Secretary.
20 (b) SPECIAL IMPORT QUOTA.—
21 (1) ESTABLISHMENT.—
22 (A) IN GENERAL.—The President shall
23 carry out an import quota program during the
24 period beginning on the date of the enactment

of this Act and ending July 31, 2012, as provided in this subsection.

(B) PROGRAM REQUIREMENTS.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive four-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

(C) TIGHT DOMESTIC SUPPLY.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, deliv-

1 ered C.I.F. Northern Europe, for the value of
2 any certificates issued under subsection (a).
3 (D) SEASON-ENDING UNITED STATES
4 STOCKS-TO-USE RATIO.—For the purposes of
5 making estimates under subparagraph (C), the
6 Secretary shall, on a monthly basis, estimate
7 and report the season-ending United States up-
8 land cotton stocks-to-use ratio, excluding pro-
9 jected raw cotton imports but including the
10 quantity of raw cotton that has been imported
11 into the United States during the marketing
12 year.
13 (2) QUANTITY.—The quota shall be equal to
14 one week's consumption of upland cotton by domes-
15 tic mills at the seasonally adjusted average rate of
16 the most recent three months for which data are
17 available.
18 (3) APPLICATION.—The quota shall apply to
19 upland cotton purchased not later than 90 days
20 after the date of the Secretary's announcement
21 under paragraph (1) and entered into the United
22 States not later than 180 days after the date.
23 (4) OVERLAP.—A special quota period may be
24 established that overlaps any existing quota period if
25 required by paragraph (1), except that a special

1 quota period may not be established under this sub-
2 section if a quota period has been established under
3 subsection (c).
4 (5) PREFERENTIAL TARIFF TREATMENT.—The
5 quantity under a special import quota shall be con-
6 sidered to be an in-quota quantity for purposes of—
7 (A) section 213(d) of the Caribbean Basin
8 Economic Recovery Act (19 U.S.C. 2703(d));
9 (B) section 204 of the Andean Trade Pref-
10 erence Act (19 U.S.C. 3203);
11 (C) section 503(d) of the Trade Act of
12 1974 (19 U.S.C. 2463(d)); and
13 (D) General Note 3(a)(iv) to the Har-
14 monized Tariff Schedule.
15 (6) DEFINITION.—In this subsection, the term
16 "special import quota" means a quantity of imports
17 that is not subject to the over-quota tariff rate of a
18 tariff-rate quota.
19 (7) LIMITATION.—The quantity of cotton en-
20 tered into the United States during any marketing
21 year under the special import quota established
22 under this subsection may not exceed the equivalent
23 of five week's consumption of upland cotton by do-
24 mestic mills at the seasonally adjusted average rate
25 of the three months immediately preceding the first

1 special import quota established in any marketing
2 year.
3 (c) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND
4 COTTON.—
5 (1) IN GENERAL.—The President shall carry
6 out an import quota program that provides that
7 whenever the Secretary determines and announces
8 that the average price of the base quality of upland
9 cotton, as determined by the Secretary, in the des-
10 ignated spot markets for a month exceeded 130 per-
11 cent of the average price of such quality of cotton
12 in the markets for the preceding 36 months, not-
13 withstanding any other provision of law, there shall
14 immediately be in effect a limited global import
15 quota subject to the following conditions:
16 (A) QUANTITY.—The quantity of the quota
17 shall be equal to 21 days of domestic mill con-
18 sumption of upland cotton at the seasonally ad-
19 justed average rate of the most recent three
20 months for which data are available.
21 (B) QUANTITY IF PRIOR QUOTA.—If a
22 quota has been established under this sub-
23 section during the preceding 12 months, the
24 quantity of the quota next established under
25 this subsection shall be the smaller of 21 days

1 of domestic mill consumption calculated under
2 subparagraph (A) or the quantity required to
3 increase the supply to 130 percent of the de-
4 mand.
5 (C) PREFERENTIAL TARIFF TREAT-
6 MENT.—The quantity under a limited global
7 import quota shall be considered to be an in-
8 quota quantity for purposes of—
9 (i) section 213(d) of the Caribbean
10 Basin Economic Recovery Act (19 U.S.C.
11 2703(d));
12 (ii) section 204 of the Andean Trade
13 Preference Act (19 U.S.C. 3203);
14 (iii) section 503(d) of the Trade Act
15 of 1974 (19 U.S.C. 2463(d)); and
16 (iv) General Note 3(a)(iv) to the Har-
17 monized Tariff Schedule.
18 (D) DEFINITIONS.—In this subsection:
19 (i) SUPPLY.—The term "supply"
20 means, using the latest official data of the
21 Bureau of the Census, the Department of
22 Agriculture, and the Department of the
23 Treasury—
24 (I) the carry-over of upland cot-
25 ton at the beginning of the marketing

1 year (adjusted to 480-pound bales) in
2 which the quota is established;
3 (II) production of the current
4 crop; and
5 (III) imports to the latest date
6 available during the marketing year.
7 (ii) DEMAND.—The term "demand"
8 means—
9 (I) the average seasonally ad-
10 justed annual rate of domestic mill
11 consumption during the most recent
12 three months for which data are avail-
13 able; and
14 (II) the larger of—
15 (aa) average exports of up-
16 land cotton during the preceding
17 six marketing years; or
18 (bb) cumulative exports of
19 upland cotton plus outstanding
20 export sales for the marketing
21 year in which the quota is estab-
22 lished.
23 (iii) LIMITED GLOBAL IMPORT
24 QUOTA.—The term "limited global import
25 quota" means a quantity of imports that is

1 not subject to the over-quota tariff rate of
2 a tariff-rate quota.
3 (E) QUOTA ENTRY PERIOD.—When a
4 quota is established under this subsection, cot-
5 ton may be entered under the quota during the
6 90-day period beginning on the date the quota
7 is established by the Secretary.
8 (2) NO OVERLAP.—Notwithstanding paragraph
9 (1), a quota period may not be established that over-
10 laps an existing quota period or a special quota pe-
11 riod established under subsection (b).

12 **SEC. 128. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA**
13 **LONG STAPLE COTTON.**

14 (a) COMPETITIVENESS PROGRAM.—Notwithstanding
15 any other provision of law, during the period beginning
16 on the date of the enactment of this Act and ending on
17 July 31, 2012, the Secretary shall carry out a program
18 to maintain and expand the domestic use of extra long
19 staple cotton produced in the United States, to increase
20 exports of extra long staple cotton produced in the United
21 States, and to ensure that extra long staple cotton pro-
22 duced in the United States remains competitive in world
23 markets.

1 (b) PAYMENTS UNDER PROGRAM; TRIGGER.—Under
2 the program, the Secretary shall make payments available
3 under this section whenever—
4 (1) for a consecutive four-week period, the
5 world market price for the lowest priced competing
6 growth of extra long staple cotton (adjusted to
7 United States quality and location and for other fac-
8 tors affecting the competitiveness of such cotton), as
9 determined by the Secretary, is below the prevailing
10 United States price for a competing growth of extra
11 long staple cotton; and
12 (2) the lowest priced competing growth of extra
13 long staple cotton (adjusted to United States quality
14 and location and for other factors affecting the com-
15 petitiveness of such cotton), as determined by the
16 Secretary, is less than 134 percent of the loan rate
17 for extra long staple cotton.
18 (c) ELIGIBLE RECIPIENTS.—The Secretary shall
19 make payments available under this section to domestic
20 users of extra long staple cotton produced in the United
21 States and exporters of extra long staple cotton produced
22 in the United States who enter into an agreement with
23 the Commodity Credit Corporation to participate in the
24 program under this section.

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

8 (e) FORM OF PAYMENT.—Payments under this sec-
9 tion shall be made through the issuance of cash or mar-
10 keting certificates, at the option of eligible recipients of
11 the payments.

12 **SEC. 129. AVAILABILITY OF RECOURSE LOANS FOR HIGH**
13 **MOISTURE FEED GRAINS AND SEED COTTON**
14 **AND OTHER FIBERS.**

15 (a) HIGH MOISTURE FEED GRAINS.—

16 (1) RECOURSE LOANS AVAILABLE.—For each of
17 the 2002 through 2011 crops of corn and grain sor-
18 ghum, the Secretary shall make available recourse
19 loans, as determined by the Secretary, to producers
20 on a farm who—

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

24 (B) present—

1 (i) certified scale tickets from an in-
2 spected, certified commercial scale, includ-
3 ing a licensed warehouse, feedlot, feed mill,
4 distillery, or other similar entity approved
5 by the Secretary, pursuant to regulations
6 issued by the Secretary; or
7 (ii) field or other physical measure-
8 ments of the standing or stored crop in re-
9 gions of the United States, as determined
10 by the Secretary, that do not have certified
11 commercial scales from which certified
12 scale tickets may be obtained within rea-
13 sonable proximity of harvest operation;
14 (C) certify that they were the owners of
15 the feed grain at the time of delivery to, and
16 that the quantity to be placed under loan under
17 this subsection was in fact harvested on the
18 farm and delivered to, a feedlot, feed mill, or
19 commercial or on-farm high-moisture storage
20 facility, or to a facility maintained by the users
21 of corn and grain sorghum in a high moisture
22 state; and
23 (D) comply with deadlines established by
24 the Secretary for harvesting the corn or grain
25 sorghum and submit applications for loans

1 under this subsection within deadlines estab-
2 lished by the Secretary.
3 (2) ELIGIBILITY OF ACQUIRED FEED GRAINS.—
4 A loan under this subsection shall be made on a
5 quantity of corn or grain sorghum of the same crop
6 acquired by the producer equivalent to a quantity
7 determined by multiplying—
8 (A) the acreage of the corn or grain sor-
9 ghum in a high moisture state harvested on the
10 producer's farm; by
11 (B) the lower of the farm program pay-
12 ment yield or the actual yield on a field, as de-
13 termined by the Secretary, that is similar to the
14 field from which the corn or grain sorghum was
15 obtained.
16 (3) HIGH MOISTURE STATE DEFINED.—In this
17 subsection, the term "high moisture state" means
18 corn or grain sorghum having a moisture content in
19 excess of Commodity Credit Corporation standards
20 for marketing assistance loans made by the Sec-
21 retary under section 121.
22 (b) RECOURSE LOANS AVAILABLE FOR SEED COT-
23 TON.—For each of the 2002 through 2011 crops of upland
24 cotton and extra long staple cotton, the Secretary shall

1 make available recourse seed cotton loans, as determined
2 by the Secretary, on any production.
3 (c) REPAYMENT RATES.—Repayment of a recourse
4 loan made under this section shall be at the loan rate es-
5 tablished for the commodity by the Secretary, plus interest
6 (as determined by the Secretary).
7 (d) TERMINATION OF SUPERSEDED LOAN AUTHOR-
8 ITY.—Notwithstanding section 137 of the Federal Agri-
9 culture Improvement and Reform Act of 1996 (7 U.S.C.
10 7237), recourse loans shall not be made for the 2002 crop
11 of corn, grain sorghum, and seed cotton under such sec-
12 tion.

13 **SEC. 130. AVAILABILITY OF NONRECOURSE MARKETING AS-**
14 **SISTANCE LOANS FOR WOOL AND MOHAIR.**

15 (a) NONRECOURSE LOANS AVAILABLE.—During the
16 2002 through 2011 marketing years for wool and mohair,
17 the Secretary shall make available to producers on a farm
18 nonrecourse marketing assistance loans for wool and mo-
19 hair produced on the farm during that marketing year.
20 (b) LOAN RATE.—The loan rate for a loan under sub-
21 section (a) shall be not more than—
22 (1) $1.00 per pound for graded wool;
23 (2) $0.40 per pound for nongraded wool; and
24 (3) $4.20 per pound for mohair.

1 (c) TERM OF LOAN.—A loan under subsection (a)
2 shall have a term of one year beginning on the first day
3 of the first month after the month in which the loan is
4 made.
5 (d) REPAYMENT RATES.—The Secretary shall permit
6 a producer to repay a marketing assistance loan under
7 subsection (a) for wool or mohair at a rate that is the
8 lesser of—
9 (1) the loan rate established for the commodity
10 under subsection (b), plus interest (as determined by
11 the Secretary); or
12 (2) a rate that the Secretary determines will—
13 (A) minimize potential loan forfeitures;
14 (B) minimize the accumulation of stocks of
15 the commodity by the Federal Government;
16 (C) minimize the cost incurred by the Fed-
17 eral Government in storing the commodity; and
18 (D) allow the commodity produced in the
19 United States to be marketed freely and com-
20 petitively, both domestically and internationally.
21 (e) LOAN DEFICIENCY PAYMENTS.—
22 (1) AVAILABILITY.—The Secretary may make
23 loan deficiency payments available to producers that,
24 although eligible to obtain a marketing assistance

1 loan under this section, agree to forgo obtaining the
2 loan in return for payments under this section.
3 (2) COMPUTATION.—A loan deficiency payment
4 under this subsection shall be computed by
5 multiplying—
6 (A) the loan payment rate in effect under
7 paragraph (3) for the commodity; by
8 (B) the quantity of the commodity pro-
9 duced by the eligible producers, excluding any
10 quantity for which the producers obtain a loan
11 under this subsection.
12 (3) LOAN PAYMENT RATE.—For purposes of
13 this subsection, the loan payment rate for wool or
14 mohair shall be the amount by which—
15 (A) the loan rate in effect for the com-
16 modity under subsection (b); exceeds
17 (B) the rate at which a loan for the com-
18 modity may be repaid under subsection (d).
19 (4) TIME FOR PAYMENT.—The Secretary shall
20 make a payment under this subsection to a producer
21 with respect to a quantity of a wool or mohair as of
22 the earlier of the following:
23 (A) The date on which the producer mar-
24 keted or otherwise lost beneficial interest in the
25 wool or mohair, as determined by the Secretary.

1 (B) The date the producer requests the
2 payment.
3 (f) LIMITATIONS.—The marketing assistance loan
4 gains and loan deficiency payments that a person may re-
5 ceive for wool and mohair under this section shall be sub-
6 ject to a separate payment limitation, but in the same dol-
7 lar amount, as the payment limitation that applies to mar-
8 keting assistance loans and loan deficiency payments re-
9 ceived by producers of other agricultural commodities in
10 the same marketing year.

11 **SEC. 131. AVAILABILITY OF NONRECOURSE MARKETING AS-**
12 **SISTANCE LOANS FOR HONEY.**

13 (a) NONRECOURSE LOANS AVAILABLE.—During the
14 2002 through 2011 crop years for honey, the Secretary
15 shall make available to producers on a farm nonrecourse
16 marketing assistance loans for honey produced on the
17 farm during that crop year.
18 (b) LOAN RATE.—The loan rate for a marketing as-
19 sistance loan for honey under subsection (a) shall be equal
20 to $0.60 cents per pound.
21 (c) TERM OF LOAN.—A marketing assistance loan
22 under subsection (a) shall have a term of one year begin-
23 ning on the first day of the first month after the month
24 in which the loan is made.

1 (d) REPAYMENT RATES.—The Secretary shall permit
2 a producer to repay a marketing assistance loan for honey
3 under subsection (a) at a rate that is the lesser of—
4 (1) the loan rate for honey, plus interest (as de-
5 termined by the Secretary); or
6 (2) the prevailing domestic market price for
7 honey, as determined by the Secretary.
8 (e) LOAN DEFICIENCY PAYMENTS.—
9 (1) AVAILABILITY.—The Secretary may make
10 loan deficiency payments available to any producer
11 of honey that, although eligible to obtain a mar-
12 keting assistance loan under subsection (a), agrees
13 to forgo obtaining the loan in return for a payment
14 under this subsection.
15 (2) COMPUTATION.—A loan deficiency payment
16 under this subsection shall be determined by
17 multiplying—
18 (A) the loan payment rate determined
19 under paragraph (3); by
20 (B) the quantity of honey that the pro-
21 ducer is eligible to place under loan, but for
22 which the producer forgoes obtaining the loan
23 in return for a payment under this subsection.

1 (3) LOAN PAYMENT RATE.—For the purposes
2 of this subsection, the loan payment rate shall be the
3 amount by which—
4 (A) the loan rate established under sub-
5 section (b); exceeds
6 (B) the rate at which a loan may be repaid
7 under subsection (d).
8 (4) TIME FOR PAYMENT.—The Secretary shall
9 make a payment under this subsection to a producer
10 with respect to a quantity of a honey as of the ear-
11 lier of the following:
12 (A) The date on which the producer mar-
13 keted or otherwise lost beneficial interest in the
14 honey, as determined by the Secretary.
15 (B) The date the producer requests the
16 payment.
17 (f) LIMITATIONS.—The marketing assistance loan
18 gains and loan deficiency payments that a person may re-
19 ceive for a crop of honey under this section shall be subject
20 to a separate payment limitation, but in the same dollar
21 amount, as the payment limitation that applies to mar-
22 keting assistance loans and loan deficiency payments re-
23 ceived by producers of other agricultural commodities in
24 the same crop year.

1 (g) PREVENTION OF FORFEITURES.—The Secretary
2 shall carry out this section in such a manner as to mini-
3 mize forfeitures of honey marketing assistance loans.

4 Subtitle C—Other Commodities

5 CHAPTER 1—DAIRY

6 SEC. 141. MILK PRICE SUPPORT PROGRAM.

7 (a) SUPPORT ACTIVITIES.—During the period begin-
8 ning on January 1, 2002, and ending on December 31,
9 2011, the Secretary of Agriculture shall support the price
10 of milk produced in the 48 contiguous States through the
11 purchase of cheese, butter, and nonfat dry milk produced
12 from the milk.

13 (b) RATE.—During the period specified in subsection
14 (a), the price of milk shall be supported at a rate equal
15 to $9.90 per hundredweight for milk containing 3.67 per-
16 cent butterfat.

17 (c) PURCHASE PRICES.—The support purchase
18 prices under this section for each of the products of milk
19 (butter, cheese, and nonfat dry milk) announced by the
20 Secretary shall be the same for all of that product sold
21 by persons offering to sell the product to the Secretary.
22 The purchase prices shall be sufficient to enable plants
23 of average efficiency to pay producers, on average, a price
24 that is not less than the rate of price support for milk
25 in effect under subsection (b).

1 (d) SPECIAL RULE FOR BUTTER AND NONFAT DRY
2 MILK PURCHASE PRICES.—
3 (1) ALLOCATION OF PURCHASE PRICES.—The
4 Secretary may allocate the rate of price support be-
5 tween the purchase prices for nonfat dry milk and
6 butter in a manner that will result in the lowest level
7 of expenditures by the Commodity Credit Corpora-
8 tion or achieve such other objectives as the Secretary
9 considers appropriate. Not later than 10 days after
10 making or changing an allocation, the Secretary
11 shall notify the Committee on Agriculture of the
12 House of Representatives and the Committee on Ag-
13 riculture, Nutrition, and Forestry of the Senate of
14 the allocation. Section 553 of title 5, United States
15 Code, shall not apply with respect to the implemen-
16 tation of this section.
17 (2) TIMING OF PURCHASE PRICE ADJUST-
18 MENTS.—The Secretary may make any such adjust-
19 ments in the purchase prices for nonfat dry milk
20 and butter the Secretary considers to be necessary
21 not more than twice in each calendar year.
22 (e) COMMODITY CREDIT CORPORATION.—The Sec-
23 retary shall carry out the program authorized by this sec-
24 tion through the Commodity Credit Corporation.

1 **SEC. 142. REPEAL OF RECOURSE LOAN PROGRAM FOR**
2 **PROCESSORS.**

3 Section 142 of the Federal Agriculture Improvement
4 and Reform Act of 1996 (7 U.S.C. 7252) is repealed.

5 **SEC. 143. EXTENSION OF DAIRY EXPORT INCENTIVE AND**
6 **DAIRY INDEMNITY PROGRAMS.**

7 (a) DIARY EXPORT INCENTIVE PROGRAM.—Section
8 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–
9 14(a)) is amended by striking "2002" and inserting
10 "2011".

11 (b) DAIRY INDEMNITY PROGRAM.—Section 3 of Pub-
12 lic Law 90–484 (7 U.S.C. 450*l*) is amended by striking
13 "1995" and inserting "2011".

14 **SEC. 144. FLUID MILK PROMOTION.**

15 (a) DEFINITION OF FLUID MILK PRODUCT.—Section
16 1999C of the Fluid Milk Promotion Act of 1990 (7 U.S.C.
17 6402) is amended by striking paragraph (3) and inserting
18 the following new paragraph:

19 "(3) FLUID MILK PRODUCT.—The term 'fluid
20 milk product' has the meaning given such term—

21 "(A) in section 1000.15 of title 7, Code of
22 Federal Regulations, subject to such amend-
23 ments as may be made from time to time; or

24 "(B) in any successor regulation providing
25 a definition of such term that is promulgated
26 pursuant to the Agricultural Adjustment Act (7

1 U.S.C. 601 et seq.), reenacted with amend-
2 ments by the Agricultural Marketing Agreement
3 Act of 1937.".

4 (b) DEFINITION OF FLUID MILK PROCESSOR.—Sec-
5 tion 1999C(4) of the Fluid Milk Promotion Act of 1990
6 (7 U.S.C. 6402(4)) is amended by striking "500,000" and
7 inserting "3,000,000".

8 (c) ELIMINATION OF ORDER TERMINATION DATE.—
9 Section 1999O of the Fluid Milk Promotion Act of 1990
10 (7 U.S.C. 6414) is amended—

11 (1) by striking subsection (a); and

12 (2) by redesignating subsections (b) and (c) as
13 subsections (a) and (b), respectively.

14 **SEC. 145. DAIRY PRODUCT MANDATORY REPORTING.**

15 Section 273(b)(1)(B) of the Agricultural Marketing
16 Act of 1946 (7 U.S.C. 1637b(b)(1)(B)) is amended—

17 (1) by inserting "and substantially identical
18 products designated by the Secretary" after "dairy
19 products" the first place it appears; and

20 (2) by inserting "and such substantially iden-
21 tical products" after "dairy products" the second
22 place it appears.

1 **SEC. 146. FUNDING OF DAIRY PROMOTION AND RESEARCH**
2 **PROGRAM.**

3 (a) DEFINITIONS.—Section 111 of the Dairy Produc-
4 tion Stabilization Act of 1983 (7 U.S.C. 4502) is
5 amended—

6 (1) in subsection (k), by striking "and" at the
7 end;

8 (2) in subsection (l), by striking the period at
9 the end and inserting a semicolon; and

10 (3) by adding at the end the following:

11 "(m) the term 'imported dairy product' means
12 any dairy product that is imported into the United
13 States, including dairy products imported into the
14 United States in the form of—

15 "(1) milk, cream, and fresh and dried
16 dairy products;

17 "(2) butter and butterfat mixtures;

18 "(3) cheese; and

19 "(4) casein and mixtures;

20 "(n) the term 'importer' means a person that
21 imports an imported dairy product into the United
22 States; and

23 "(o) the term 'Customs' means the United
24 States Customs Service.".

1 (b) REPRESENTATION OF IMPORTERS ON BOARD.—
2 Section 113(b) of the Dairy Production Stabilization Act
3 of 1983 (7 U.S.C. 4504(b)) is amended—
4 (1) by inserting "NATIONAL DAIRY PROMOTION
5 AND RESEARCH BOARD.—" after "(b)";
6 (2) by designating the first through ninth sen-
7 tences as paragraphs (1) through (5) and para-
8 graphs (7) through (10), respectively, and indenting
9 the paragraphs appropriately;
10 (3) in paragraph (2) (as so designated), by
11 striking "Members" and inserting "Except as pro-
12 vided in paragraph (6), the members"; and
13 (4) by inserting after paragraph (5) (as so des-
14 ignated) the following:
15 "(6) IMPORTERS.—
16 "(A) REPRESENTATION.—The Secretary
17 shall appoint not more than 2 members who
18 represent importers of dairy products and are
19 subject to assessments under the order, to re-
20 flect the proportion of domestic production and
21 imports supplying the United States market,
22 which shall be based on the Secretary's deter-
23 mination of the average volume of domestic pro-
24 duction of dairy products proportionate to the

1 average volume of imports of dairy products in
2 the United States over the previous three years.
3 "(B) ADDITIONAL MEMBERS; NOMINA-
4 TIONS.—The members appointed under this
5 paragraph—
6 "(i) shall be in addition to the total
7 number of members appointed under para-
8 graph (2); and
9 "(ii) shall be appointed from nomina-
10 tions submitted by importers under such
11 procedures as the Secretary determines to
12 be appropriate.".
13 (c) IMPORTER ASSESSMENT.—Section 113(g) of the
14 Dairy Production Stabilization Act of 1983 (7 U.S.C.
15 4504(g)) is amended—
16 (1) by inserting "ASSESSMENTS.—" after
17 "(g)";
18 (2) by designating the first through fifth sen-
19 tences as paragraphs (1) through (5), respectively,
20 and indenting appropriately; and
21 (3) by adding at the end the following:
22 "(6) IMPORTERS.—
23 "(A) IN GENERAL.—The order shall pro-
24 vide that each importer of imported dairy prod-

1 ucts shall pay an assessment to the Board in
2 the manner prescribed by the order.
3 "(B) TIME FOR PAYMENT.—The assess-
4 ment on imported dairy products shall be paid
5 by the importer to Customs at the time of the
6 entry of the products into the United States
7 and shall be remitted by Customs to the Board.
8 For purposes of this subparagraph, entry of the
9 products into the United States shall be deemed
10 to have occurred when the products are released
11 from custody of Customs and introduced into
12 the stream of commerce within the United
13 States. Importers include persons who hold title
14 to foreign-produced dairy products immediately
15 upon release by Customs, as well as persons
16 who act on behalf of others, as agents, brokers,
17 or consignees, to secure the release of dairy
18 products from Customs and the introduction of
19 the released dairy products into the stream of
20 commerce.
21 "(C) RATE.—The rate of assessment on
22 imported dairy products shall be determined in
23 the same manner as the rate of assessment per
24 hundredweight or the equivalent of milk.

"(D) VALUE OF PRODUCTS.—For the purpose of determining the assessment on imported dairy products under subparagraph (C), the value to be placed on imported dairy products shall be established by the Secretary in a fair and equitable manner.

"(E) USE OF ASSESSMENTS ON IMPORTED DAIRY PRODUCTS.—Assessments collected on imported dairy products shall not be used for foreign market promotion.".

(d) RECORDS.—Section 113(k) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(k)) is amended in the first sentence by striking "person receiving" and inserting "importer of imported dairy products, each person receiving".

(e) IMPORTER ELIGIBILITY TO VOTE IN REFERENDUM.—Section 116(b) of the Dairy Promotion Stabilization Act of 1983 (7 U.S.C. 4507(b)) is amended—

(1) in the first sentence—

(A) by inserting after "of producers" the following: "and importers"; and

(B) by inserting after "the producers" the following: "and importers"; and

(2) in the second sentence, by inserting after "commercial use" the following: "and importers vot-

1 ing in the referendum (who have been engaged in
2 the importation of dairy products during the same
3 representative period, as determined by the Sec-
4 retary)".

5 (f) CONFORMING AMENDMENTS TO REFLECT ADDI-
6 TION OF IMPORTERS.—Section 110(b) of the Dairy Pro-
7 duction Stabilization Act of 1983 (7 U.S.C. 4501(b)) is
8 amended—

9 (1) in the first sentence—

10 (A) by inserting after "commercial use"
11 the following: "and on imported dairy prod-
12 ucts"; and

13 (B) by striking "products produced in the
14 United States." and inserting "products."; and

15 (2) in the second sentence, by inserting after
16 "produce milk" the following: "or the right of any
17 person to import dairy products".

18 **CHAPTER 2—SUGAR**

19 **SEC. 151. SUGAR PROGRAM.**

20 (a) CONTINUATION OF PROGRAM.—Subsection (i) of
21 section 156 of the Federal Agriculture Improvement and
22 Reform Act of 1996 (7 U.S.C. 7251) is amended—

23 (1) by striking "(other than subsection (f))";
24 and

1 (2) by striking "2002 crops" and inserting
2 "2011 crops".
3 (b) TERMINATION OF MARKETING ASSESSMENT.—
4 Effective as of October 1, 2001, subsection (f) of such sec-
5 tion is repealed.
6 (c) LOAN RATE ADJUSTMENTS.—Subsection (c) of
7 such section is amended—
8 (1) by striking "REDUCTION IN LOAN RATES"
9 and inserting "LOAN RATE ADJUSTMENTS"; and
10 (2) in paragraph (1)—
11 (A) by striking "REDUCTION REQUIRED"
12 and inserting "POSSIBLE REDUCTION"; and
13 (B) by striking "shall" and inserting
14 "may".
15 (d) NOTIFICATION.—Subsection (e) of such section is
16 amended by adding at the end the following new para-
17 graph:
18 "(3) PREVENTION OF ONEROUS NOTIFICATION
19 REQUIREMENTS.—The Secretary may not impose or
20 enforce any prenotification or similar administrative
21 requirement that has the effect of preventing a proc-
22 essor from choosing to forfeit the loan collateral
23 upon the maturity of the loan.".

1 (e) IN PROCESS SUGAR.—Such section is further
2 amended by inserting after subsection (e) the following
3 new subsection (f):
4 "(f) LOANS FOR IN-PROCESS SUGAR.—
5 "(1) AVAILABILITY; RATE.—The Secretary shall
6 make nonrecourse loans available to processors of
7 domestically grown sugarcane and sugar beets for
8 in-process sugars and syrups derived from such
9 crops. The loan rate shall be equal to 80 percent of
10 the loan rate applicable to raw cane sugar or refined
11 beet sugar, depending on the source material for the
12 in-process sugars and syrups.
13 "(2) FURTHER PROCESSING UPON FOR-
14 FEITURE.—As a condition on the forfeiture of in-
15 process sugars and syrups serving as collateral for
16 a loan under paragraph (1), the processor shall,
17 within such reasonable time period as the Secretary
18 may prescribe and at no cost to the Commodity
19 Credit Corporation, convert the in-process sugars
20 and syrups into raw cane sugar or refined beet
21 sugar of acceptable grade and quality for sugars eli-
22 gible for loans under subsection (a) or (b). Once the
23 in-process sugars and syrups are fully processed into
24 raw cane sugar or refined beet sugar, the processor
25 shall transfer the sugar to the Corporation, which

1 shall make a payment to the processor in an amount
2 equal to the difference between the loan rate for raw
3 cane sugar or refined beet sugar, whichever applies,
4 and the loan rate the processor received under para-
5 graph (1).

6 "(3) LOAN CONVERSION.—If the processor does
7 not forfeit the collateral as described in paragraph
8 (2), but instead further processes the in-process sug-
9 ars and syrups into raw cane sugar or refined beet
10 sugar and repays the loan on the in-process sugars
11 and syrups, the processor may then obtain a loan
12 under subsection (a) or (b) on the raw cane sugar
13 or refined beet sugar, as appropriate.

14 "(4) DEFINITION.—In this subsection the term
15 'in-process sugars and syrups' does not include raw
16 sugar, liquid sugar, invert sugar, invert syrup, or
17 other finished products that are otherwise eligible
18 for loans under subsection (a) or (b).".

19 (f) ADMINISTRATION OF PROGRAM.—Such section is
20 further amended by adding at the end the following new
21 subsection:

22 "(j) AVOIDING FORFEITURES; CORPORATION INVEN-
23 TORY DISPOSITION.—

24 "(1) NO COST.—To the maximum extent prac-
25 ticable, the Secretary shall operate the sugar pro-

1 gram established under this section at no cost to the
2 Federal Government by avoiding the forfeiture of
3 sugar to the Commodity Credit Corporation.
4 "(2) INVENTORY DISPOSITION.—In support of
5 the objective specified in paragraph (1), the Com-
6 modity Credit Corporation may accept bids for com-
7 modities in the inventory of the Corporation from
8 (or otherwise make available such commodities, on
9 appropriate terms and conditions, to) processors of
10 sugarcane and processors of sugar beets (when the
11 processors are acting in conjunction with the pro-
12 ducers of the sugarcane or sugar beets processed by
13 such processors) in return for the reduction of pro-
14 duction of raw cane sugar or refined beet sugar, as
15 appropriate. The authority provided under this para-
16 graph is in addition to any authority of the Corpora-
17 tion under any other law.".
18 (g) INFORMATION REPORTING.—Subsection (h) of
19 such section is amended—
20 (1) by redesignating paragraphs (2) and (3) as
21 paragraphs (4) and (5), respectively;
22 (2) by inserting after paragraph (1) the fol-
23 lowing new paragraphs:
24 "(2) DUTY OF PRODUCERS TO REPORT.—

1 "(A) PROPORTIONATE SHARE STATES.—
2 The Secretary shall require a producer of sug-
3 arcane located in a State (other than Puerto
4 Rico) in which there are in excess of 250 sugar-
5 cane producers to report, in the manner pre-
6 scribed by the Secretary, the producer's sugar-
7 cane yields and acres planted to sugarcane.
8 "(B) OTHER STATES.—The Secretary may
9 require producers of sugarcane or sugar beets
10 not covered by paragraph (1) to report, in the
11 manner prescribed by the Secretary, each pro-
12 ducer's sugarcane or sugar beet yields and
13 acres planted to sugarcane or sugar beets, re-
14 spectively.
15 "(3) DUTY OF IMPORTERS TO REPORT.—The
16 Secretary shall require an importer of sugars, syrups
17 or molasses to be used for human consumption or to
18 be used for the extraction of sugar for human con-
19 sumption, except such sugars, syrups, or molasses
20 that are within the quantities of tariff-rate quotas
21 that are at the lower rate of duties, to report, in the
22 manner prescribed by the Secretary, the quantities
23 of such products imported and the sugar content or
24 equivalent of such products."; and

1 (3) in paragraph (5), as so redesignated, by
2 striking "paragraph (1)" and inserting "this sub-
3 section".
4 (h) INTEREST RATE.—Section 163 of the Federal
5 Agriculture Improvement and Reform Act of 1996 (7
6 U.S.C. 7283) is amended by adding at the end the fol-
7 lowing new sentence: "For purposes of this section, raw
8 cane sugar, refined beet sugar, and in process sugar eligi-
9 ble for a loan under section 156 shall not be considered
10 an agricultural commodity.".

11 **SEC. 152. REAUTHORIZE PROVISIONS OF AGRICULTURAL**
12 **ADJUSTMENT ACT OF 1938 REGARDING**
13 **SUGAR.**

14 (a) INFORMATION REPORTING.—Section 359a of the
15 Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa)
16 is repealed.
17 (b) ESTIMATES.—Section 359b of the Agricultural
18 Adjustment Act of 1938 (7 U.S.C. 1359bb) is amended:
19 (1) in the section heading—
20 (A) by inserting "**FLEXIBLE**" before
21 "**MARKETING**"; and
22 (B) by striking "**AND CRYSTALLINE**
23 **FRUCTOSE**";
24 (2) in subsection (a)—
25 (A) in paragraph (1)—

(i) by striking "Before" and inserting "Not later than August 1 before";

(ii) by striking "1992 through 1998" and inserting "2002 through 2011";

(iii) in subparagraph (A), by striking "(other than sugar" and all that follows through "stocks";

(iv) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (E), respectively;

(v) by inserting after subparagraph (A) the following:

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

(vi) in subparagraph (C), as so redesignated—

(I) by striking "or" and all that follows through "beets"; and

(II) by striking the "and" following the semicolon;

(vii) by inserting after subparagraph (C), as so redesignated, the following:

"(D) the quantity of sugar that will be available from the domestic processing of sugarcane and sugar beets; and"; and

(viii) in subparagraph (E), as so redesignated—

(I) by striking "quantity of sugar" and inserting "quantity of sugars, syrups, and molasses";

(II) by inserting "human" after "imported for" the first place it appears;

(III) by inserting after "consumption" the first place it appears the following: "or to be used for the extraction of sugar for human consumption";

(IV) by striking "year" and inserting "year, whether such articles are under a tariff-rate quota or are in excess or outside of a tariff rate quota"; and

(V) by striking "(other than sugar" and all that follows through "carry-in stocks";

(B) by redesignating paragraph (2) as paragraph (3);

(C) by inserting after paragraph (1) the following new paragraph:

"(2) EXCLUSION.—The estimates in this section shall not include sugar imported for the production of polyhydric alcohol or to be refined and re-exported in refined form or in sugar containing products.";

(D) in paragraph (3), as so redesignated—

(i) by striking "QUARTERLY REESTIMATES" and inserting "REESTIMATES"; and

(ii) by inserting "as necessary, but" after "a fiscal year";

(3) in subsection (b)—

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

"(1) IN GENERAL.—By the beginning of each fiscal year, the Secretary shall establish for that fiscal year appropriate allotments under section 359c for the marketing by processors of sugar processed from sugar beets and from domestically-produced sugarcane at a level that the Secretary estimates will result in no forfeitures of sugar to the Commodity Credit Corporation under the loan program for sugar."; and

(B) in paragraph (2), by striking "or crystalline fructose";

1 (4) by striking subsection (c);
2 (5) by redesignating subsection (d) as sub-
3 section (c); and
4 (6) in subsection (c), as so redesignated—
5 (A) by striking paragraph (2);
6 (B) by redesignating paragraphs (3) and
7 (4) as paragraphs (2) and (3), respectively; and
8 (C) in paragraph (2), as so redesignated—
9 (i) by striking "or manufacturer" and
10 all that follows through "(2)"; and
11 (ii) by striking "or crystalline fruc-
12 tose".
13 (c) ESTABLISHMENT.—Section 359c of the Agricul-
14 tural Adjustment Act of 1938 (7 U.S.C. 1359cc) is
15 amended—
16 (1) in the section heading by inserting "**FLEXI-**
17 **BLE**" after "**OF**";
18 (2) in subsection (a), by inserting "flexible"
19 after "establish";
20 (3) in subsection (b)—
21 (A) in paragraph (1)(A), by striking
22 "1,250,000" and inserting "1,532,000"; and
23 (B) in paragraph (2), by striking "to the
24 maximum extent practicable";

1 (4) by striking subsection (c) and inserting the
2 following new subsection:
3 "(c) MARKETING ALLOTMENT FOR SUGAR DERIVED
4 FROM SUGAR BEETS AND MARKETING ALLOTMENT FOR
5 SUGAR DERIVED FROM SUGARCANE.—The overall allot-
6 ment quantity for the fiscal year shall be allotted among—
7 "(1) sugar derived from sugar beets by estab-
8 lishing a marketing allotment for a fiscal year at a
9 quantity equal to the product of multiplying the
10 overall allotment quantity for the fiscal year by the
11 percentage of 54.35; and
12 "(2) sugar derived from sugarcane by estab-
13 lishing a marketing allotment for a fiscal year at a
14 quantity equal to the product of multiplying the
15 overall allotment quantity for the fiscal year by the
16 percentage of 45.65.";
17 (5) by amending subsection (d) to read as fol-
18 lows:
19 "(d) FILLING CANE SUGAR AND BEET SUGAR AL-
20 LOTMENTS.—Each marketing allotment for cane sugar es-
21 tablished under this section may only be filled with sugar
22 processed from domestically grown sugarcane, and each
23 marketing allotment for beet sugar established under this
24 section may only be filled with sugar domestically proc-
25 essed from sugar beets.";

(6) by striking subsection (e);

(7) by redesignating subsection (f) as subsection (e);

(8) in subsection (e), as so redesignated—

(A) by inserting "(1) IN GENERAL.—" before "The allotment for sugar" and indenting such paragraph appropriately;

(B) in such paragraph (1)—

(i) by striking "the 5" and inserting "the";

(ii) by inserting after "sugarcane is produced," the following: "after a hearing, if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe,";

(iii) by striking "on the basis of past marketings" and all that follows through "allotments", and inserting "as provided in this subsection and section 359d(a)(2)(A)(iv)"; and

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

"(2) OFFSHORE ALLOTMENT.—

1 "(A) COLLECTIVELY.—Prior to the allot-
2 ment of sugar derived from sugarcane to any
3 other State, 325,000 short tons, raw value shall
4 be allotted to the offshore States.
5 "(B) INDIVIDUALLY.—The collective off-
6 shore State allotment provided for under sub-
7 paragraph (A) shall be further allotted among
8 the offshore States in which sugarcane is pro-
9 duced, after a hearing if requested by the af-
10 fected sugar cane processors and growers, and
11 on such notice as the Secretary by regulation
12 may prescribe, in a fair and equitable manner
13 on the basis of—
14 "(i) past marketings of sugar, based
15 on the average of the 2 highest years of
16 production of raw cane sugar from the
17 1996 through 2000 crops;
18 "(ii) the ability of processors to mar-
19 ket the sugar covered under the allotments
20 for the crop year; and
21 "(iii) past processings of sugar from
22 sugarcane based on the 3 year average of
23 the crop years 1998 through 2000.
24 "(3) MAINLAND ALLOTMENT.—The allotment
25 for sugar derived from sugarcane, less the amount

1 provided for under paragraph (2), shall be allotted
2 among the mainland States in the United States in
3 which sugarcane is produced, after a hearing if re-
4 quested by the affected sugar cane processors and
5 growers, and on such notice as the Secretary by reg-
6 ulation may prescribe, in a fair and equitable man-
7 ner on the basis of—
8 "(A) past marketings of sugar, based on
9 the average of the 2 highest years of production
10 of raw cane sugar from the 1996 through 2000
11 crops;
12 "(B) the ability of processors to market
13 the sugar covered under the allotments for the
14 crop year; and
15 "(C) past processings of sugar from sugar-
16 cane, based on the 3 crop years with the great-
17 est processings (in the mainland States collec-
18 tively) during the 1991 through 2000 crop
19 years.";
20 (9) by inserting after subsection (e), as so re-
21 designated, the following new subsection (f):
22 "(f) FILLING CANE SUGAR ALLOTMENTS.—Except
23 as otherwise provided in section 359e, a State cane sugar
24 allotment established under subsection (e) for a fiscal year

1 may be filled only with sugar processed from sugarcane
2 grown in the State covered by the allotment.";
3 (10) in subsection (g)—
4 (A) in paragraph (1), by striking
5 "359b(a)(2)—" and all that follows through the
6 comma at the end of subparagraph (C) and in-
7 serting "359b(a)(3), adjust upward or down-
8 ward marketing allotments in a fair and equi-
9 table manner";
10 (B) in paragraph (2) by striking "359f(b)"
11 and inserting "359f(c)"; and
12 (C) in paragraph (3)—
13 (i) by striking "REDUCTIONS" and in-
14 serting "CARRY-OVER OF REDUCTIONS";
15 (ii) by inserting after "this subsection,
16 if" the following: "at the time of the reduc-
17 tion";
18 (iii) by striking "price support" and
19 inserting "nonrecourse";
20 (iv) by striking "206" and all that fol-
21 lows through "the allotment" and inserting
22 "156 of the Agricultural Market Transi-
23 tion Act (7 U.S.C. 7272),"; and
24 (v) by striking ", if any,"; and

1 (11) by amending subsection (h) to read as fol-
2 lows:
3 "(h) SUSPENSION OF ALLOTMENTS.—Whenever the
4 Secretary estimates, or reestimates, under section
5 359b(a), or has reason to believe that imports of sugars,
6 syrups or molasses for human consumption or to be used
7 for the extraction of sugar for human consumption, wheth-
8 er under a tariff-rate quota or in excess or outside of a
9 tariff-rate quota, will exceed 1.532 million short tons, raw
10 value equivalent, and that such imports would lead to a
11 reduction of the overall allotment quantity, the Secretary
12 shall suspend the marketing allotments until such time as
13 such imports have been restricted, eliminated, or otherwise
14 reduced to or below the level of 1.532 million tons.".
15 (d) ALLOCATION.—Section 359d of the Agricultural
16 Adjustment Act of 1938 (7 U.S.C. 1359dd) is amended—
17 (1) in subsection (a)(2)(A)—
18 (A) by inserting "(i) IN GENERAL.—" be-
19 fore "The Secretary shall" and indenting such
20 clause appropriately;
21 (B) in clause (i), as so designated—
22 (i) by striking "interested parties"
23 and inserting "the affected sugar cane
24 processors and growers";

(ii) by striking "by taking" and all that follows through "allotment allocated." and inserting "with this subparagraph."; and

(iii) by inserting at the end the following new sentence: "Each such allocation shall be subject to adjustment under section 359c(g).";

(C) by inserting after clause (i) the following new clauses:

"(ii) MULTIPLE PROCESSOR STATES.—Except as provided in clause (iii), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single State based upon—

"(I) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops;

"(II) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;

1 "(III) past processings of sugar
2 from sugarcane, based on the average
3 of the 3 highest years from among
4 crop years 1996 through 2000; and
5 "(IV) however, only with respect
6 to allotments under subclauses (I),
7 (II), and (III) attributable to the
8 former operations of the Talisman
9 processing facility, shall be allocated
10 among processors in the State coinci-
11 dent with the provisions of the agree-
12 ments of March 25 and March 26,
13 1999, between the affected processors
14 and the Department of the Interior.
15 "(iii) PROPORTIONATE SHARE
16 STATES.—In the case of States subject to
17 section 359f(c), the Secretary shall allocate
18 the allotment for cane sugar among mul-
19 tiple cane sugar processors in a single
20 state based upon—
21 "(I) past marketings of sugar,
22 based on the average of the two high-
23 est years of production of raw cane
24 sugar from among the 1997 through
25 2001 crop years;

1 "(II) the ability of processors to
2 market sugar covered by that portion
3 of the allotments allocated for the
4 crop year; and
5 "(III) past processings of sugar
6 from sugarcane, based on the average
7 of the two highest crop years from the
8 five crop years 1997 through 2001.
9 "(iv) NEW ENTRANTS.—Notwith-
10 standing clauses (ii) and (iii), the Sec-
11 retary, on application of any processor that
12 begins processing sugarcane on or after the
13 date of enactment of this clause, and after
14 a hearing if requested by the affected sug-
15 arcane processors and growers, and on
16 such notice as the Secretary by regulation
17 may prescribe, may provide such processor
18 with an allocation which provides a fair, ef-
19 ficient and equitable distribution of the al-
20 locations from the allotment for the State
21 in which the processor is located and, in
22 the case of proportionate share States,
23 shall establish proportionate shares in an
24 amount sufficient to produce the sugarcane
25 required to satisfy such allocations. How-

1 ever, the allotment for a new processor
2 under this clause shall not exceed 50,000
3 short tons, raw value.
4 "(v) TRANSFER OF OWNERSHIP.—Ex-
5 cept as otherwise provided in section
6 359f(c)(8), in the event that a sugarcane
7 processor is sold or otherwise transferred
8 to another owner, or closed as part of an
9 affiliated corporate group processing con-
10 solidation, the Secretary shall transfer the
11 allotment allocation for the processor to
12 the purchaser, new owner, or successor in
13 interest, as applicable, of the processor.";
14 and
15 (2) in subsection (a)(2)(B)—
16 (A) by striking "interested parties" and in-
17 serting "the affected sugar beet processors and
18 growers"; and
19 (B) by striking "processing capacity" and
20 all that follows through "allotment allocated"
21 and inserting the following: "the marketings of
22 sugar processed from sugar beets of any or all
23 of the 1996 through 2000 crops, and such other
24 factors as the Secretary may deem appropriate
25 after consultation with the affected sugar beet

1 processors and growers. However, in the case of
2 any processor which has started processing
3 sugar beets after January 1, 1996, the Sec-
4 retary shall provide such processor with an allo-
5 cation which provides a fair, efficient and equi-
6 table distribution of the allocations".
7 (e) REASSIGNMENT.—Section 359e(b) of the Agricul-
8 tural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is
9 amended—
10 (1) in paragraph (1)—
11 (A) in subparagraph (B) by striking the
12 "and" after the semicolon;
13 (B) by redesignating subparagraph (C) as
14 subparagraph (D);
15 (C) by inserting after subparagraph (B)
16 the following new subparagraph:
17 "(C) if after the reassignments, the deficit
18 cannot be completely eliminated, the Secretary
19 shall reassign the estimated quantity of the def-
20 icit to the sale of any inventories of sugar held
21 by the Commodity Credit Corporation; and";
22 and
23 (D) in subparagraph (D), as so redesig-
24 nated, by inserting "and sales" after "reassign-
25 ments"; and

1 (2) in paragraph (2)—

2 (A) in subparagraph (A) by striking the
3 "and" after the semicolon;

4 (B) in subparagraph (B), by striking "re-
5 assign the remainder to imports." and inserting
6 "use the estimated quantity of the deficit for
7 the sale of any inventories of sugar held by the
8 Commodity Credit Corporation; and"; and

9 (C) by inserting after subparagraph (B)
10 the following new subparagraph:

11 "(C) if after such reassignments and sales,
12 the deficit cannot be completely eliminated, the
13 Secretary shall reassign the remainder to im-
14 ports.".

15 (f) PRODUCER PROVISIONS.—Section 359f of the Ag-
16 ricultural Adjustment Act of 1938 (7 U.S.C. 1359ff) is
17 amended—

18 (1) in subsection (a)—

19 (A) by striking "processor's allocation" in
20 the second sentence and inserting "allocation to
21 the processor"; and

22 (B) by inserting after "request of either
23 party" the following: ", and such arbitration
24 should be completed within 45 days, but not
25 more than 60 days, of the request";

1 (2) by redesignating subsection (b) as sub-
2 section (c);
3 (3) by inserting after subsection (a) the fol-
4 lowing new subsection:
5 "(b) SUGAR BEET PROCESSING FACILITY CLO-
6 SURES.— In the event that a sugar beet processing facility
7 is closed and the sugar beet growers who previously deliv-
8 ered beets to such facility desire to deliver their beets to
9 another processing company:
10 "(1) Such growers may petition the Secretary
11 to modify existing allocations to accommodate such
12 a transition; and
13 "(2) The Secretary may increase the allocation
14 to the processing company to which the growers de-
15 sire to deliver their sugar beets, and which the proc-
16 essing company agrees to accept, not to exceed its
17 processing capacity, to accommodate the change in
18 deliveries.
19 "(3) Such increased allocation shall be deducted
20 from the allocation to the company that owned the
21 processing facility that has been closed and the re-
22 maining allocation will be unaffected.
23 "(4) The Secretary's determination on the
24 issues raised by the petition shall be made within 60
25 days of the filing of the petition.";

(4) in subsection (c), as so redesignated—

(A) in paragraph (3)(A), by striking "the preceding five years" and inserting "the two highest years from among the years 1999, 2000, and 2001";

(B) in paragraph (4)(A), by striking "each" and all that follows through "in effect" and inserting "the two highest of the three (3) crop years 1999, 2000, and 2001"; and

(C) by inserting after paragraph (7) the following new paragraph:

"(8) PROCESSING FACILITY CLOSURES.—In the event that a sugarcane processing facility subject to this subsection is closed and the sugarcane growers who previously delivered sugarcane to such facility desire to deliver their sugarcane to another processing company—

"(A) such growers may petition the Secretary to modify existing allocations to accommodate such a transition;

"(B) the Secretary may increase the allocation to the processing company to which the growers desire to deliver the sugarcane, and which the processing company agrees to accept,

1 not to exceed its processing capacity, to accom-
2 modate the change in deliveries;
3 "(C) such increased allocation shall be de-
4 ducted from the allocation to the company that
5 owned the processing facility that has been
6 closed and the remaining allocation will be un-
7 affected; and
8 "(D) the Secretary's determination on the
9 issues raised by the petition shall be made with-
10 in 60 days of the filing of the petition.".
11 (g) CONFORMING AMENDMENTS.—(1) The heading
12 of part VII of subtitle B of Title III of the Agricultural
13 Adjustment Act of 1938 (7 U.S.C. 359aa et seq.) is
14 amended to read as follows:
15 **"PART VII—FLEXIBLE MARKETING ALLOTMENTS**
16 **FOR SUGAR".**
17 (2) Section 359g of the Agricultural Adjustment Act
18 of 1938 (7 U.S.C. 1359gg) is amended—
19 (A) by striking "359f" each place it appears
20 and inserting "359f(c)";
21 (B) in subsection (b), by striking "3 consecu-
22 tive" and inserting "5 consecutive"; and
23 (C) in subsection (c), by inserting "or adjusted"
24 after "share established".

1 (3) Section 359j(c) of the Agricultural Adjustment
2 Act of 1938 (7 U.S.C. 1359jj) is amended—
3 (A) by amending the subsection heading to read
4 as follows: "DEFINITIONS.—";
5 (B) by striking "Notwithstanding" and insert-
6 ing the following:
7 "(1) UNITED STATES AND STATE.—Notwith-
8 standing"; and
9 (C) by inserting after such paragraph (1) the
10 following new paragraph:
11 "(2) OFFSHORE STATES.—For purposes of this
12 part, the term 'offshore States' means the sugarcane
13 producing States located outside of the continental
14 United States.".
15 (h) LIFTING OF SUSPENSION.—Section 171(a)(1)(E)
16 of the Federal Agriculture Improvement and Reform Act
17 of 1996 (7 U.S.C. 7301(a)(1)(E)) is amended by inserting
18 before the period at the end the following: ", but only with
19 respect to sugar marketings through fiscal year 2002".
20 **SEC. 153. STORAGE FACILITY LOANS.**
21 (a) STORAGE FACILITY LOAN PROGRAM.—Notwith-
22 standing any other provision of law and as soon as prac-
23 ticable after the date of enactment of this section, the
24 Commodity Credit Corporation shall amend part 1436 of
25 title 7, Code of Federal Regulations, to establish a sugar

1 storage facility loan program to provide financing for proc-
2 essors of domestically-produced sugarcane and sugar beets
3 to build or upgrade storage and handling facilities for raw
4 sugars and refined sugars.

5 (b) ELIGIBLE PROCESSORS.—Storage facility loans
6 shall be made available to any processor of domestically
7 produced sugarcane or sugar beets that has a satisfactory
8 credit history, determines a need for increased storage ca-
9 pacity (taking into account the effects of marketing allot-
10 ments), and demonstrates an ability to repay the loan.

11 (c) TERM OF LOANS.—Storage facility loans shall be
12 for a minimum of seven years, and shall be in such
13 amounts and on such terms and conditions (including
14 down payment, security requirements, and eligible equip-
15 ment) as are normal, customary, and appropriate for the
16 size and commercial nature of the borrower.

17 (d) ADMINISTRATION.—The sugar storage facility
18 loan program shall be administered using the services, fa-
19 cilities, funds, and authorities of the Commodity Credit
20 Corporation.

21 CHAPTER 3—PEANUTS

22 SEC. 161. DEFINITIONS.

23 In this chapter:

1 (1) COUNTER-CYCLICAL PAYMENT.—The term
2 "counter-cyclical payment" means a payment made
3 to peanut producers under section 164.
4 (2) EFFECTIVE PRICE.—The term "effective
5 price" means the price calculated by the Secretary
6 under section 164 for peanuts to determine whether
7 counter-cyclical payments are required to be made
8 under such section for a crop year.
9 (3) HISTORIC PEANUT PRODUCER.—The term
10 "historic peanut producer" means a peanut producer
11 on a farm in the United States that produced or at-
12 tempted to produce peanuts during any or all of
13 crop years 1998, 1999, 2000, and 2001.
14 (4) FIXED, DECOUPLED PAYMENT.—The term
15 "fixed, decoupled payment" means a payment made
16 to peanut producers under section 163.
17 (5) PAYMENT ACRES.—The term "payment
18 acres" means 85 percent of the peanut acres on a
19 farm, as established under section 162, upon which
20 fixed, decoupled payments and counter-cyclical pay-
21 ments are to be made.
22 (6) PEANUT ACRES.—The term "peanut acres"
23 means the number of acres assigned to a particular
24 farm by historic peanut producers pursuant to sec-
25 tion 162(b).

1 (7) PAYMENT YIELD.—The term "payment
2 yield" means the yield assigned to a particular farm
3 by historic peanut producers pursuant to section
4 162(b).
5 (8) PEANUT PRODUCER.—The term "peanut
6 producer" means an owner, operator, landlord, ten-
7 ant, or sharecropper who shares in the risk of pro-
8 ducing a crop of peanuts in the United States and
9 who is entitled to share in the crop available for
10 marketing from the farm, or would have shared had
11 the crop been produced.
12 (9) SECRETARY.—The term "Secretary" means
13 the Secretary of Agriculture.
14 (10) STATE.—The term "State" means each of
15 the several States of the United States, the District
16 of Columbia, the Commonwealth of Puerto Rico, and
17 any other territory or possession of the United
18 States.
19 (11) TARGET PRICE.—The term "target price"
20 means the price per ton of peanuts used to deter-
21 mine the payment rate for counter-cyclical pay-
22 ments.
23 (12) UNITED STATES.—The term "United
24 States", when used in a geographical sense, means
25 all of the States.

1 **SEC. 162. ESTABLISHMENT OF PAYMENT YIELD, PEANUT**
2 **ACRES, AND PAYMENT ACRES FOR A FARM.**

3 (a) ESTABLISHMENT OF PAYMENT YIELD AND PAY-
4 MENT ACRES.—

5 (1) DETERMINATION OF AVERAGE YIELD.—The
6 Secretary shall determine, for each historic peanut
7 producer, the average yield for peanuts on each farm
8 on which the historic peanut producer produced pea-
9 nuts for the 1998 through 2001 crop years, exclud-
10 ing any crop year in which the producer did not
11 produce peanuts. If, for any of these four crop years
12 in which peanuts were planted on a farm by the pro-
13 ducer, the farm would have satisfied the eligibility
14 criteria established to carry out section 1102 of the
15 Agriculture, Rural Development, Food and Drug
16 Administration, and Related Agencies Appropria-
17 tions Act, 1999 (7 U.S.C. 1421 note; Public Law
18 105–277), the Secretary shall assign a yield for the
19 producer for that year equal to 65 percent of the
20 county yield, as determined by the Secretary.

21 (2) DETERMINATION OF ACREAGE AVERAGE.—
22 The Secretary shall determine, for each historic pea-
23 nut producer, the four-year average of acreage actu-
24 ally planted in peanuts by the historic peanut pro-
25 ducer for harvest on one or more farms during crop
26 years 1998, 1999, 2000, and 2001 and any acreage

1 that the producer was prevented from planting to
2 peanuts during such crop years because of drought,
3 flood, or other natural disaster, or other condition
4 beyond the control of the producer, as determined by
5 the Secretary. If more than one historic peanut pro-
6 ducer shared in the risk of producing the crop on
7 the farm, the historic peanut producers shall receive
8 their proportional share of the number of acres
9 planted (or prevented from being planted) to pea-
10 nuts for harvest on the farm based on the sharing
11 arrangement that was in effect among the producers
12 for the crop.

13 (3) TIME FOR DETERMINATIONS; CONSIDER-
14 ATIONS.—The Secretary shall make the determina-
15 tions required by this subsection not later than 90
16 days after the date of the enactment of this Act. In
17 making such determinations, the Secretary shall
18 take into account changes in the number and iden-
19 tity of persons sharing in the risk of producing a
20 peanut crop since the 1998 crop year, including pro-
21 viding a method for the assignment of average acres
22 and average yield to a farm when the historic peanut
23 producer is no longer living or an entity composed
24 of historic peanut producers has been dissolved.

1 (b) ASSIGNMENT OF PAYMENT YIELD AND PEANUT
2 ACRES TO FARMS.—
3 (1) ASSIGNMENT BY HISTORIC PEANUT PRO-
4 DUCERS.—The Secretary shall give each historic
5 peanut producer an opportunity to assign the aver-
6 age peanut yield and average acreage determined
7 under subsection (a) for the producer to cropland on
8 a farm.
9 (2) PAYMENT YIELD.—The average of all of the
10 yields assigned by historic peanut producers to a
11 farm shall be deemed to be the payment yield for
12 that farm for the purpose of making fixed decoupled
13 payments and counter-cyclical payments under this
14 chapter.
15 (3) PEANUT ACRES.—Subject to subsection (e),
16 the total number of acres assigned by historic pea-
17 nut producers to a farm shall be deemed to be the
18 peanut acres for a farm for the purpose of making
19 fixed decoupled payments and counter-cyclical pay-
20 ments under this chapter.
21 (c) TIME FOR ASSIGNMENT.—The opportunity to
22 make the assignments described in subsection (b) shall be
23 available to historic peanut producers only once. The his-
24 toric peanut producers shall notify the Secretary of the
25 assignments made by such producers under such sub-

1 sections not later than 180 days after the date of the en-
2 actment of this Act.
3 (d) PAYMENT ACRES.—The payment acres for pea-
4 nuts on a farm shall be equal to 85 percent of the peanut
5 acres assigned to the farm.
6 (e) PREVENTION OF EXCESS PEANUT ACRES.—
7 (1) REQUIRED REDUCTION.—If the sum of the
8 peanut acres for a farm, together with the acreage
9 described in paragraph (2), exceeds the actual crop-
10 land acreage of the farm, the Secretary shall reduce
11 the quantity of peanut acres for the farm or base
12 acres for one or more covered commodities for the
13 farm as necessary so that the sum of the peanut
14 acres and acreage described in paragraph (2) does
15 not exceed the actual cropland acreage of the farm.
16 The Secretary shall give the peanut producers on the
17 farm the opportunity to select the peanut acres or
18 base acres against which the reduction will be made.
19 (2) OTHER ACREAGE.—For purposes of para-
20 graph (1), the Secretary shall include the following:
21 (A) Any base acres for the farm under
22 subtitle A.
23 (B) Any acreage on the farm enrolled in
24 the conservation reserve program or wetlands
25 reserve program under chapter 1 of subtitle D

1 of title XII of the Food Security Act of 1985
2 (16 U.S.C. 3830 et seq.).
3 (C) Any other acreage on the farm enrolled
4 in a conservation program for which payments
5 are made in exchange for not producing an ag-
6 ricultural commodity on the acreage.
7 (3) EXCEPTION FOR DOUBLE-CROPPED ACRE-
8 AGE.—In applying paragraph (1), the Secretary
9 shall make an exception in the case of double crop-
10 ping, as determined by the Secretary.

11 **SEC. 163. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS**
12 **FOR PEANUTS.**

13 (a) PAYMENT REQUIRED.—For each of the 2002
14 through 2011 crop years, the Secretary shall make fixed,
15 decoupled payments to peanut producers on a farm.
16 (b) PAYMENT RATE.—The payment rate used to
17 make fixed, decoupled payments with respect to peanuts
18 for a crop year shall be equal to $36 per ton.
19 (c) PAYMENT AMOUNT.—The amount of the fixed,
20 decoupled payment to be paid to the peanut producers on
21 a farm for a covered commodity for a crop year shall be
22 equal to the product of the following:
23 (1) The payment rate specified in subsection
24 (b).
25 (2) The payment acres on the farm.

1 (3) The payment yield for the farm.

2 (d) TIME FOR PAYMENT.—

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

8 (2) ADVANCE PAYMENTS.—At the option of a
9 peanut producer, 50 percent of the fixed, decoupled
10 payment for a fiscal year shall be paid on a date se-
11 lected by the peanut producer. The selected date
12 shall be on or after December 1 of that fiscal year,
13 and the peanut producer may change the selected
14 date for a subsequent fiscal year by providing ad-
15 vance notice to the Secretary.

16 (3) REPAYMENT OF ADVANCE PAYMENTS.—If a
17 peanut producer that receives an advance fixed, de-
18 coupled payment for a fiscal year ceases to be a pea-
19 nut producer before the date the fixed, decoupled
20 payment would otherwise have been made by the
21 Secretary under paragraph (1), the peanut producer
22 shall be responsible for repaying the Secretary the
23 full amount of the advance payment.

1 **SEC. 164. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS**
2 **FOR PEANUTS.**

3 (a) PAYMENT REQUIRED.—During the 2002 through
4 2011 crop years for peanuts, the Secretary shall make
5 counter-cyclical payments with respect to peanuts when-
6 ever the Secretary determines that the effective price for
7 peanuts is less than the target price.

8 (b) EFFECTIVE PRICE.—For purposes of subsection
9 (a), the effective price for peanuts is equal to the sum
10 of the following:

11 (1) The higher of the following:

12 (A) The national average market price re-
13 ceived by peanut producers during the 12-
14 month marketing year for peanuts, as deter-
15 mined by the Secretary.

16 (B) The national average loan rate for a
17 marketing assistance loan for peanuts in effect
18 for the same period under this chapter.

19 (2) The payment rate in effect under section
20 163 for the purpose of making fixed, decoupled pay-
21 ments.

22 (c) TARGET PRICE.—For purposes of subsection (a),
23 the target price for peanuts shall be equal to $480 per
24 ton.

1 (d) PAYMENT RATE.—The payment rate used to
2 make counter-cyclical payments for a crop year shall be
3 equal to the difference between—
4 (1) the target price; and
5 (2) the effective price determined under sub-
6 section (b).
7 (e) PAYMENT AMOUNT.—The amount of the counter-
8 cyclical payment to be paid to the peanut producers on
9 a farm for a crop year shall be equal to the product of
10 the following:
11 (1) The payment rate specified in subsection
12 (d).
13 (2) The payment acres on the farm.
14 (3) The payment yield for the farm.
15 (f) TIME FOR PAYMENTS.—
16 (1) GENERAL RULE.—The Secretary shall make
17 counter-cyclical payments under this section for a
18 peanut crop as soon as possible after determining
19 under subsection (a) that such payments are re-
20 quired for that crop year.
21 (2) PARTIAL PAYMENT.—The Secretary may
22 permit, and, if so permitted, a peanut producer may
23 elect to receive, up to 50 percent of the projected
24 counter-cyclical payment, as determined by the Sec-
25 retary, to be made under this section for a peanut

1 crop upon completion of the first six months of the
2 marketing year for that crop. The peanut producer
3 shall repay to the Secretary the amount, if any, by
4 which the partial payment exceeds the actual
5 counter-cyclical payment to be made for that crop.

6 **SEC. 165. PRODUCER AGREEMENT REQUIRED AS CONDI-**
7 **TION ON PROVISION OF FIXED, DECOUPLED**
8 **PAYMENTS AND COUNTER-CYCLICAL PAY-**
9 **MENTS.**

10 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—
11 (1) REQUIREMENTS.—Before the peanut pro-
12 ducers on a farm may receive fixed, decoupled pay-
13 ments or counter-cyclical payments with respect to
14 the farm, the peanut producers shall agree, in ex-
15 change for the payments—
16 (A) to comply with applicable conservation
17 requirements under subtitle B of title XII of
18 the Food Security Act of 1985 (16 U.S.C. 3811
19 et seq.);
20 (B) to comply with applicable wetland pro-
21 tection requirements under subtitle C of title
22 XII of the Act (16 U.S.C. 3821 et seq.);
23 (C) to comply with the planting flexibility
24 requirements of section 166; and

1 (D) to use the land on the farm, in an
2 amount equal to the peanut acres, for an agri-
3 cultural or conserving use, and not for a non-
4 agricultural commercial or industrial use, as de-
5 termined by the Secretary.
6 (2) COMPLIANCE.—The Secretary may issue
7 such rules as the Secretary considers necessary to
8 ensure peanut producer compliance with the require-
9 ments of paragraph (1).
10 (b) EFFECT OF FORECLOSURE.—A peanut producer
11 may not be required to make repayments to the Secretary
12 of fixed, decoupled payments and counter-cyclical pay-
13 ments if the farm has been foreclosed on and the Secretary
14 determines that forgiving the repayments is appropriate
15 to provide fair and equitable treatment. This subsection
16 shall not void the responsibilities of the peanut producer
17 under subsection (a) if the peanut producer continues or
18 resumes operation, or control, of the farm. On the resump-
19 tion of operation or control over the farm by the producer,
20 the requirements of subsection (a) in effect on the date
21 of the foreclosure shall apply.
22 (c) TRANSFER OR CHANGE OF INTEREST IN FARM.—
23 (1) TERMINATION.—Except as provided in
24 paragraph (4), a transfer of (or change in) the inter-
25 est of a peanut producer in peanut acres for which

1 fixed, decoupled payments or counter-cyclical pay-
2 ments are made shall result in the termination of
3 the payments with respect to the peanut acres, un-
4 less the transferee or owner of the acreage agrees to
5 assume all obligations under subsection (a). The ter-
6 mination shall be effective on the date of the trans-
7 fer or change.

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

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

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

23 (d) ACREAGE REPORTS.—As a condition on the re-
24 ceipt of any benefits under this chapter, the Secretary

1 shall require peanut producers to submit to the Secretary
2 acreage reports.
3 (e) TENANTS AND SHARECROPPERS.—In carrying
4 out this chapter, the Secretary shall provide adequate
5 safeguards to protect the interests of tenants and share-
6 croppers.
7 (f) SHARING OF PAYMENTS.—The Secretary shall
8 provide for the sharing of fixed, decoupled payments and
9 counter-cyclical payments among the peanut producers on
10 a farm on a fair and equitable basis.
11 **SEC. 166. PLANTING FLEXIBILITY.**
12 (a) PERMITTED CROPS.—Subject to subsection (b),
13 any commodity or crop may be planted on peanut acres
14 on a farm.
15 (b) LIMITATIONS AND EXCEPTIONS REGARDING
16 CERTAIN COMMODITIES.—
17 (1) LIMITATIONS.—The planting of the fol-
18 lowing agricultural commodities shall be prohibited
19 on peanut acres:
20 (A) Fruits.
21 (B) Vegetables (other than lentils, mung
22 beans, and dry peas).
23 (C) Wild rice.

1 (2) EXCEPTIONS.—Paragraph (1) shall not
2 limit the planting of an agricultural commodity spec-
3 ified in such paragraph—
4 (A) in any region in which there is a his-
5 tory of double-cropping of peanuts with agricul-
6 tural commodities specified in paragraph (1), as
7 determined by the Secretary, in which case the
8 double-cropping shall be permitted;
9 (B) on a farm that the Secretary deter-
10 mines has a history of planting agricultural
11 commodities specified in paragraph (1) on pea-
12 nut acres, except that fixed, decoupled pay-
13 ments and counter-cyclical payments shall be
14 reduced by an acre for each acre planted to
15 such an agricultural commodity; or
16 (C) by a peanut producer who the Sec-
17 retary determines has an established planting
18 history of a specific agricultural commodity
19 specified in paragraph (1), except that—
20 (i) the quantity planted may not ex-
21 ceed the peanut producer's average annual
22 planting history of such agricultural com-
23 modity in the 1991 through 1995 crop
24 years (excluding any crop year in which no

1 plantings were made), as determined by
2 the Secretary; and
3 (ii) fixed, decoupled payments and
4 counter-cyclical payments shall be reduced
5 by an acre for each acre planted to such
6 agricultural commodity.

7 **SEC. 167. MARKETING ASSISTANCE LOANS AND LOAN DEFI-**
8 **CIENCY PAYMENTS FOR PEANUTS.**

9 (a) NONRECOURSE LOANS AVAILABLE.—
10 (1) AVAILABILITY.—For each of the 2002
11 through 2011 crops of peanuts, the Secretary shall
12 make available to peanut producers on a farm non-
13 recourse marketing assistance loans for peanuts pro-
14 duced on the farm. The loans shall be made under
15 terms and conditions that are prescribed by the Sec-
16 retary and at the loan rate established under sub-
17 section (b).
18 (2) ELIGIBLE PRODUCTION.—Any production of
19 peanuts on a farm shall be eligible for a marketing
20 assistance loan under this subsection.
21 (3) TREATMENT OF CERTAIN COMMINGLED
22 COMMODITIES.—In carrying out this subsection, the
23 Secretary shall make loans to a peanut producer
24 that is otherwise eligible to obtain a marketing as-
25 sistance loan, but for the fact the peanuts owned by

1 the peanut producer are commingled with other pea-
2 nuts in facilities unlicensed for the storage of agri-
3 cultural commodities by the Secretary or a State li-
4 censing authority, if the peanut producer obtaining
5 the loan agrees to immediately redeem the loan col-
6 lateral in accordance with section 166 of the Federal
7 Agriculture Improvement and Reform Act of 1996
8 (7 U.S.C. 7286).

9 (4) OPTIONS FOR OBTAINING LOAN.—A mar-
10 keting assistance loan under this subsection, and
11 loan deficiency payments under subsection (e), may
12 be obtained at the option of the peanut producer
13 through—

14 (A) a designated marketing association of
15 peanut producers that is approved by the Sec-
16 retary;

17 (B) a loan servicing agent approved by the
18 Secretary; or

19 (C) the Farm Service Agency.

20 (5) LOAN SERVICING AGENT.—As a condition
21 of the Secretary's approval of an entity to serve as
22 a loan servicing agent or to handle or store peanuts
23 for peanut producers that receive any marketing
24 loan benefits, the entity shall agree to provide ade-
25 quate storage (if available) and handling of peanuts

1 at the commercial rate to other approved loan serv-
2 icing agents and marketing associations.
3 (b) LOAN RATE.—The loan rate for a marketing as-
4 sistance loan under for peanuts subsection (a) shall be
5 equal to $350 per ton.
6 (c) TERM OF LOAN.—
7 (1) IN GENERAL.—A marketing assistance loan
8 for peanuts under subsection (a) shall have a term
9 of nine months beginning on the first day of the
10 first month after the month in which the loan is
11 made.
12 (2) EXTENSIONS PROHIBITED.—The Secretary
13 may not extend the term of a marketing assistance
14 loan under subsection (a).
15 (d) REPAYMENT RATE.—The Secretary shall permit
16 peanut producers to repay a marketing assistance loan for
17 peanuts under subsection (a) at a rate that is the lesser
18 of—
19 (1) the loan rate established for the commodity
20 under subsection (b), plus interest (as determined by
21 the Secretary); or
22 (2) a rate that the Secretary determines will—
23 (A) minimize potential loan forfeitures;
24 (B) minimize the accumulation of stocks of
25 peanuts by the Federal Government;

1 (C) minimize the cost incurred by the Fed-
2 eral Government in storing peanuts; and
3 (D) allow peanuts produced in the United
4 States to be marketed freely and competitively,
5 both domestically and internationally.
6 (e) LOAN DEFICIENCY PAYMENTS.—
7 (1) AVAILABILITY.—The Secretary may make
8 loan deficiency payments available to peanut pro-
9 ducers who, although eligible to obtain a marketing
10 assistance loan for peanuts under subsection (a),
11 agree to forgo obtaining the loan for the peanuts in
12 return for payments under this subsection.
13 (2) COMPUTATION.—A loan deficiency payment
14 under this subsection shall be computed by
15 multiplying—
16 (A) the loan payment rate determined
17 under paragraph (3) for peanuts; by
18 (B) the quantity of the peanuts produced
19 by the peanut producers, excluding any quan-
20 tity for which the producers obtain a loan under
21 subsection (a).
22 (3) LOAN PAYMENT RATE.—For purposes of
23 this subsection, the loan payment rate shall be the
24 amount by which—

1 (A) the loan rate established under sub-
2 section (b); exceeds
3 (B) the rate at which a loan may be repaid
4 under subsection (d).
5 (4) TIME FOR PAYMENT.—The Secretary shall
6 make a payment under this subsection to a peanut
7 producer with respect to a quantity of peanuts as of
8 the earlier of the following:
9 (A) The date on which the peanut pro-
10 ducer marketed or otherwise lost beneficial in-
11 terest in the peanuts, as determined by the Sec-
12 retary.
13 (B) The date the peanut producer requests
14 the payment.
15 (f) COMPLIANCE WITH CONSERVATION AND WET-
16 LANDS REQUIREMENTS.—As a condition of the receipt of
17 a marketing assistance loan under subsection (a), the pea-
18 nut producer shall comply with applicable conservation re-
19 quirements under subtitle B of title XII of the Food Secu-
20 rity Act of 1985 (16 U.S.C. 3811 et seq.) and applicable
21 wetland protection requirements under subtitle C of title
22 XII of the Act (16 U.S.C. 3821 et seq.) during the term
23 of the loan.
24 (g) REIMBURSABLE AGREEMENTS AND PAYMENT OF
25 EXPENSES.—To the extent practicable, the Secretary

1 shall implement any reimbursable agreements or provide
2 for the payment of expenses under this chapter in a man-
3 ner that is consistent with such activities in regard to
4 other commodities.

5 (h) TERMINATION OF SUPERSEDED PRICE SUPPORT
6 AUTHORITY.—

7 (1) REPEAL.—Section 155 of the Federal Agri-
8 culture Improvement and Reform Act of 1996 (7
9 U.S.C. 7271) is repealed.

10 (2) CONFORMING AMENDMENTS.—The Agricul-
11 tural Act of 1949 (7 U.S.C. 1441 et seq.) is
12 amended—

13 (A) in section 101(b) (7 U.S.C. 1441(b)),
14 by striking "and peanuts"; and

15 (B) in section 408(c) (7 U.S.C. 1428(c)),
16 by striking "peanuts,".

17 **SEC. 168. QUALITY IMPROVEMENT.**

18 (a) OFFICIAL INSPECTION.—

19 (1) MANDATORY INSPECTION.—All peanuts
20 placed under a marketing assistance loan under sec-
21 tion 167 shall be officially inspected and graded by
22 Federal or State inspectors.

23 (2) OPTIONAL INSPECTION.—Peanuts not
24 placed under a marketing assistance loan may be
25 graded at the option of the peanut producer.

1 (b) TERMINATION OF PEANUT ADMINISTRATIVE
2 COMMITTEE.—The Peanut Administrative Committee es-
3 tablished under Marketing Agreement No. 1436, which
4 regulates the quality of domestically produced peanuts
5 under the Agricultural Adjustment Act (7 U.S.C. 601 et
6 seq.), reenacted with amendments by the Agricultural
7 Marketing Agreement Act of 1937, is terminated.
8 (c) ESTABLISHMENT OF PEANUT STANDARDS
9 BOARD.—The Secretary shall establish a Peanut Stand-
10 ards Board for the purpose of assisting in the establish-
11 ment of quality standards with respect to peanuts. The
12 authority of the Board is limited to assisting in the estab-
13 lishment of quality standards for peanuts. The members
14 of the Board should fairly reflect all regions and segments
15 of the peanut industry.
16 (d) EFFECTIVE DATE.—This section shall take effect
17 with the 2002 crop of peanuts.
18 **SEC. 169. PAYMENT LIMITATIONS.**
19 For purposes of sections 1001 through 1001C of the
20 Food Security Act of 1985 (7 U.S.C. 1308 through 1308–
21 3), separate payment limitations shall apply to peanuts
22 with respect to—
23 (1) fixed, decoupled payments;
24 (2) counter-cyclical payments, and

1 (3) limitations on marketing loan gains and
2 loan deficiency payments.

3 **SEC. 170. TERMINATION OF MARKETING QUOTA PROGRAMS**
4 **FOR PEANUTS AND COMPENSATION TO PEA-**
5 **NUT QUOTA HOLDERS FOR LOSS OF QUOTA**
6 **ASSET VALUE.**

7 (a) REPEAL OF MARKETING QUOTA.—
8 (1) REPEAL.—Part VI of subtitle B of title III
9 of the Agricultural Adjustment Act of 1938 (7
10 U.S.C. 1357–1359a), relating to peanuts, is re-
11 pealed.
12 (2) TREATMENT OF 2001 CROP.—Part VI of
13 subtitle B of title III of the Agricultural Adjustment
14 Act of 1938 (7 U.S.C. 1357–1359a), as in effect on
15 the day before the date of the enactment of this Act,
16 shall continue to apply with respect to the 2001 crop
17 of peanuts notwithstanding the amendment made by
18 paragraph (1).
19 (b) COMPENSATION CONTRACT REQUIRED.—The
20 Secretary shall offer to enter into a contract with eligible
21 peanut quota holders for the purpose of providing com-
22 pensation for the lost value of the quota on account of
23 the repeal of the marketing quota program for peanuts
24 under subsection (a). Under the contracts, the Secretary

1 shall make payments to eligible peanut quota holders dur-
2 ing fiscal years 2002 through 2006.
3 (c) TIME FOR PAYMENT.—The payments required
4 under the contracts shall be provided in five equal install-
5 ments not later than September 30 of each of fiscal years
6 2002 through 2006.
7 (d) PAYMENT AMOUNT.—The amount of the pay-
8 ment for a fiscal year to a peanut quota holder under a
9 contract shall be equal to the product obtained by
10 multiplying—
11 (1) $0.10 per pound; by
12 (2) the actual farm poundage quota (excluding
13 seed and experimental peanuts) established for the
14 peanut quota holder's farm under section 358–1(b)
15 of the Agricultural Adjustment Act of 1938 (7
16 U.S.C. 1358–1(b)) for the 2001 marketing year.
17 (e) ASSIGNMENT OF PAYMENTS.—The provisions of
18 section 8(g) of the Soil Conservation and Domestic Allot-
19 ment Act (16 U.S.C. 590h(g)), relating to assignment of
20 payments, shall apply to the payments made to peanut
21 quota holders under the contracts. The peanut quota hold-
22 er making the assignment, or the assignee, shall provide
23 the Secretary with notice, in such manner as the Secretary
24 may require, of any assignment made under this sub-
25 section.

1 (f) PEANUT QUOTA HOLDER DEFINED.—In this sec-
2 tion, the term "peanut quota holder" means a person or
3 enterprise that owns a farm that—
4 (1) was eligible, immediately before the date of
5 the enactment of this Act, to have a peanut quota
6 established upon it;
7 (2) if there are not quotas currently established,
8 would be eligible to have a quota established upon
9 it for the succeeding crop year, in the absence of the
10 amendment made by subsection (a); or
11 (3) is otherwise a farm that was eligible for
12 such a quota at the time the general quota establish-
13 ment authority was repealed.
14 The Secretary shall apply this definition without regard
15 to temporary leases or transfers or quotas for seed or ex-
16 perimental purposes.

17 **Subtitle D—Administration**

18 **SEC. 181. ADMINISTRATION GENERALLY.**

19 (a) USE OF COMMODITY CREDIT CORPORATION.—
20 The Secretary shall carry out this title through the Com-
21 modity Credit Corporation.
22 (b) DETERMINATIONS BY SECRETARY.—A deter-
23 mination made by the Secretary under this title shall be
24 final and conclusive.

1 (c) REGULATIONS.—Not later than 90 days after the
2 date of the enactment of this Act, the Secretary and the
3 Commodity Credit Corporation, as appropriate, shall issue
4 such regulations as are necessary to implement this title.
5 The issuance of the regulations shall be made without re-
6 gard to—
7 (1) the notice and comment provisions of sec-
8 tion 553 of title 5, United States Code;
9 (2) the Statement of Policy of the Secretary of
10 Agriculture effective July 24, 1971 (36 Fed. Reg.
11 13804) relating to notices of proposed rulemaking
12 and public participation in rulemaking; and
13 (3) chapter 35 of title 44, United States Code
14 (commonly know as the "Paperwork Reduction
15 Act").
16 (d) PROTECTION OF PRODUCERS.—The protection
17 afforded producers that elect the option to accelerate the
18 receipt of any payment under a production flexibility con-
19 tract payable under the Federal Agriculture Improvement
20 and Reform Act of 1996 (7 U.S.C. 7212 note) shall also
21 apply to the advance payment of fixed, decoupled pay-
22 ments and counter-cyclical payments.
23 (e) ADJUSTMENT AUTHORITY RELATED TO URU-
24 GUAY ROUND COMPLIANCE.—If the Secretary determines
25 that expenditures under subtitles A, B, and C that are

1 subject to the total allowable domestic support levels under
2 the Uruguay Round Agreements (as defined in section
3 2(7) of the Uruguay Round Agreements Act (19 U.S.C.
4 3501(7))), as in effect on the date of the enactment of
5 this Act, will exceed such allowable levels for any applica-
6 ble reporting period, the Secretary may make adjustments
7 in the amount of such expenditures during that period to
8 ensure that such expenditures do not exceed, but in no
9 case are less than, such allowable levels.

10 **SEC. 182. EXTENSION OF SUSPENSION OF PERMANENT**
11 **PRICE SUPPORT AUTHORITY.**

12 (a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—
13 Section 171(a)(1) of the Federal Agriculture Improvement
14 and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amend-
15 ed by striking "2002" both places it appears and inserting
16 "2011".

17 (b) AGRICULTURAL ACT OF 1949.—Section
18 171(b)(1) of the Federal Agriculture Improvement and
19 Reform Act of 1996 (7 U.S.C. 7301(b)(1)) is amended
20 by striking "2002" both places it appears and inserting
21 "2011".

22 (c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—
23 Section 171(c) of the Federal Agriculture Improvement
24 and Reform Act of 1996 (7 U.S.C. 7301(c)) is amended
25 by striking "2002" and inserting "2011".

1 **SEC. 183. LIMITATIONS.**

2 (a) LIMITATION ON AMOUNTS RECEIVED.—Section
3 1001 of the Food Security Act of 1985 (7 U.S.C. 1308)
4 is amended—

5 (1) in paragraph (1)—

6 (A) by striking "PAYMENTS UNDER PRO-
7 DUCTION FLEXIBILITY CONTRACTS" and insert-
8 ing "FIXED, DECOUPLED PAYMENTS";

9 (B) by striking "contract payments made
10 under the Agricultural Market Transition Act
11 to a person under 1 or more production flexi-
12 bility contracts" and inserting "fixed, decoupled
13 payments made to a person"; and

14 (C) by striking "4" and inserting "5";

15 (2) in paragraphs (2) and (3)—

16 (A) by striking "payments specified" and
17 all that follows through "and oilseeds" and in-
18 serting "following payments that a person shall
19 be entitled to receive";

20 (B) by striking "75" and inserting "150";

21 (C) by striking the period at the end of
22 paragraph (2) and all that follows through "the
23 following" in paragraph (3);

24 (D) by striking "section 131" and all that
25 follows through "section 132" and inserting
26 "section 121 of the Farm Security Act of 2001

1 for a crop of any covered commodity at a lower
2 level than the original loan rate established for
3 the commodity under section 122"; and
4 (E) by striking "section 135" and insert-
5 ing "section 125"; and
6 (3) by inserting after paragraph (2) the fol-
7 lowing new paragraph (3):
8 "(3) LIMITATION ON COUNTER-CYCLICAL PAY-
9 MENTS.—The total amount of counter-cyclical pay-
10 ments that a person may receive during any crop
11 year shall not exceed the amount specified in para-
12 graph (2), as in effect on the day before the date of
13 the enactment of the Farm Security Act of 2001.".
14 (b) DEFINITIONS.—Paragraph (4) of section 1001 of
15 the Food Security Act of 1985 (7 U.S.C. 1308) is amend-
16 ed to read as follows:
17 "(4) DEFINITIONS.—In this title, the terms
18 'covered commodity', 'counter-cyclical payment', and
19 'fixed, decoupled payment' have the meaning given
20 those terms in section 100 of the Farm Security Act
21 of 2001.".
22 (c) TRANSITION.—Section 1001 of the Food Security
23 Act of 1985 (7 U.S.C. 1308), as in effect on the day before
24 the date of the enactment of this Act, shall continue to

1 apply with respect to fiscal year 2001 and the 2001 crop
2 of any covered commodity.

3 **SEC. 184. ADJUSTMENTS OF LOANS.**

4 Section 162(b) of the Federal Agriculture Improve-
5 ment and Reform Act of 1996 (7 U.S.C. 7282(b)) is
6 amended by striking "this title" and inserting "this title
7 and title I of the Farm Security Act of 2001".

8 **SEC. 185. PERSONAL LIABILITY OF PRODUCERS FOR DEFI-**
9 **CIENCIES.**

10 Section 164 of the Federal Agriculture Improvement
11 and Reform Act of 1996 (7 U.S.C. 7284) is amended by
12 striking "this title" each places it appears and inserting
13 "this title and title I of the Farm Security Act of 2001".

14 **SEC. 186. EXTENSION OF EXISTING ADMINISTRATIVE AU-**
15 **THORITY REGARDING LOANS.**

16 Section 166 of the Federal Agriculture Improvement
17 and Reform Act of 1996 (7 U.S.C. 7286) is amended—
18 (1) in subsection (a)—
19 (A) by striking "IN GENERAL.—" and in-
20 serting "SPECIFIC PAYMENTS.—"; and
21 (B) by striking "subtitle C" and inserting
22 "subtitle C of this title and title I of the Farm
23 Security Act of 2001"; and
24 (2) in subsection (c)(1)—

1 (A) by striking "producer" the first two
2 places it appears and inserting "person"; and
3 (B) by striking "to producers under sub-
4 title C" and inserting "by the Commodity Cred-
5 it Corporation".

6 **SEC. 187. ASSIGNMENT OF PAYMENTS.**

7 The provisions of section 8(g) of the Soil Conserva-
8 tion and Domestic Allotment Act (16 U.S.C. 590h(g)), re-
9 lating to assignment of payments, shall apply to payments
10 made under the authority of this Act. The producer mak-
11 ing the assignment, or the assignee, shall provide the Sec-
12 retary with notice, in such manner as the Secretary may
13 require, of any assignment made under this section.

14 TITLE II—CONSERVATION

15 Subtitle A—Environmental Con-
16 servation Acreage Reserve Pro-
17 gram

18 **SEC. 201. GENERAL PROVISIONS.**

19 Title XII of the Food Security Act of 1985 is
20 amended—
21 (1) in section 1230(a), by striking "1996
22 through 2002" and inserting "2002 through 2011";
23 (2) by striking subsection (c) of section 1230;
24 and

1 (3) in section 1230A (16 U.S.C. 3830a), by
2 striking "chapter" each place it appears and insert-
3 ing "title".

4 Subtitle B—Conservation Reserve
5 Program

6 **SEC. 211. REAUTHORIZATION.**

7 (a) IN GENERAL.—Section 1231 of the Food Security
8 Act of 1985 (16 U.S.C. 3831) is amended in each of sub-
9 sections (a) and (d) by striking "2002" and inserting
10 "2011".

11 (b) SCOPE OF PROGRAM.—Section 1231(a) of such
12 Act (16 U.S.C. 3831(a)) is amended by striking "and
13 water" and inserting ", water, and wildlife".

14 **SEC. 212. ENROLLMENT.**

15 (a) ELIGIBILITY.—Section 1231(b) of the Food Secu-
16 rity Act of 1985 (16 U.S.C. 3831(b)) is amended—

17 (1) by striking paragraph (3) and inserting the
18 following:

19 "(3) marginal pasturelands to be devoted to
20 natural vegetation in or near riparian areas or for
21 similar water quality purposes, including marginal
22 pasturelands converted to wetlands or established as
23 wildlife habitat;"; and

24 (2) in paragraph (4)—

1 (A) by striking subparagraph (A) and in-
2 serting the following:
3 "(A) if the Secretary determines that—
4 "(i) the lands contribute to the deg-
5 radation of soil, water, or air quality, or
6 would pose an on-site or off-site environ-
7 mental threat to soil, water, or air quality
8 if permitted to remain in agricultural pro-
9 duction; and
10 "(ii) soil, water, and air quality objec-
11 tives with respect to the land cannot be
12 achieved under the environmental quality
13 incentives program established under chap-
14 ter 4;";
15 (B) by striking "or" at the end of subpara-
16 graph (C);
17 (C) by striking the period at the end of
18 subparagraph (D) and inserting "; or"; and
19 (D) by adding at the end the following:
20 "(E) if the Secretary determines that en-
21 rollment of such lands would contribute to con-
22 servation of ground or surface water.".
23 (b) INCREASE IN MAXIMUM ENROLLMENT.—Section
24 1231(d) of such Act (16 U.S.C. 3831(d)) is amended by
25 striking "36,400,000" and inserting "39,200,000".

1 (c) ELIGIBILITY ON CONTRACT EXPIRATION.—Sec-
2 tion 1231(f) of such Act (16 U.S.C. 3831(f)) is amended
3 to read as follows:
4 "(f) ELIGIBILITY ON CONTRACT EXPIRATION.—On
5 the expiration of a contract entered into under this sub-
6 chapter, the land subject to the contract shall be eligible
7 to be considered for re-enrollment in the conservation re-
8 serve.".
9 (d) BALANCE OF NATURAL RESOURCE PURPOSES.—
10 (1) IN GENERAL.—Section 1231 of such Act
11 (16 U.S.C. 3831) is amended by adding at the end
12 the following:
13 "(i) BALANCE OF NATURAL RESOURCE PURPOSES.—
14 In determining the acceptability of contract offers under
15 this subchapter, the Secretary shall ensure an equitable
16 balance among the conservation purposes of soil erosion,
17 water quality and wildlife habitat.".
18 (2) REGULATIONS.—Not later than 180 days
19 after the date of the enactment of this Act, the Sec-
20 retary of Agriculture shall issue final regulations im-
21 plementing section 1231(i) of the Food Security Act
22 of 1985, as added by paragraph (1) of this sub-
23 section.

1 **SEC. 213. DUTIES OF OWNERS AND OPERATORS.**

2 Section 1232 of the Food Security Act of 1985 (16
3 U.S.C. 3832) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (3), by inserting "as de-
6 scribed in section 1232(a)(7) or for other pur-
7 poses" before "as permitted";

8 (B) in paragraph (4), by inserting "where
9 practicable, or maintain existing cover" before
10 "on such land"; and

11 (C) in paragraph (7), by striking "Sec-
12 retary—" and all that follows and inserting
13 "Secretary may permit, consistent with the con-
14 servation of soil, water quality, and wildlife
15 habitat—

16 "(A) managed grazing and limited haying,
17 in which case the Secretary shall reduce the
18 conservation reserve payment otherwise payable
19 under the contract by an amount commensurate
20 with the economic value of the activity;

21 "(B) wind turbines for the provision of
22 wind energy, whether or not commercial in na-
23 ture; and

24 "(C) land subject to the contract to be
25 harvested for recovery of biomass used in en-
26 ergy production, in which case the Secretary

1 shall reduce the conservation reserve payment
2 otherwise payable under the contract by an
3 amount commensurate with the economic value
4 of such activity;"; and
5 (2) by striking subsections (c) and (d) and re-
6 designating subsection (e) as subsection (c).

7 **SEC. 214. REFERENCE TO CONSERVATION RESERVE PAY-**
8 **MENTS.**

9 Subchapter B of chapter 1 of subtitle D of title XII
10 of such Act (16 U.S.C. 3831–3836) is amended—
11 (1) by striking "rental payment" each place it
12 appears and inserting "conservation reserve pay-
13 ment";
14 (2) by striking "rental payments" each place it
15 appears and inserting "conservation reserve pay-
16 ments"; and
17 (3) in the paragraph heading for section
18 1235(e)(4), by striking "RENTAL PAYMENT" and in-
19 serting "CONSERVATION RESERVE PAYMENT".

20 **Subtitle C—Wetlands Reserve**
21 **Program**

22 **SEC. 221. ENROLLMENT.**

23 (a) MAXIMUM.—Section 1237(b) of the Food Secu-
24 rity Act of 1985 (16 U.S.C. 3837(b)) is amended by strik-
25 ing paragraph (1) and inserting the following:

1 "(1) ANNUAL ENROLLMENT.—In addition to
2 any acres enrolled in the wetlands reserve program
3 as of the end of a calendar year, the Secretary may
4 in the succeeding calendar year enroll in the pro-
5 gram a number of additional acres equal to—
6 "(A) if the succeeding calendar year is cal-
7 endar year 2002, 150,000; or
8 "(B) if the succeeding calendar year is a
9 calendar year after calendar year 2002—
10 "(i) 150,000; plus
11 "(ii) the amount (if any) by which
12 150,000, multiplied by the number of cal-
13 endar years in the period that begins with
14 calendar year 2002 and ends with the cal-
15 endar year preceding such succeeding cal-
16 endar year, exceeds the total number of
17 acres added to the reserve during the pe-
18 riod.".
19 (b) METHODS.—Section 1237 of such Act (16 U.S.C.
20 3837(b)(2)) is amended—
21 (1) in subsection (b), by striking paragraph (2)
22 and inserting the following:
23 "(2) METHODS OF ENROLLMENT.—The Sec-
24 retary shall enroll acreage into the wetlands reserve

program through the use of easements, restoration cost share agreements, or both."; and

(2) by striking subsection (g).

(c) EXTENSION.—Section 1237(c) of such Act (16 U.S.C. 3837(c)) is amended by striking "2002" and inserting "2011".

SEC. 222. EASEMENTS AND AGREEMENTS.

Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended—

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

"(2) prohibits the alteration of wildlife habitat and other natural features of such land, unless specifically permitted by the plan;";

(2) in subsection (e), by striking paragraph (2) and inserting the following:

"(2) shall be consistent with applicable State law.";

(3) by striking subsection (h).

SEC. 223. DUTIES OF THE SECRETARY.

Section 1237C of the Food Security Act of 1985 (16 U.S.C. 3837c) is amended by striking subsection (d).

1 **SEC. 224. CHANGES IN OWNERSHIP; AGREEMENT MODI-**
2 **FICATION; TERMINATION.**

3 Section 1237E(a)(2) of the Food Security Act of
4 1985 (16 U.S.C. 3837e(a)(2)) is amended to read as fol-
5 lows:

6 "(2) the ownership change occurred due to fore-
7 closure on the land and the owner of the land imme-
8 diately before the foreclosure exercises a right of re-
9 demption from the mortgage holder in accordance
10 with State law; or".

11 Subtitle D—Environmental Quality
12 Incentives Program

13 **SEC. 231. PURPOSES.**

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

16 (1) by striking "to—" and all that follows
17 through "provides—" and inserting "to provide—";

18 (2) by striking "that face the most serious
19 threats to" and inserting "to address environmental
20 needs and provide benefits to air,";

21 (3) by redesignating the subparagraphs (A)
22 through (D) that follow the matter amended by
23 paragraph (2) of this section as paragraphs (1)
24 through (4), respectively;

25 (4) by moving each of such redesignated provi-
26 sions 2 ems to the left; and

1 (5) by striking "farmers and ranchers" each
2 place it appears and inserting "producers".

3 **SEC. 232. DEFINITIONS.**

4 Section 1240A of the Food Security Act of 1985 (16
5 U.S.C. 3839aa–1) is amended—
6 (1) in paragraph (1)—
7 (A) by inserting "non-industrial private
8 forest land," before "and other land"; and
9 (B) by striking "poses a serious threat"
10 and all that follows and inserting "provides in-
11 creased environmental benefits to air, soil,
12 water, or related resources."; and
13 (2) in paragraph (4), by inserting ", including
14 non-industrial private forestry" before the period.

15 **SEC. 233. ESTABLISHMENT AND ADMINISTRATION.**

16 (a) REAUTHORIZATION.—Section 1240B(a)(1) of the
17 Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)(1))
18 is amended by striking "2002" and inserting "2011".
19 (b) TERM OF CONTRACTS.—Section 1240B(b)(2) of
20 such Act (16 U.S.C. 3839aa–2(b)(2)) is amended by strik-
21 ing "not less than 5, nor more than 10, years" and insert-
22 ing "not less than 1 year, nor more than 10 years".
23 (c) STRUCTURAL PRACTICES.—Section
24 1240B(c)(1)(B) of such Act (16 U.S.C. 3839aa–
25 2(c)(1)(B)) is amended to read as follows:

1 "(B) achieving the purposes established
2 under this subtitle.".
3 (d) ELIMINATION OF CERTAIN LIMITATIONS ON ELI-
4 GIBILITY FOR COST-SHARE PAYMENTS.—Section
5 1240B(e)(1) of such Act (16 U.S.C. 3839aa–2(e)(1)) is
6 amended—
7 (1) by striking subparagraph (B) and redesig-
8 nating subparagraph (C) as subparagraph (B); and
9 (2) in subparagraph (B) (as so redesignated),
10 by striking "or 3".
11 (e) INCENTIVE PAYMENTS.—Section 1240B of such
12 Act (16 U.S.C. 3839aa-2) is amended—
13 (1) in subsection (e)—
14 (A) in the subsection heading, by striking
15 ", INCENTIVE PAYMENTS,"; and
16 (B) by striking paragraph (2); and
17 (2) by redesignating subsections (f) and (g) as
18 subsections (g) and (h), respectively, and inserting
19 after subsection (e) the following:
20 "(f) CONSERVATION INCENTIVE PAYMENTS.—
21 "(1) IN GENERAL.—The Secretary may make
22 incentive payments in an amount and at a rate de-
23 termined by the Secretary to be necessary to encour-
24 age a producer to perform multiple land manage-
25 ment practices and to promote the enhancement of

1 soil, water, wildlife habitat, air, and related re-
2 sources.
3 "(2) SPECIAL RULE.—In determining the
4 amount and rate of incentive payments, the Sec-
5 retary may accord great weight to those practices
6 that include residue, nutrient, pest, invasive species,
7 and air quality management.".

8 **SEC. 234. EVALUATION OF OFFERS AND PAYMENTS.**

9 Section 1240C of the Food Security Act of 1985 (16
10 U.S.C. 3839aa–3) is amended by striking paragraphs (1)
11 through (3) and inserting the following:
12 "(1) aid producers in complying with this title
13 and Federal and State environmental laws, and en-
14 courage environmental enhancement and conserva-
15 tion;
16 "(2) maximize the beneficial usage of animal
17 manure and other similar soil amendments which
18 improve soil health, tilth, and water-holding capac-
19 ity; and
20 "(3) encourage the utilization of sustainable
21 grazing systems, such as year-round, rotational, or
22 managed grazing.".

1 **SEC. 235. ENVIRONMENTAL QUALITY INCENTIVES PRO-**
2 **GRAM PLAN.**

3 Section 1240E(a) of the Food Security Act of 1985
4 (16 U.S.C. 3839aa–5(a)) is amended by striking "that in-
5 corporates such conservation practices" and all that fol-
6 lows and inserting "that provides or will continue to pro-
7 vide increased environmental benefits to air, soil, water,
8 or related resources.".

9 **SEC. 236. DUTIES OF THE SECRETARY.**

10 Section 1240F(3) of the Food Security Act of 1985
11 (16 U.S.C. 3839aa–6(3)) is amended to read as follows:
12 "(3) providing technical assistance or cost-share
13 payments for developing and implementing 1 or
14 more structural practices or 1 or more land manage-
15 ment practices, as appropriate;".

16 **SEC. 237. LIMITATION ON PAYMENTS.**

17 Section 1240G of the Food Security Act of 1985 (16
18 U.S.C. 3839aa–7) is amended—
19 (1) in subsection (a)—
20 (A) in paragraph (1), by striking
21 "$10,000" and inserting "$50,000"; and
22 (B) in paragraph (2), by striking
23 "$50,000" and inserting "$200,000";
24 (2) in subsection (b)(2), by striking "the maxi-
25 mization of environmental benefits per dollar ex-
26 pended and"; and

1 (3) by striking subsection (c).

2 **SEC. 238. GROUND AND SURFACE WATER CONSERVATION.**

3 Section 1240H of the Food Security Act of 1985 (16
4 U.S.C. 3839aa-8) is amended to read as follows:

5 **"SEC. 1240H. GROUND AND SURFACE WATER CONSERVA-**
6 **TION.**

7 "(a) SUPPORT FOR CONSERVATION MEASURES.—
8 The Secretary shall provide cost-share payments and low-
9 interest loans to encourage ground and surface water con-
10 servation, including irrigation system improvement, and
11 provide incentive payments for capping wells, reducing use
12 of water for irrigation, and switching from irrigation to
13 dryland farming.

14 "(b) FUNDING.—Of the funds of the Commodity
15 Credit Corporation, the Secretary shall make available the
16 following amounts to carry out this section:

17 "(1) $30,000,000 for fiscal year 2002.

18 "(2) $45,000,000 for fiscal year 2003.

19 "(3) $60,000,000 for each of fiscal years 2004
20 through 2011.".

Subtitle E—Funding and Administration

SEC. 241. REAUTHORIZATION.

Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking "2002" and inserting "2011".

SEC. 242. FUNDING.

Section 1241(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(1)) is amended—

(1) by striking "$130,000,000" and all that follows through "2002, for" and inserting "the following amounts for purposes of";

(2) by striking "subtitle D." and inserting "subtitle D:"; and

(3) by adding at the end the following:

"(A) $200,000,000 for fiscal year 2001.

"(B) $1,025,000,000 for each of fiscal years 2002 and 2003.

"(C) $1,200,000,000 for each of fiscal years 2004, 2005, and 2006.

"(D) $1,400,000,000 for each of fiscal years 2007, 2008, and 2009.

"(E) $1,500,000,000 for each of fiscal years 2010 and 2011.".

1 **SEC. 243. ALLOCATION FOR LIVESTOCK PRODUCTION.**

2 Section 1241(b)(2) of the Food Security Act of 1985
3 (16 U.S.C. 3841(b)(2)) is amended by striking "2002"
4 and inserting "2011".

5 **SEC. 244. ADMINISTRATION AND TECHNICAL ASSISTANCE.**

6 (a) BROADENING OF EXCEPTION TO ACREAGE LIMI-
7 TATION.—Section 1243(b)(2) of the Food Security Act of
8 1985 (16 U.S.C. 3843(b)(2)) is amended by striking
9 "that—" and all that follows and inserting "that the ac-
10 tion would not adversely affect the local economy of the
11 county.".

12 (b) RULES GOVERNING PROVISION OF TECHNICAL
13 ASSISTANCE.—Section 1243(d) of such Act (16 U.S.C.
14 3843(d)) is amended to read as follows:

15 "(d) RULES GOVERNING PROVISION OF TECHNICAL
16 ASSISTANCE.—

17 "(1) IN GENERAL.—The Secretary shall provide
18 technical assistance under this title to a producer el-
19 igible for such assistance, by providing the assist-
20 ance directly or, at the option of the producer,
21 through an approved third party if available.

22 "(2) REEVALUATION.—The Secretary shall re-
23 evaluate the provision of, and the amount of, tech-
24 nical assistance made available under subchapters B
25 and C of chapter 1 and chapter 4 of subtitle D.

1 "(3) CERTIFICATION OF THIRD-PARTY PRO-
2 VIDERS.—
3 "(A) IN GENERAL.—Not later than 6
4 months after the date of the enactment of this
5 subsection, the Secretary of Agriculture shall,
6 by regulation, establish a system for approving
7 persons to provide technical assistance pursuant
8 to chapter 4 of subtitle D. For purposes of this
9 paragraph, a person shall be considered ap-
10 proved if they have a memorandum of under-
11 standing regarding the provision of technical
12 assistance in place with the Secretary.
13 "(B) EXPERTISE REQUIRED.—In pre-
14 scribing such regulations, the Secretary shall
15 ensure that persons with expertise in the tech-
16 nical aspects of conservation planning, water-
17 shed planning, environmental engineering, in-
18 cluding commercial entities, nonprofit entities,
19 State or local governments or agencies, and
20 other Federal agencies, are eligible to become
21 approved providers of such technical assist-
22 ance.".
23 (c) DUTY OF SECRETARY.—
24 (1) IN GENERAL.—Section 1770(d) of such Act
25 (7 U.S.C. 2276(d)) is amended—

(A) by striking "or" at the end of paragraph (9);

(B) by striking the period at the end of paragraph (11) and inserting "; or"; and

(C) by adding at the end the following:

"(12) title XII of this Act.".

(2) CONFORMING AMENDMENTS.—Section 1770(e) of such Act (7 U.S.C. 2276(e)) is amended—

(A) by striking the subsection heading and inserting "EXCEPTIONS"; and

(B) by inserting ", or as necessary to carry out a program under title XII of this Act as determined by the Secretary" before the period.

Subtitle F—Other Programs

SEC. 251. PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.

Section 386(d)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b(d)(1)) is amended—

(1) by striking "and" at the end of subparagraph (G);

(2) by striking the period at the end of subparagraph (H) and inserting "; and"; and

1 (3) by adding at the end the following new sub-
2 paragraph:
3 "(I) encouraging the utilization of sustain-
4 able grazing systems, such as year-round, rota-
5 tional, or managed grazing.".

6 **SEC. 252. WILDLIFE HABITAT INCENTIVES PROGRAM.**

7 Subsection (c) of section 387 of the Federal Agri-
8 culture Improvement and Reform Act of 1996 (16 U.S.C.
9 3836a) is amended to read as follows:
10 "(c) FUNDING.—Of the funds of the Commodity
11 Credit Corporation, the Secretary of Agriculture shall
12 make available the following amounts to carry out this sec-
13 tion:
14 "(1) $25,000,000 for fiscal year 2002.
15 "(2) $30,000,000 for each of fiscal years 2003
16 and 2004.
17 "(3) $35,000,000 for each of fiscal years 2005
18 and 2006.
19 "(4) $40,000,000 for fiscal year 2007.
20 "(5) $45,000,000 for each of fiscal years 2008
21 and 2009.
22 "(6) $50,000,000 for each of fiscal years 2010
23 and 2011.".

1 **SEC. 253. FARMLAND PROTECTION PROGRAM.**

2 (a) REMOVAL OF ACREAGE LIMITATION; EXPANSION
3 OF PURPOSES.—Subsection (a) of section 388 of the Fed-
4 eral Agriculture Improvement and Reform Act of 1996
5 (16 U.S.C. 3830 note) is amended—

6 (1) by striking "not less than 170,000, nor
7 more than 340,000 acres of"; and

8 (2) by inserting ", or agricultural land that
9 contains historic or archaeological resources," after
10 "other productive soil".

11 (b) FUNDING.—Subsection (c) of such section is
12 amended to read as follows:

13 "(c) FUNDING.—The Secretary shall use not more
14 than $50,000,000 of the funds of the Commodity Credit
15 Corporation in each of fiscal years 2002 through 2011 to
16 carry out this section.".

17 (c) ELIGIBLE ENTITIES.—Such section is further
18 amended—

19 (1) in subsection (a), by striking "a State or
20 local government" and inserting "an eligible entity";
21 and

22 (2) by adding at the end the following:

23 "(d) DEFINITION OF ELIGIBLE ENTITY.—In this sec-
24 tion, the term 'eligible entity' means—

25 "(1) any agency of any State or local govern-
26 ment, or federally recognized Indian tribe, including

farmland protection boards and land resource councils established under State law; and

"(2) any organization that—

"(A) is organized for, and at all times since the formation of the organization has been operated principally for, one or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

"(B) is an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code;

"(C) is described in section 509(a)(2) of that Code; or

"(D) is described in section 509(a)(3) of that Code and is controlled by an organization described in section 509(a)(2) of that Code.".

SEC. 254. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

(a) PURPOSE.—Section 1528 of the Agriculture and Food Act of 1981 (16 U.S.C. 3451) is amended—

(1) by striking the section heading and all that follows through "SEC. 1528. It is the purpose" and inserting the following:

1 **"SEC. 1528. STATEMENT OF PURPOSE.**

2 "It is the purpose"; and

3 (2) by inserting "through designated RC&D

4 councils" before "in rural areas".

5 (b) DEFINITIONS.—Section 1529 of such Act (16

6 U.S.C. 3452) is amended—

7 (1) by striking the section heading and all that

8 follows through "SEC. 1529. As used in this sub-

9 title—" and inserting the following:

10 **"SEC. 1529. DEFINITIONS.**

11 "In this title:";

12 (2) in paragraph (1)—

13 (A) in the matter preceding subparagraph

14 (A), by inserting "RC&D council" before "area

15 plan";

16 (B) in subparagraph (B), by striking

17 "through control of nonpoint sources of pollu-

18 tion";

19 (C) in subparagraph (C)—

20 (i) by striking "natural resources

21 based" and inserting "resource-based";

22 (ii) by striking "development of aqua-

23 culture,";

24 (iii) by striking "and satisfaction"

25 and inserting "satisfaction"; and

1 (iv) by inserting ", food security, eco-
2 nomic development, and education" before
3 the semicolon; and
4 (D) in subparagraph (D), by striking
5 "other" the 1st place it appears and inserting
6 "land management";
7 (3) in paragraph (3), by striking "any State,
8 local unit of government, or local nonprofit organiza-
9 tion" and inserting "the designated RC&D council";
10 (4) by striking paragraphs (4) through (6) and
11 inserting the following:
12 "(4)(A) The term 'financial assistance' means
13 the Secretary may—
14 "(i) provide funds directly to RC&D coun-
15 cils or associations of RC&D councils through
16 grants, cooperative agreements, and interagency
17 agreements that directly implement RC&D area
18 plans; and
19 "(ii) may join with other federal agencies
20 through interagency agreements and other ar-
21 rangements as needed to carry out the pro-
22 gram's purpose.
23 "(B) Funds may be used for such things as—
24 "(i) technical assistance;

1 "(ii) financial assistance in the form of
2 grants for planning, analysis and feasibility
3 studies, and business plans;
4 "(iii) training and education; and
5 "(iv) all costs associated with making such
6 services available to RC&D councils or RC&D
7 associations.
8 "(5) The term 'RC&D council' means the re-
9 sponsible leadership of the RC&D area. RC&D coun-
10 cils and associations are non-profit entities whose
11 members are volunteers and include local civic and
12 elected officials. Affiliations of RC&D councils are
13 formed in states and regions.";
14 (5) in paragraph (8), by inserting "and feder-
15 ally recognized Indian tribes" before the period;
16 (6) in paragraph (9), by striking "works of im-
17 provement" and inserting "projects";
18 (7) by redesignating paragraphs (7) through
19 (9) as paragraphs (6) through (8), respectively; and
20 (8) by striking paragraph (10) and inserting
21 the following:
22 "(9) The term 'project' means any action taken
23 by a designated RC&D council that achieves any of
24 the elements identified under paragraph (1).".

1 (c) ESTABLISHMENT AND SCOPE.—Section 1530 of
2 such Act (16 U.S.C. 3453) is amended—
3 (1) by striking the section heading and all that
4 follows through "SEC. 1530. The Secretary" and in-
5 serting the following:
6 **"SEC. 1530. ESTABLISHMENT AND SCOPE.**
7 "The Secretary"; and
8 (2) by striking "the technical and financial as-
9 sistance necessary to permit such States, local units
10 of government, and local nonprofit organizations"
11 and inserting "through designated RC&D councils
12 the technical and financial assistance necessary to
13 permit such RC&D Councils".
14 (d) SELECTION OF DESIGNATED AREAS.—Section
15 1531 of such Act (16 U.S.C. 3454) is amended by striking
16 the section heading and all that follows through "SEC.
17 1531. The Secretary" and inserting the following:
18 **"SEC. 1531. SELECTION OF DESIGNATED AREAS.**
19 "The Secretary".
20 (e) AUTHORITY OF SECRETARY.—Section 1532 of
21 such Act (16 U.S.C. 3455) is amended—
22 (1) by striking the section heading and all that
23 follows through "SEC. 1532. In carrying" and in-
24 serting the following:

1 **"SEC. 1532. AUTHORITY OF SECRETARY.**

2 "In carrying";

3 (2) in each of paragraphs (1) and (3)—

4 (A) by striking "State, local unit of gov-

5 ernment, or local nonprofit organization" and

6 inserting "RC&D council"; and

7 (B) by inserting "RC&D council" before

8 "area plan";

9 (3) in paragraph (2), by inserting "RC&D

10 council" before "area plans"; and

11 (4) in paragraph (4), by striking "States, local

12 units of government, and local nonprofit organiza-

13 tions" and inserting "RC&D councils or affiliations

14 of RC&D councils".

15 (f) TECHNICAL AND FINANCIAL ASSISTANCE.—Sec-

16 tion 1533 of such Act (16 U.S.C. 3456) is amended—

17 (1) by striking the section heading and all that

18 follows through "SEC. 1533. (a) Technical" and in-

19 serting the following:

20 **"SEC. 1533. TECHNICAL AND FINANCIAL ASSISTANCE.**

21 "(a) Technical";

22 (2) in subsection (a)—

23 (A) by striking "State, local unit of gov-

24 ernment, or local nonprofit organization to as-

25 sist in carrying out works of improvement spec-

26 ified in an" and inserting "RC&D councils or

1 affiliations of RC&D councils to assist in car-
2 rying out a project specified in a RC&D coun-
3 cil";
4 (B) in paragraph (1)—
5 (i) by striking "State, local unit of
6 government, or local nonprofit organiza-
7 tion" and inserting "RC&D council or af-
8 filiate"; and
9 (ii) by striking "works of improve-
10 ment" each place it appears and inserting
11 "project";
12 (C) in paragraph (2)—
13 (i) by striking "works of improve-
14 ment" and inserting "project"; and
15 (ii) by striking "State, local unit of
16 government, or local nonprofit organiza-
17 tion" and inserting "RC&D council";
18 (D) in paragraph (3), by striking "works
19 of improvement" and all that follows and in-
20 serting "project concerned is necessary to ac-
21 complish and RC&D council area plan objec-
22 tive;";
23 (E) in paragraph (4), by striking "the
24 works of improvement provided for in the" and

1 inserting "the project provided for in the RC&D
2 council";
3 (F) in paragraph (5), by inserting "feder-
4 ally recognized Indian tribe" before "or local"
5 each place it appears; and
6 (G) in paragraph (6), by inserting "RC&D
7 council" before "area plan";
8 (3) in subsection (b), by striking "work of im-
9 provement" and inserting "project"; and
10 (4) in subsection (c), by striking "any State,
11 local unit of government, or local nonprofit organiza-
12 tion to carry out any" and inserting "RC&D council
13 to carry out any RC&D council".
14 (g) RESOURCE CONSERVATION AND DEVELOPMENT
15 POLICY BOARD.—Section 1534 of such Act (16 U.S.C.
16 3457) is amended—
17 (1) by striking the section heading and all that
18 follows through "SEC. 1534. (a) The Secretary" and
19 inserting the following:
20 **"SEC. 1534. RESOURCE CONSERVATION AND DEVELOP-**
21 **MENT POLICY BOARD.**
22 "(a) The Secretary"; and
23 (2) in subsection (b), by striking "seven".
24 (h) PROGRAM EVALUATION.—Section 1535 of such
25 Act (16 U.S.C. 3458) is amended—

1 (1) by striking the section heading and all that
2 follows through "SEC. 1535. The Secretary" and in-
3 serting the following:

4 **"SEC. 1535. PROGRAM EVALUATION.**

5 "The Secretary";

6 (2) by inserting "with assistance from RC&D
7 councils" before "provided";

8 (3) by inserting "federally recognized Indian
9 tribes," before "local units"; and

10 (4) by striking "1986" and inserting "2007".

11 (i) LIMITATION ON ASSISTANCE.—Section 1536 of
12 such Act (16 U.S.C. 3458) is amended by striking the sec-
13 tion heading and all that follows through "SEC. 1536. The
14 program" and inserting the following:

15 **"SEC. 1536. LIMITATION ON ASSISTANCE.**

16 "The program".

17 (j) SUPPLEMENTAL AUTHORITY OF THE SEC-
18 RETARY.—Section 1537 of such Act (16 U.S.C. 3460) is
19 amended—

20 (1) by striking the section heading and all that
21 follows through "SEC. 1537. The authority" and in-
22 serting the following:

23 **"SEC. 1537. SUPPLEMENTAL AUTHORITY OF SECRETARY.**

24 "The authority"; and

1 (2) by striking "States, local units of govern-
2 ment, and local nonprofit organizations" and insert-
3 ing "RC&D councils".
4 (i) AUTHORIZATION OF APPROPRIATIONS.—Section
5 1538 of such Act (16 U.S.C. 3461) is amended—
6 (1) by striking the section heading and all that
7 follows through "SEC. 1538. There are" and insert-
8 ing the following:
9 **"SEC. 1538. AUTHORIZATION OF APPROPRIATIONS.**
10 "There are"; and
11 (2) by striking "for each of the fiscal years
12 1996 through 2002".
13 **SEC. 255. GRASSLAND RESERVE PROGRAM.**
14 (a) IN GENERAL.—Chapter 1 of subtitle D of title
15 XII of the Food Security Act of 1985 (16 U.S.C. 3830–
16 3837f) is amended by adding at the end the following:
17 **"Subchapter D—Grassland Reserve Program**
18 **"SEC. 1238. GRASSLAND RESERVE PROGRAM.**
19 "(a) ESTABLISHMENT.—The Secretary, acting
20 through the Farm Service Agency, shall establish a grass-
21 land reserve program (referred to in this subchapter as
22 the 'program') to assist owners in restoring and con-
23 serving eligible land described in subsection (c).
24 "(b) ENROLLMENT CONDITIONS.—

1 "(1) MAXIMUM ENROLLMENT.—The total num-
2 ber of acres enrolled in the program shall not exceed
3 2,000,000 acres, not more than 1,000,000 of which
4 shall be restored grassland, and not more than
5 1,000,000 of which shall be virgin (never cultivated)
6 grassland.
7 "(2) METHODS OF ENROLLMENT.—The Sec-
8 retary shall enroll in the program for a willing owner
9 not less than 100 contiguous acres of land west of
10 the 90th meridian or not less than 50 contiguous
11 acres of land east of the 90th meridian through the
12 use of—
13 "(A) 10-year, 15-year, or 20-year con-
14 tracts; and
15 "(B) 30-year or permanent easements.
16 "(3) LIMITATION ON USE OF EASEMENTS.—Not
17 more than one-third of the total amount of funds ex-
18 pended under the program may be used to acquire
19 30-year and permanent easements.
20 "(c) ELIGIBLE LAND.—Land shall be eligible to be
21 enrolled in the program if the Secretary determines that—
22 "(1) the land is natural grass or shrubland; or
23 "(2) the land—

1 "(A) is located in an area that has been
2 historically dominated by natural grass or
3 shrubland; and
4 "(B) has potential to serve as habitat for
5 animal or plant populations of significant eco-
6 logical value if the land is restored to natural
7 grass or shrubland.
8 **"SEC. 1238A. CONTRACTS AND AGREEMENTS.**
9 "(a) REQUIREMENTS OF LANDOWNER.—
10 "(1) CONTRACTS.—To be eligible to enroll land
11 in the program under a multi-year contract, the
12 owner of the land shall—
13 "(A) agree to comply with the terms of the
14 contract and related restoration agreements;
15 and
16 "(B) agree to the suspension of any exist-
17 ing cropland base and allotment history for the
18 land under any program administered by the
19 Secretary.
20 "(2) EASEMENTS.—To be eligible to enroll land
21 in the program under an easement, the owner of the
22 land shall—
23 "(A) grant an easement that runs with the
24 land to the Secretary;

1 "(B) create and record an appropriate
2 deed restriction in accordance with applicable
3 State law to reflect the easement;
4 "(C) provide a written statement of con-
5 sent to the easement signed by persons holding
6 a security interest or any vested interest in the
7 land;
8 "(D) provide proof of unencumbered title
9 to the underlying fee interest in the land that
10 is the subject of the easement;
11 "(E) agree to comply with the terms of the
12 easement and related restoration agreements;
13 and
14 "(F) agree to the suspension of any exist-
15 ing cropland base and allotment history for the
16 land under any program administered by the
17 Secretary.
18 "(b) TERMS OF CONTRACTS AND EASEMENTS.—A
19 contract or easement under the program shall—
20 "(1) permit—
21 "(A) common grazing practices on the land
22 in a manner that is consistent with maintaining
23 the viability of natural grass and shrub species
24 indigenous to that locality;

1 "(B) haying, mowing, or haying for seed
2 production, except that such uses shall not be
3 permitted until after the end of the nesting sea-
4 son for birds in the local area which are in sig-
5 nificant decline or are conserved pursuant to
6 State or Federal law, as determined by the Nat-
7 ural Resources Conservation Service State con-
8 servationist; and
9 "(C) construction of fire breaks and
10 fences, including placement of the posts nec-
11 essary for fences;
12 "(2) prohibit—
13 "(A) the production of any agricultural
14 commodity (other than hay); and
15 "(B) unless allowed under subsection (d),
16 the conduct of any other activity that would dis-
17 turb the surface of the land covered by the con-
18 tract or easement; and
19 "(3) include such additional provisions as the
20 Secretary determines are appropriate to carry out or
21 facilitate the administration of this subchapter.
22 "(c) RANKING APPLICATIONS.—
23 "(1) ESTABLISHMENT OF CRITERIA.—The Sec-
24 retary shall establish criteria to evaluate and rank

1 applications for contracts or easements under this
2 subchapter.
3 "(2) EMPHASIS.—In establishing the criteria,
4 the Secretary shall emphasize support for native
5 grass and shrubland, grazing operations, and plant
6 and animal biodiversity.
7 "(d) RESTORATION AGREEMENTS.—The Secretary
8 shall prescribe the terms by which grassland that is sub-
9 ject to a contract or easement under the program shall
10 be restored. The agreement shall include duties of the land
11 owner and the Secretary, including the Federal share of
12 restoration payments and technical assistance.
13 "(e) VIOLATIONS.—On the violation of the terms or
14 conditions of a contract, easement, or restoration agree-
15 ment entered into under the program—
16 "(1) the contract or easement shall remain in
17 force; and
18 "(2) the Secretary may require the owner to re-
19 fund all or part of any payments received by the
20 owner under this subchapter, with interest on the
21 payments as determined appropriate by the Sec-
22 retary.
23 **"SEC. 1238B. DUTIES OF SECRETARY.**
24 "(a) IN GENERAL.—In return for the granting of an
25 easement or the execution of a contract by an owner under

1 this subchapter, the Secretary shall make payments under
2 subsection (b), make payments of the Federal share of res-
3 toration under subsection (c), and provide technical assist-
4 ance to the owner in accordance with this section.

5 "(b) CONTRACT AND EASEMENT PAYMENTS.—

6 "(1) CONTRACTS.—In return for entering into
7 a contract by an owner under this subchapter, the
8 Secretary shall make annual payments to the owner
9 during the term of the contract in an amount that
10 is not more than 75 percent of the grazing value of
11 the land.

12 "(2) EASEMENTS.—

13 "(A) IN GENERAL.—In return for the
14 granting of an easement by an owner under this
15 subchapter, the Secretary shall make easement
16 payments to the owner in an amount equal to—

17 "(i) in the case of a permanent ease-
18 ment, the fair market value of the land
19 less the grazing value of the land encum-
20 bered by the easement; and

21 "(ii) in the case of a 30-year easement
22 or an easement for the maximum duration
23 allowed under applicable State law, 30 per-
24 cent of the fair market value of the land
25 less the grazing value of the land for the

1 period that the land is encumbered by the
2 easement.
3 "(B) PAYMENT SCHEDULE.—Easement
4 payments may be made as a single payment or
5 annual payments, but not to exceed 10 annual
6 payments of equal or unequal amounts, as
7 agreed to by the Secretary and the owner.
8 "(c) FEDERAL SHARE OF RESTORATION.—The Sec-
9 retary shall make payments to the owner of not more
10 than—
11 "(1) in the case of virgin (never cultivated)
12 grassland, 90 percent of the costs of carrying out
13 measures and practices necessary to restore grass-
14 land functions and values; or
15 "(2) in the case of restored grassland, 75 per-
16 cent of such costs.
17 "(d) TECHNICAL ASSISTANCE.—A landowner who is
18 receiving a benefit under this subchapter shall be eligible
19 to receive technical assistance in accordance with section
20 1243(d) to assist the owner or operator in carrying out
21 a contract entered into under this subchapter.
22 "(e) PAYMENTS TO OTHERS.—If an owner who is en-
23 titled to a payment under this subchapter dies, becomes
24 incompetent, is otherwise unable to receive the payment,
25 or is succeeded by another person who renders or com-

1 pletes the required performance, the Secretary shall make
2 the payment, in accordance with regulations promulgated
3 by the Secretary and without regard to any other provision
4 of law, in such manner as the Secretary determines is fair
5 and reasonable in light of all the circumstances.".

6 (b) FUNDING.—Section 1241 of such Act (16 U.S.C.
7 3841) is amended by adding at the end the following:

8 "(c) GRASSLAND RESERVE PROGRAM.—For fiscal
9 years 2002 through 2011, the Secretary shall use a total
10 of $254,000,000 of the funds of the Commodity Credit
11 Corporation to carry out subchapter D of chapter 1 of sub-
12 title D.".

13 **SEC. 256. FARMLAND STEWARDSHIP PROGRAM.**

14 Subtitle D of title XII of the Food Security Act of
15 1985 (16 U.S.C. 3830–3839bb) is amended by inserting
16 after chapter 1 (and the matter added by section 255 of
17 this Act) the following:

18 **"CHAPTER 2—FARMLAND STEWARDSHIP**
19 **PROGRAM**

20 **"SEC. 1239. DEFINITIONS.**

21 "In this chapter:

22 "(1) AGREEMENT.—The terms 'farmland stew-
23 ardship agreement' and 'agreement' mean a stew-
24 ardship contract authorized by this chapter.

1 "(2) CONTRACTING AGENCY.—The term 'con-
2 tracting agency' means a local conservation district,
3 resource conservation and development council, local
4 office of the Department of Agriculture, other par-
5 ticipating government agency, or other nongovern-
6 mental organization that is designated by the Sec-
7 retary to enter into farmland stewardship agree-
8 ments on behalf of the Secretary.
9 "(3) ELIGIBLE AGRICULTURAL LANDS.—The
10 term 'eligible agricultural lands' means private lands
11 that are in primarily native or natural condition or
12 are classified as cropland, pastureland, grazing
13 lands, timberlands, or other lands as specified by the
14 Secretary that—
15 "(A) contain wildlife habitat, wetlands, or
16 other natural resources; or
17 "(B) provide benefits to the public at
18 large, such as—
19 "(i) conservation of soil, water, and
20 related resources;
21 "(ii) water quality protection or im-
22 provement;
23 "(iii) control of invasive and exotic
24 species;

1 "(iv) wetland restoration, protection,
2 and creation; and
3 "(v) wildlife habitat development and
4 protection;
5 "(vi) preservation of open spaces, or
6 prime, unique, or other productive farm
7 lands; and
8 "(vii) and other similar conservation
9 purposes.
10 "(4) FARMLAND STEWARDSHIP PROGRAM; PRO-
11 GRAM.—The terms 'Farmland Stewardship Pro-
12 gram' and 'Program' mean the conservation pro-
13 gram of the Department of Agriculture established
14 by this chapter.
15 **"SEC. 1239A. ESTABLISHMENT AND PURPOSE OF PROGRAM.**
16 "(a) ESTABLISHMENT.—The Secretary shall estab-
17 lish a conservation program of the Department of Agri-
18 culture, to be known as the Farmland Stewardship Pro-
19 gram, that is designed to more precisely tailor and target
20 existing conservation programs to the specific conservation
21 needs and opportunities presented by individual parcels of
22 eligible agricultural lands.
23 "(b) RELATION TO OTHER CONSERVATION PRO-
24 GRAMS.—Under the Farmland Stewardship Program, the

1 Secretary may implement, or combine together, the fea-
2 tures of—
3 "(1) the Wetlands Reserve Program;
4 "(2) the Wildlife Habitat Incentives Program;
5 "(3) the Forest Land Enhancement Program;
6 "(4) the Farmland Protection Program; or
7 "(5) other conservation programs administered
8 by other Federal agencies and State and local gov-
9 ernment entities, where feasible and with the con-
10 sent of the administering agency or government.
11 "(c) FUNDING SOURCES.—
12 "(1) IN GENERAL.—The Farmland Stewardship
13 Program and agreements under the Program shall
14 be funded by the Secretary using—
15 "(A) the funding authorities of the con-
16 servation programs that are implemented in
17 whole, or in part, through the use of agree-
18 ments or easements; and
19 "(B) such funds as are provided to carry
20 out the programs specified in paragraphs (1)
21 through (4) of subsection (b).
22 "(2) COST-SHARING.—It shall be a requirement
23 of the Farmland Stewardship Program that the ma-
24 jority of the funds to carry out the Program must
25 come from other existing conservation programs,

1 which may be Federal, State, regional, local, or pri-
2 vate, that are combined into and made a part of an
3 agreement, or from matching funding contributions
4 made by State, regional, or local agencies and divi-
5 sions of government or from private funding sources.
6 "(d) PERSONNEL COSTS.—The Secretary may use
7 the Natural Resources Conservation Service to carry out
8 the Farmland Stewardship Program.
9 "(e) TECHNICAL ASSISTANCE.—An owner or oper-
10 ator who is receiving a benefit under this chapter shall
11 be eligible to receive technical assistance in accordance
12 with section 1243(d) to assist the owner or operator in
13 carrying out a contract entered into under this chapter.
14 **"SEC. 1239B. USE OF FARMLAND STEWARDSHIP AGREE-**
15 **MENTS.**
16 "(a) AGREEMENTS AUTHORIZED.—The Secretary
17 shall carry out the Farmland Stewardship Program by en-
18 tering into stewardship contracts as determined by the
19 Secretary, to be known as farmland stewardship agree-
20 ments, with the owners or operators of eligible agricultural
21 lands to maintain and protect for the natural and agricul-
22 tural resources on the lands.
23 "(b) BASIC PURPOSES.—An agreement with the
24 owner or operator of eligible agricultural lands shall be
25 used—

1 "(1) to negotiate a mutually agreeable set of
2 guidelines, practices, and procedures under which
3 conservation practices will be provided by the owner
4 or operator to protect, maintain, and, where pos-
5 sible, improve, the natural resources on the lands
6 covered by the agreement in return for annual pay-
7 ments to the owner or operator;
8 "(2) to implement a conservation program or
9 series of programs where there is no such program
10 or to implement conservation management activities
11 where there is no such activity; and
12 "(3) to expand conservation practices and re-
13 source management activities to a property where it
14 is not possible at the present time to negotiate or
15 reach agreement on a public purchase of a fee-sim-
16 ple or less-than-fee interest in the property for con-
17 servation purposes.
18 "(c) MODIFICATION OF OTHER CONSERVATION PRO-
19 GRAM ELEMENTS.—If most, but not all, of the limitations,
20 conditions, and requirements of a conservation program
21 that is implemented in whole, or in part, through the
22 Farmland Stewardship Program are met with respect to
23 a parcel of eligible agricultural lands, and the purposes
24 to be achieved by the agreement to be entered into for
25 such lands are consistent with the purposes of the con-

1 servation program, then the Secretary may waive any re-
2 maining limitations, conditions, or requirements of the
3 conservation program that would otherwise prohibit or
4 limit the agreement.

5 "(d) STATE AND LOCAL CONSERVATION PRIOR-
6 ITIES.—To the maximum extent practicable, agreements
7 shall address the conservation priorities established by the
8 State and locality in which the eligible agricultural lands
9 are located.

10 "(e) WATERSHED ENHANCEMENT.—To the extent
11 practicable, the Secretary shall encourage the development
12 of Farmland Stewardship Program applications on a wa-
13 tershed basis.

14 **"SEC. 1239C. PARTNERSHIP APPROACH TO PROGRAM.**

15 "(a) AUTHORITY OF SECRETARY EXERCISED
16 THROUGH PARTNERSHIPS.—The Secretary may admin-
17 ister agreements under the Farmland Stewardship Pro-
18 gram in partnership with other Federal, State, and local
19 agencies whose programs are incorporated into the Pro-
20 gram under section 1239A.

21 "(b) DESIGNATION AND USE OF CONTRACTING
22 AGENCIES.—Subject to subsection (c), the Secretary may
23 authorize a local conservation district, resource conserva-
24 tion & development district, nonprofit organization, or
25 local office of the Department of Agriculture or other par-

1 ticipating government agency to enter into and administer
2 agreements under the Program as a contracting agency
3 on behalf of the Secretary.
4 "(c) CONDITIONS ON DESIGNATION.—The Secretary
5 may designate an eligible district or office as a contracting
6 agency under subsection (b) only if the district of office—
7 "(1) submits a written request for such des-
8 ignation to the Secretary;
9 "(2) affirms that it is willing to follow all guide-
10 lines for executing and administering an agreement,
11 as promulgated by the Secretary;
12 "(3) demonstrates to the satisfaction of the
13 Secretary that it has established working relation-
14 ships with owners and operators of eligible agricul-
15 tural lands, and based on the history of these work-
16 ing relationships, demonstrates that it has the abil-
17 ity to work with owners and operators of eligible ag-
18 ricultural lands in a cooperative manner;
19 "(4) affirms its responsibility for preparing all
20 documentation for the agreement, negotiating its
21 terms with an owner or operator, monitoring compli-
22 ance, making annual reports to the Secretary, and
23 administering the agreement throughout its full
24 term; and

1 "(5) demonstrates to the satisfaction of the
2 Secretary that it has or will have the necessary staff
3 resources and expertise to carry out its responsibil-
4 ities under paragraphs (3) and (4).

5 **"SEC. 1239D. PARTICIPATION OF OWNERS AND OPERATORS**
6 **OF ELIGIBLE AGRICULTURAL LANDS.**

7 "(a) APPLICATION AND APPROVAL PROCESS.—To
8 participate in the Farmland Stewardship Program, an
9 owner or operator of eligible agricultural lands shall—

10 "(1) submit to the Secretary an application in-
11 dicating interest in the Program and describing the
12 owner's or operator's property, its resources, and
13 their ecological and agricultural values;

14 "(2) submit to the Secretary a list of services
15 to be provided, a management plan to be imple-
16 mented, or both, under the proposed agreement;

17 "(3) if the application and list are accepted by
18 the Secretary, enter into an agreement that details
19 the services to be provided, management plan to be
20 implemented, or both, and requires compliance with
21 the other terms of the agreement.

22 "(b) APPLICATION ON BEHALF OF AN OWNER OR
23 OPERATOR.—A designated contracting agency may sub-
24 mit the application required by subsection (a) on behalf
25 of an owner or operator by if the contracting agency has

1 secured the consent of the owner or operator to enter into
2 an agreement.".

3 **SEC. 257. SMALL WATERSHED REHABILITATION PROGRAM.**

4 Section 14(h) of the Watershed Protection and Flood
5 Prevention Act (16 U.S.C. 1012(h)) is amended—

6 (1) by adding "and" at the end of paragraph
7 (1); and

8 (2) by striking all that follows paragraph (1)
9 and inserting the following:

10 "(2) $15,000,000 for fiscal year 2002 and each
11 succeeding fiscal year.".

12 **Subtitle G—Repeals**

13 **SEC. 261. PROVISIONS OF THE FOOD SECURITY ACT OF**
14 **1985.**

15 (a) WETLANDS MITIGATION BANKING PROGRAM.—
16 Section 1222 of the Food Security Act of 1985 (16 U.S.C.
17 3822) is amended by striking subsection (k).

18 (b) CONSERVATION RESERVE PROGRAM.—

19 (1) REPEALS.—(A) Section 1234(f) of such Act
20 (16 U.S.C. 3834(f)) is amended by striking para-
21 graph (3) and by redesignating paragraph (4) as
22 paragraph (3).

23 (B) Section 1236 of such Act (16 U.S.C. 3836)
24 is repealed.

1 (2) CONFORMING AMENDMENTS.—(A) Section
2 1232(a)(5) of such Act (16 U.S.C. 3832(a)(5)) is
3 amended by striking "in addition to the remedies
4 provided under section 1236(d),".
5 (B) Section 1234(d)(4) of such Act (16 U.S.C.
6 3834(d)(4)) is amended by striking "subsection
7 (f)(4)" and inserting "subsection (f)(3)".
8 (c) WETLANDS RESERVE PROGRAM.—Section
9 1237D(c) of such Act (16 U.S.C. 3837d(c)) is amended
10 by striking paragraph (3).
11 (d) ENVIRONMENTAL EASEMENT PROGRAM.—
12 (1) REPEAL.—Chapter 3 of subtitle D of title
13 XII of such Act (16 U.S.C. 3839–3839d) is re-
14 pealed.
15 (2) CONFORMING AMENDMENT.—Section
16 1243(b)(3) of such Act (16 U.S.C. 3843(b)(3)) is
17 amended by striking "or 3".
18 (e) CONSERVATION FARM OPTION.—Chapter 5 of
19 subtitle D of title XII of such Act (16 U.S.C. 3839bb)
20 is repealed.
21 (f) TREE PLANTING INITIATIVE.—Section 1256 of
22 such Act (16 U.S.C. 2101 note) is repealed.

1 **SEC. 262. NATIONAL NATURAL RESOURCES CONSERVATION**
2 **FOUNDATION ACT.**

3 Subtitle F of title III of the Federal Agriculture Im-
4 provement and Reform Act of 1996 (16 U.S.C. 5801–
5 5809) is repealed.

6 # TITLE III—TRADE

7 **SEC. 301. MARKET ACCESS PROGRAM.**

8 Section 211(c)(1) of the Agricultural Trade Act of
9 1978 (7 U.S.C. 5641(c)(1)) is amended—

10 (1) by striking "and not more" and inserting
11 "not more";

12 (2) by inserting "and not more than
13 $200,000,000 for each of fiscal years 2002 through
14 2011," after "2002,"; and

15 (3) by striking "2002" and inserting "2001".

16 **SEC. 302. FOOD FOR PROGRESS.**

17 (a) IN GENERAL.—Subsections (f)(3), (g), (k), and
18 (l)(1) of section 1110 of the Food Security Act of 1985
19 (7 U.S.C. 1736o) are each amended by striking "2002"
20 and inserting "2011".

21 (b) INCREASE IN FUNDING.—Section 1110(l)(1) of
22 the Food Security Act of 1985 (7 U.S.C.1736o(l)(1)) is
23 amended—

24 (1) by striking "2002" and inserting "2011";
25 and

1 (2) by striking "$10,000,000" and inserting
2 "$15,000,000.
3 (c) EXCLUSION FROM LIMITATION.—Section
4 1110(e)(2) of the Food Security Act of 1985 (7 U.S.C.
5 1736o(e)(2)) is amended by inserting ", and subsection
6 (g) does not apply to such commodities furnished on a
7 grant basis or on credit terms under title I of the Agricul-
8 tural Trade Development Act of 1954" before the final
9 period.
10 (d) TRANSPORTATION COSTS.—Section 1110(f)(3) of
11 the Food Security Act of 1985 (7 U.S.C. 1736o(f)(3)) is
12 amended by striking "$30,000,000" and inserting
13 "$40,000,000".
14 (e) AMOUNTS OF COMMODITIES.—Section 1110(g) of
15 the Food Security Act of 1985 (7 U.S.C. 1736o(g)) is
16 amended by striking "500,000" and inserting
17 "1,000,000".
18 (f) MULTIYEAR BASIS.—Section 1110(j) of the Food
19 Security Act of 1985 (7 U.S.C. 1736o(j)) is amended—
20 (1) by striking "may" and inserting "is encour-
21 aged"; and
22 (2) by inserting "to" before "approve".
23 (g) MONETIZATION.—Section 1110(l)(3) of the Food
24 Security Act of 1985 (7 U.S.C. 1736o(l)(3)) is amended
25 by striking "local currencies" and inserting "proceeds".

1 (h) NEW PROVISIONS.—Section 1110 of the Food Se-
2 curity Act of 1985 (7 U.S.C. 1736o) is amended by adding
3 at the end the following:
4 "(p) The Secretary is encouraged to finalize program
5 agreements and resource requests for programs under this
6 section before the beginning of the relevant fiscal year.
7 By November 1 of the relevant fiscal year, the Secretary
8 shall provide to the Committee on Agriculture and the
9 Committee on International Relations of the House of
10 Representatives, and the Committee on Agriculture, Nu-
11 trition, and Forestry of the Senate a list of approved pro-
12 grams, countries, and commodities, and the total amounts
13 of funds approved for transportation and administrative
14 costs, under this section.".

15 **SEC. 303. SURPLUS COMMODITIES FOR DEVELOPING OR**
16 **FRIENDLY COUNTRIES.**

17 (a) USE OF CURRENCIES.—Section 416(b)(7)(D) of
18 the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)) is
19 amended—
20 (1) in clauses (i) and (iii), by striking "foreign
21 currency" each place it appears;
22 (2) in clause (ii)—
23 (A) by striking "Foreign currencies" and
24 inserting "Proceeds"; and
25 (B) by striking "foreign currency"; and

1 (3) in clause (iv)—

2 (A) by striking "Foreign currency pro-
3 ceeds" and inserting "Proceeds";

4 (B) by striking "country of origin" the sec-
5 ond place it appears and all that follows
6 through "as necessary to expedite" and insert-
7 ing "country of origin as necessary to expe-
8 dite";

9 (C) by striking "; or" and inserting a pe-
10 riod; and

11 (D) by striking subclause (II).

12 (b) IMPLEMENTATION OF AGREEMENTS.—Section
13 416(b)(8)(A) of the Agricultural Act of 1949 (7 U.S.C.
14 1431(b)(8)(A)) is amended—

15 (1) by inserting "(i)" after "(A)"; and

16 (2) by adding at the end the following new
17 clauses:

18 "(ii) The Secretary shall publish in the Federal Reg-
19 ister, not later than October 31 of each fiscal year, an
20 estimate of the commodities that shall be available under
21 this section for that fiscal year.

22 "(iii) The Secretary is encouraged to finalize program
23 agreements under this section not later than December 31
24 of each fiscal year.".

1 **SEC. 304. EXPORT ENHANCEMENT PROGRAM.**

2 Section 301(e)(1)(G) of the Agricultural Trade Act
3 of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by inserting
4 "and for each fiscal year thereafter through fiscal year
5 2011" after "2002".

6 **SEC. 305. FOREIGN MARKET DEVELOPMENT COOPERATOR**
7 **PROGRAM.**

8 (a) IN GENERAL.—Section 703 of the Agricultural
9 Trade Act of 1978 (7 U.S.C.5723) is amended—

10 (1) by inserting "(a) PRIOR YEARS.—" before
11 "There";

12 (2) by striking "2002" and inserting "2001";
13 and

14 (3) by adding at the end the following new sub-
15 section:

16 "(b) FISCAL 2002 AND LATER.—For each of fiscal
17 years 2002 through 2011 there are authorized to be ap-
18 propriated such sums as may be necessary to carry out
19 this title, and, in addition to any sums so appropriated,
20 the Secretary shall use $37,000,000 of the funds of, or
21 an equal value of the commodities of, the Commodity
22 Credit Corporation to carry out this title.".

23 (b) VALUE ADDED PRODUCTS.—

24 (1) IN GENERAL.—Section 702(a) of the Agri-
25 cultural Trade Act of 1978 (7 U.S.C. 5721 et seq.)
26 is amended by inserting ", with a significant empha-

1 sis on the importance of the export of value-added
2 United States agricultural products into emerging
3 markets" after "products".
4 (2) REPORT TO CONGRESS.—Section 702 of the
5 Agricultural Trade Act of 1978 (7 U.S.C. 5722) is
6 amended by adding at the end the following:
7 "(c) REPORT TO CONGRESS.—
8 "(1) IN GENERAL.—The Secretary shall report
9 annually to appropriate congressional committees
10 the amount of funding provided, types of programs
11 funded, the value added products that have been tar-
12 geted, and the foreign markets for those products
13 that have been developed.
14 "(2) DEFINITION.—In this subsection, the term
15 'appropriate congressional committees' means—
16 "(A) the Committee on Agriculture and
17 the Committee on International Relations of the
18 House of Representatives; and
19 "(B) the Committee on Agriculture, Nutri-
20 tion and Forestry and the Committee on For-
21 eign Relations of the Senate.".
22 **SEC. 306. EXPORT CREDIT GUARANTEE PROGRAM.**
23 (a) REAUTHORIZATION.—Section 211(b)(1) of the
24 Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is
25 amended by striking "2002" and inserting "2011".

1 (b) PROCESSED AND HIGH VALUE PRODUCTS.—Sec-
2 tion 202(k)(1) of the Agricultural Trade Act of 1978 (7
3 U.S.C. 5622(k)(1)) is amended by striking ", 2001, and
4 2002" and inserting "through 2011".

5 **SEC. 307. FOOD FOR PEACE (PL 480).**

6 The Agricultural Trade Development and Assistance
7 Act of 1954 (7 U.S.C. 1691 et seq.) is amended—

8 (1) in section 2 (7 U.S.C. 1691), by striking
9 paragraph (2) and inserting the following:

10 "(2) promote broad-based, equitable, and sus-
11 tainable development, including agricultural develop-
12 ment as well as conflict prevention;";

13 (2) in section 202(e)(1) (7 U.S.C. 1722(e)(1)),
14 by striking "not less than $10,000,000, and not
15 more than $28,000,000" and inserting "not less
16 than 5 percent and not more than 10 percent of
17 such funds";

18 (3) in section 203(a) (7 U.S.C. 1723(a)), by
19 striking "the recipient country, or in a country" and
20 inserting "one or more recipient countries, or one or
21 more countries";

22 (4) in section 203(c) (7 U.S.C. 1723(c))—

23 (A) by striking "foreign currency"; and

1 (B) by striking "the recipient country, or
2 in a country" and inserting "one or more re-
3 cipient countries, or one or more countries";
4 (5) in section 203(d) (7 U.S.C. 1723(d))—
5 (A) by striking "Foreign currencies" and
6 inserting "Proceeds";
7 (B) in paragraph (2)—
8 (i) by striking "income generating"
9 and inserting "income-generating"; and
10 (ii) by striking "the recipient country
11 or within a country" and inserting "one or
12 more recipient countries, or one or more
13 countries"; and
14 (C) in paragraph (3), by inserting a
15 comma after "invested" and "used";
16 (6) in section 204(a) (7 U.S.C. 1724(a))—
17 (A) by striking "1996 through 2002" and
18 inserting "2002 through 2011"; and
19 (B) by striking "2,025,000" and inserting
20 "2,250,000";
21 (7) in section 205(f) (7 U.S.C. 1725(f)), by
22 striking "2002" and inserting "2011";
23 (8) in section 207(a) (7 U.S.C. 1726a(a))—
24 (A) by redesignating paragraph (2) as
25 paragraph (3); and

1 (B) by striking paragraph (1) and insert-
2 ing the following:
3 "(1) RECIPIENT COUNTRIES.—A proposal to
4 enter into a non-emergency food assistance agree-
5 ment under this title shall identify the recipient
6 country or countries subject to the agreement.
7 "(2) TIME FOR DECISION.—Not later than 120
8 days after receipt by the Administrator of a proposal
9 submitted by an eligible organization under this
10 title, the Administrator shall make a decision con-
11 cerning such proposal.";
12 (9) in section 208(f), by striking "2002" and
13 inserting "2011";
14 (10) in section 403 (7 U.S.C. 1733), by insert-
15 ing after subsection (k) the following:
16 "(l) SALES PROCEDURES.—Subsections (b) and (h)
17 shall apply to sales of commodities to generate proceeds
18 for titles II and III of this Act, section 416(b) of the Agri-
19 cultural Act of 1949, and section 1110 of the Food and
20 Security Act of 1985. Such sales transactions may be in
21 United States dollars and other currencies.";
22 (11) in section 407(c)(4), by striking "2001
23 and 2002" and inserting "2001 through 2011";
24 (12) in section 408, by striking "2002" and in-
25 serting "2011"; and

1 (13) in section 501(c), by striking "2002" and
2 inserting "2011".

3 **SEC. 308. EMERGING MARKETS.**

4 Section 1542 of the Food, Agriculture, Conservation,
5 and Trade Act of 1990 (7 U.S.C. 5622 note) is
6 amended—

7 (1) in subsections (a) and (d)(1)(A)(i), by strik-
8 ing "2002" and inserting "2011"; and

9 (2) in subsection (d)(1)(H), by striking
10 "$10,000,000 in any fiscal year" and inserting
11 "$13,000,000 for each of fiscal years 2002 through
12 2011".

13 **SEC. 309. BILL EMERSON HUMANITARIAN TRUST.**

14 Subsections (b)(2)(B)(i), (h)(1), and (h)(2) of section
15 302 of the Bill Emerson Humanitarian Trust Act (7
16 U.S.C. 1736f–1) are each amended by striking "2002"
17 and inserting "2011".

18 **SEC. 310. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

19 (a) ESTABLISHMENT.—The Secretary of Agriculture
20 shall establish an export assistance program (referred to
21 in this section as the "program") to address unique bar-
22 riers that prohibit or threaten the export of United States
23 specialty crops.

24 (b) PURPOSE.—The program shall provide direct as-
25 sistance through public and private sector projects and

1 technical assistance to remove, resolve, or mitigate sani-
2 tary and phytosanitary and related barriers to trade.
3 (c) PRIORITY.—The program shall address time sen-
4 sitive and strategic market access projects based on—
5 (1) trade effect on market retention, market ac-
6 cess, and market expansion; and
7 (2) trade impact.
8 (d) FUNDING.—The Secretary shall make available
9 $3,000,000 for each of fiscal years 2002 through 2011
10 of the funds of, or an equal value of commodities owned
11 by, the Commodity Credit Corporation.
12 **SEC. 311. FARMERS FOR AFRICA AND CARIBBEAN BASIN**
13 **PROGRAM.**
14 (a) FINDINGS.—Congress finds the following:
15 (1) Many African farmers and farmers in Car-
16 ibbean Basin countries use antiquated techniques to
17 produce their crops, which result in poor crop qual-
18 ity and low crop yields.
19 (2) Many of these farmers are losing business
20 to farmers in European and Asian countries who use
21 advanced planting and production techniques and
22 are supplying agricultural produce to restaurants,
23 resorts, tourists, grocery stores, and other con-
24 sumers in Africa and Caribbean Basin countries.

1 (3) A need exists for the training of African
2 farmers and farmers in Caribbean Basin countries
3 and other developing countries in farming techniques
4 that are appropriate for the majority of eligible
5 farmers in African or Caribbean countries, including
6 standard growing practices, insecticide and sanita-
7 tion procedures, and other farming methods that will
8 produce increased yields of more nutritious and
9 healthful crops.
10 (4) African-American and other American farm-
11 ers, as well as banking and insurance professionals,
12 are a ready source of agribusiness expertise that
13 would be invaluable for African farmers and farmers
14 in Caribbean Basin countries.
15 (5) A United States commitment is appropriate
16 to support the development of a comprehensive agri-
17 cultural skills training program for these farmers
18 that focuses on—
19 (A) improving knowledge of insecticide and
20 sanitation procedures to prevent crop destruc-
21 tion;
22 (B) teaching modern farming techniques,
23 including the identification and development of
24 standard growing practices and the establish-
25 ment of systems for recordkeeping, that would

1 facilitate a continual analysis of crop produc-
2 tion;
3 (C) the use and maintenance of farming
4 equipment that is appropriate for the majority
5 of eligible farmers in African or Caribbean
6 Basin countries;
7 (D) expansion of small farming operations
8 into agribusiness enterprises through the devel-
9 opment and use of village banking systems and
10 the use of agricultural risk insurance pilot prod-
11 ucts, resulting in increased access to credit for
12 these farmers; and
13 (E) marketing crop yields to prospective
14 purchasers (businesses and individuals) for local
15 needs and export.
16 (6) The participation of African-American and
17 other American farmers and American agricultural
18 farming specialists in such a training program prom-
19 ises the added benefit of improving access to African
20 and Caribbean Basin markets for American farmers
21 and United States farm equipment and products and
22 business linkages for United States insurance pro-
23 viders offering technical assistance on, among other
24 things, agricultural risk insurance products.

1 (7) Existing programs that promote the ex-
2 change of agricultural knowledge and expertise
3 through the exchange of American and foreign farm-
4 ers have been effective in promoting improved agri-
5 cultural techniques and food security, and, thus, the
6 extension of additional resources to such farmer-to-
7 farmer exchanges is warranted.
8 (b) DEFINITIONS.—In this section:
9 (1) AGRICULTURAL FARMING SPECIALIST.—The
10 term "agricultural farming specialist" means an in-
11 dividual trained to transfer information and tech-
12 nical support relating to agribusiness, food security,
13 the mitigation and alleviation of hunger, the mitiga-
14 tion of agricultural and farm risk, maximization of
15 crop yields, agricultural trade, and other needs spe-
16 cific to a geographical location as determined by the
17 President.
18 (2) CARIBBEAN BASIN COUNTRY.—The term
19 "Caribbean Basin country" means a country eligible
20 for designation as a beneficiary country under sec-
21 tion 212 of the Caribbean Basin Economic Recovery
22 Act (19 U.S.C. 2702).
23 (3) ELIGIBLE FARMER.—The term "eligible
24 farmer" means an individual owning or working on
25 farm land (as defined by a particular country's laws

1 relating to property) in the sub-Saharan region of
2 the continent of Africa, in a Caribbean Basin coun-
3 try, or in any other developing country in which the
4 President determines there is a need for farming ex-
5 pertise or for information or technical support de-
6 scribed in paragraph (1).
7 (4) PROGRAM.—The term "Program" means
8 the Farmers for Africa and Caribbean Basin Pro-
9 gram established under this section.
10 (c) ESTABLISHMENT OF PROGRAM.—The President
11 shall establish a grant program, to be known as the
12 "Farmers for Africa and Caribbean Basin Program", to
13 assist eligible organizations in carrying out bilateral ex-
14 change programs whereby African-American and other
15 American farmers and American agricultural farming spe-
16 cialists share technical knowledge with eligible farmers
17 regarding—
18 (1) maximization of crop yields;
19 (2) use of agricultural risk insurance as finan-
20 cial tools and a means of risk management (as al-
21 lowed by Annex II of the World Trade Organization
22 rules);
23 (3) expansion of trade in agricultural products;
24 (4) enhancement of local food security;
25 (5) the mitigation and alleviation of hunger;

1 (6) marketing agricultural products in local, re-
2 gional, and international markets; and
3 (7) other ways to improve farming in countries
4 in which there are eligible farmers.
5 (d) ELIGIBLE GRANTEES.—The President may make
6 a grant under the Program to—
7 (1) a college or university, including a histori-
8 cally black college or university, or a foundation
9 maintained by a college or university; and
10 (2) a private organization or corporation, in-
11 cluding grassroots organizations, with an established
12 and demonstrated capacity to carry out such a bilat-
13 eral exchange program.
14 (e) TERMS OF PROGRAM.—(1) It is the goal of the
15 Program that at least 1,000 farmers participate in the
16 training program by December 31, 2005, of which 80 per-
17 cent of the total number of participating farmers will be
18 African farmers or farmers in Caribbean Basin countries
19 and 20 percent of the total number of participating farm-
20 ers will be American farmers.
21 (2) Training under the Program will be provided to
22 eligible farmers in groups to ensure that information is
23 shared and passed on to other eligible farmers. Eligible
24 farmers will be trained to be specialists in their home com-

1 munities and will be encouraged not to retain enhanced
2 farming technology for their own personal enrichment.
3 (3) Through partnerships with American businesses,
4 the Program will utilize the commercial industrial capa-
5 bility of businesses dealing in agriculture to train eligible
6 farmers on farming equipment that is appropriate for the
7 majority of eligible farmers in African or Caribbean Basin
8 countries and to introduce eligible farmers to the use of
9 insurance as a risk management tool.
10 (f) SELECTION OF PARTICIPANTS.—(1) The selection
11 of eligible farmers, as well as African-American and other
12 American farmers and agricultural farming specialists, to
13 participate in the Program shall be made by grant recipi-
14 ents using an application process approved by the Presi-
15 dent.
16 (2) Participating farmers must have sufficient farm
17 or agribusiness experience and have obtained certain tar-
18 gets regarding the productivity of their farm or agri-
19 business.
20 (g) GRANT PERIOD.—The President may make
21 grants under the Program during a period of 5 years be-
22 ginning on October 1 of the first fiscal year for which
23 funds are made available to carry out the Program.

1 (h) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to carry out this section
3 $10,000,000 for each of fiscal years 2002 through 2011.

4 **SEC. 312. GEORGE MCGOVERN-ROBERT DOLE INTER-**
5 **NATIONAL FOOD FOR EDUCATION AND**
6 **CHILD NUTRITION PROGRAM.**

7 (a) IN GENERAL.—The President may, subject to
8 subsection (j), direct the procurement of commodities and
9 the provision of financial and technical assistance to carry
10 out—

11 (1) preschool and school feeding programs in
12 foreign countries to improve food security, reduce
13 the incidence of hunger, and improve literacy and
14 primary education, particularly with respect to girls;
15 and

16 (2) maternal, infant, and child nutrition pro-
17 grams for pregnant women, nursing mothers, in-
18 fants, and children who are five years of age or
19 younger.

20 (b) ELIGIBLE COMMODITIES AND COST ITEMS.—
21 Notwithstanding any other provision of law—

22 (1) any agricultural commodity is eligible for
23 distribution under this section;

24 (2) as necessary to achieve the purposes of this
25 section—

1 (A) funds may be used to pay the trans-
2 portation costs incurred in moving commodities
3 (including prepositioned commodities) provided
4 under this section from the designated points of
5 entry or ports of entry of one or more recipient
6 countries to storage and distribution sites in
7 these countries, and associated storage and dis-
8 tribution costs;
9 (B) funds may be used to pay the costs of
10 activities conducted in the recipient countries by
11 a nonprofit voluntary organization, cooperative,
12 or intergovernmental agency or organization
13 that would enhance the effectiveness of the ac-
14 tivities implemented by such entities under this
15 section; and
16 (C) funds may be provided to meet the al-
17 lowable administrative expenses of private vol-
18 untary organizations, cooperatives, or intergov-
19 ernmental organizations which are imple-
20 menting activities under this section; and
21 (3) for the purposes of this section, the term
22 "agricultural commodities" includes any agricultural
23 commodity, or the products thereof, produced in the
24 United States.

1 (c) GENERAL AUTHORITIES.—The President shall
2 designate one or more Federal agencies to—
3 (1) implement the program established under
4 this section;
5 (2) ensure that the program established under
6 this section is consistent with the foreign policy and
7 development assistance objectives of the United
8 States; and
9 (3) consider, in determining whether a country
10 should receive assistance under this section, whether
11 the government of the country is taking concrete
12 steps to improve the preschool and school systems in
13 its country.
14 (d) ELIGIBLE RECIPIENTS.—Assistance may be pro-
15 vided under this section to private voluntary organizations,
16 cooperatives, intergovernmental organizations, govern-
17 ments and their agencies, and other organizations.
18 (e) PROCEDURES.—
19 (1) IN GENERAL.—In carrying out subsection
20 (a) the President shall assure that procedures are
21 established that—
22 (A) provide for the submission of proposals
23 by eligible recipients, each of which may include
24 one or more recipient countries, for commod-
25 ities and other assistance under this section;

1 (B) provide for eligible commodities and
2 assistance on a multi-year basis;
3 (C) ensure eligible recipients demonstrate
4 the organizational capacity and the ability to
5 develop, implement, monitor, report on, and
6 provide accountability for activities conducted
7 under this section;
8 (D) provide for the expedited development,
9 review, and approval of proposals submitted in
10 accordance with this section;
11 (E) ensure monitoring and reporting by el-
12 igible recipients on the use of commodities and
13 other assistance provided under this section;
14 and
15 (F) allow for the sale or barter of commod-
16 ities by eligible recipients to acquire funds to
17 implement activities that improve the food secu-
18 rity of women and children or otherwise en-
19 hance the effectiveness of programs and activi-
20 ties authorized under this section.
21 (2) PRIORITIES FOR PROGRAM FUNDING.—In
22 carrying out paragraph (1) with respect to criteria
23 for determining the use of commodities and other
24 assistance provided for programs and activities au-

1 thorized under this section, the implementing agency
2 may consider the ability of eligible recipients to—
3 (A) identify and assess the needs of bene-
4 ficiaries, especially malnourished or undernour-
5 ished mothers and their children who are five
6 years of age or younger, and school-age children
7 who are malnourished, undernourished, or do
8 not regularly attend school;
9 (B)(i) in the case of preschool and school-
10 age children, target low-income areas where
11 children's enrollment and attendance in school
12 is low or girls' enrollment and participation in
13 preschool or school is low, and incorporate de-
14 velopmental objectives for improving literacy
15 and primary education, particularly with re-
16 spect to girls; and
17 (ii) in the case of programs to benefit
18 mothers and children who are five years of age
19 or younger, coordinate supplementary feeding
20 and nutrition programs with existing or newly-
21 established maternal, infant, and children pro-
22 grams that provide health-needs interventions,
23 and which may include maternal, prenatal, and
24 postnatal and newborn care;

1 (C) involve indigenous institutions as well
2 as local communities and governments in the
3 development and implementation to foster local
4 capacity building and leadership; and
5 (D) carry out multiyear programs that fos-
6 ter local self-sufficiency and ensure the lon-
7 gevity of recipient country programs.
8 (f) USE OF FOOD AND NUTRITION SERVICE.—The
9 Food and Nutrition Service of the Department of Agri-
10 culture may provide technical advice on the establishment
11 of programs under subsection (a)(1) and on their imple-
12 mentation in the field in recipient countries.
13 (g) MULTILATERAL INVOLVEMENT.—The President
14 is urged to engage existing international food aid coordi-
15 nating mechanisms to ensure multilateral commitments
16 to, and participation in, programs like those supported
17 under this section. The President shall report annually to
18 the Committee on International Relations and the Com-
19 mittee on Agriculture of the United States House of Rep-
20 resentatives and the Committee on Foreign Relations and
21 the Committee on Agriculture, Nutrition, and Forestry of
22 the United States Senate on the commitments and activi-
23 ties of governments, including the United States govern-
24 ment, in the global effort to reduce child hunger and in-
25 crease school attendance.

1 (h) PRIVATE SECTOR INVOLVEMENT.—The Presi-
2 dent is urged to encourage the support and active involve-
3 ment of the private sector, foundations, and other individ-
4 uals and organizations in programs assisted under this
5 section.

6 (i) REQUIREMENT TO SAFEGUARD LOCAL PRODUC-
7 TION AND USUAL MARKETING.—The requirement of sec-
8 tion 403(a) of the Agricultural Trade Development and
9 Assistance Act of 1954 (7 U.S.C. 1733(a) and 1733(h))
10 applies with respect to the availability of commodities
11 under this section.

12 (j) FUNDING.—

13 (1) IN GENERAL.—There are authorized to be
14 appropriated such sums as may be necessary to
15 carry out this section for each of fiscal years 2002
16 through 2011. Nothing in this section shall be inter-
17 preted to preclude the use of authorities in effect be-
18 fore the date of the enactment of this Act to carry
19 out the ongoing Global Food for Education Initia-
20 tive.

21 (2) ADMINISTRATIVE EXPENSES.—Funds made
22 available to carry out the purposes of this section
23 may be used to pay the administrative expenses of
24 any agency of the Federal Government implementing
25 or assisting in the implementation of this section.

1 **SEC. 313. STUDY ON FEE FOR SERVICES.**

2 (a) STUDY.—Not later than one year after the date
3 of enactment of this Act, the Secretary shall provide a re-
4 port to the designated congressional committees on the
5 feasibility of instituting a program which would charge
6 and retain a fee to cover the costs for providing persons
7 with commercial services performed abroad on matters
8 within the authority of the Department of Agriculture ad-
9 ministered through the Foreign Agriculture Service or any
10 successor agency.

11 (b) DEFINITION.—In this section, the term "des-
12 ignated congressional committees" means the Committee
13 on Agriculture and the Committee on International Rela-
14 tions of the House of Representatives and the Committee
15 on Agriculture, Nutrition and Forestry of the Senate.

16 **SEC. 314. NATIONAL EXPORT STRATEGY REPORT.**

17 (a) REPORT.—Not later than one year after the date
18 of enactment of this Act, the Secretary of Agriculture shall
19 provide to the designated congressional committees a re-
20 port on the policies and programs that the Department
21 of Agriculture has undertaken to implement the National
22 Export Strategy Report. The report shall contain a de-
23 scription of the effective coordination of these policies and
24 programs through all other appropriate Federal agencies
25 participating in the Trade Promotion Coordinating Com-
26 mittee and the steps the Department of Agriculture is tak-

1 ing to reduce the level of protectionism in agricultural
2 trade, to foster market growth, and to improve the com-
3 mercial potential of markets in both developed and devel-
4 oping countries for United States agricultural commod-
5 ities.

6 (b) DEFINITION.—In this section, the term "des-
7 ignated congressional committees" means the Committee
8 on Agriculture and the Committee on International Rela-
9 tions of the House of Representatives and the Committee
10 on Agriculture, Nutrition and Forestry of the Senate.

11 TITLE IV—NUTRITION 12 PROGRAMS

13 Subtitle A—Food Stamp Program

14 SEC. 401. SIMPLIFIED DEFINITION OF INCOME.

15 Section 5(d) of the Food Stamp Act of 1977 (7
16 U.S.C. 2014(d)) is amended—

17 (1) in paragraph (3)—

18 (A) by striking "and (C)" and inserting
19 "(C)"; and

20 (B) by inserting after "premiums," the fol-
21 lowing:

22 "and (D) to the extent that any other educational loans
23 on which payment is deferred, grants, scholarships, fellow-
24 ships, veterans' educational benefits, and the like, are re-
25 quired to be excluded under title XIX of the Social Secu-

1 rity Act, the state agency may exclude it under this sub-
2 section,";
3 (2) by striking "and (15)" and inserting
4 "(15)";
5 (3) by inserting before the period at the end the
6 following:
7 ", (16) any state complementary assistance program pay-
8 ments that are excluded pursuant to subsections (a) and
9 (b) of section 1931 of title XIX of the Social Security Act,
10 and (17) at the option of the State agency, any types of
11 income that the State agency does not consider when de-
12 termining eligibility for cash assistance under a program
13 funded under part A of title IV of the Social Security Act
14 (42 U.S.C. 601 et seq.) or medical assistance under sec-
15 tion 1931 of the Social Security Act (42 U.S.C. 1396u–
16 1), except that this paragraph shall not authorize a State
17 agency to exclude earned income, payments under title I,
18 II, IV, X, XIV, or XVI of the Social Security Act, or such
19 other types of income whose consideration the Secretary
20 determines essential to equitable determinations of eligi-
21 bility and benefit levels except to the extent that those
22 types of income may be excluded under other paragraphs
23 of this subsection".

1 **SEC. 402. STANDARD DEDUCTION.**

2 Section 5(e)(1) of the Food Stamp Act of 1977 (7
3 U.S.C. 2014(e)(1)) is amended—

4 (1) by striking "of $134, $229, $189, $269,
5 and $118" and inserting "equal to 9.7 percent of
6 the eligibility limit established under section 5(c)(1)
7 for fiscal year 2002 but not more than 9.7 percent
8 of the eligibility limit established under section
9 5(c)(1) for a household of six for fiscal year 2002
10 nor less than $134, $229, $189, $269, and $118";
11 and

12 (2) by inserting before the period at the end the
13 following:

14 ", except that the standard deduction for Guam
15 shall be determined with reference to 2 times the eli-
16 gibility limits under section 5(c)(1) for fiscal year
17 2002 for the 48 contiguous states and the District
18 of Columbia".

19 **SEC. 403. TRANSITIONAL FOOD STAMPS FOR FAMILIES**
20 **MOVING FROM WELFARE.**

21 (a) IN GENERAL.—Section 11 of the Food Stamp Act
22 of 1977 (7 U.S.C. 2020) is amended by adding at the end
23 the following:

24 "(s) TRANSITIONAL BENEFITS OPTION.—

25 "(1) IN GENERAL.—A State may provide tran-
26 sitional food stamp benefits to a household that is

1 no longer eligible to receive cash assistance under a
2 State program funded under part A of title IV of the
3 Social Security Act (42 U.S.C. 601 et seq.).
4 "(2) TRANSITIONAL BENEFITS PERIOD.—Under
5 paragraph (1), a household may continue to receive
6 food stamp benefits for a period of not more than
7 6 months after the date on which cash assistance is
8 terminated.
9 "(3) AMOUNT.—During the transitional bene-
10 fits period under paragraph (2), a household shall
11 receive an amount equal to the allotment received in
12 the month immediately preceding the date on which
13 cash assistance is terminated. A household receiving
14 benefits under this subsection may apply for recer-
15 tification at any time during the transitional benefit
16 period. If a household reapplies, its allotment shall
17 be determined without regard to this subsection for
18 all subsequent months.
19 "(4) DETERMINATION OF FUTURE ELIGI-
20 BILITY.—In the final month of the transitional bene-
21 fits period under paragraph (2), the State agency
22 may—
23 "(A) require a household to cooperate in a
24 redetermination of eligibility to receive an au-
25 thorization card; and

1 "(B) renew eligibility for a new certifi-
2 cation period for the household without regard
3 to whether the previous certification period has
4 expired.
5 "(5) LIMITATION.—A household sanctioned
6 under section 6, or for a failure to perform an action
7 required by Federal, State, or local law relating to
8 such cash assistance program, shall not be eligible
9 for transitional benefits under this subsection.".
10 (b) CONFORMING AMENDMENTS.—(1) Section 3(c) of
11 the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amend-
12 ed by adding at the end the following: "The limits in this
13 section may be extended until the end of any transitional
14 benefit period established under section 11(s).".
15 (2) Section 6(c) of the Food Stamp Act of 1977 (7
16 U.S.C. 2015(c)) is amended by striking "No household"
17 and inserting "Except in a case in which a household is
18 receiving transitional benefits during the transitional ben-
19 efits period under section 11(s), no household".
20 **SEC. 404. QUALITY CONTROL SYSTEMS.**
21 (a) TARGETED QUALITY CONTROL SYSTEM.—Sec-
22 tion 16(c) of the Food Stamp Act of 1977 (7 U.S.C.
23 2025(c)) is amended—
24 (1) in paragraph (1)(C)—

1 (A) in the matter preceding clause (i), by
2 inserting "the Secretary determines that a 95
3 percent statistical probability exists that for the
4 3d consecutive year" after "year in which"; and
5 (B) in clause (i)(II)(aa)(bbb) by striking
6 "the national performance measure for the fis-
7 cal year" and inserting "10 percent";
8 (2) in the 1st sentence of paragraph (4)—
9 (A) by striking "or claim" and inserting
10 "claim"; and
11 (B) by inserting "or performance under
12 the measures established under paragraph
13 (10)," after "for payment error,";
14 (3) in paragraph (5), by inserting "to comply
15 with paragraph (10) and" before "to establish";
16 (4) in the 1st sentence of paragraph (6), by in-
17 serting "one percentage point more than" after
18 "measure that shall be"; and
19 (5) by inserting at the end the following:
20 "(10)(A) In addition to the measures established
21 under paragraph (1), the Secretary shall measure the per-
22 formance of State agencies in each of the following
23 regards—
24 "(i) compliance with the deadlines established
25 under paragraphs (3) and (9) of section 11(e); and

1 "(ii) the percentage of negative eligibility deci-
2 sions that are made correctly.
3 "(B) For each fiscal year, the Secretary shall make
4 excellence bonus payments of $1,000,000 each to the 5
5 States with the highest combined performance in the 2
6 measures in subparagraph (A) and to the 5 States whose
7 combined performance under the 2 measures in subpara-
8 graph (A) most improved in such fiscal year.
9 "(C) For any fiscal year in which the Secretary deter-
10 mines that a 95 percent statistical probability exists that
11 a State agency's performance with respect to any of the
12 2 performance measures established in subparagraph (A)
13 is substantially worse than a level the Secretary deems
14 reasonable, other than for good cause shown, the Sec-
15 retary shall investigate that State agency's administration
16 of the food stamp program. If this investigation deter-
17 mines that the State's administration has been deficient,
18 the Secretary shall require the State agency to take
19 prompt corrective action.".
20 (b) IMPLEMENTATION.—The amendment made by
21 subsection (a)(5) shall apply to all fiscal years beginning
22 on or after October 1, 2001, and ending before October
23 1, 2007. All other amendments made by this section shall
24 apply to all fiscal years beginning on or after October 1,
25 1999.

1 **SEC. 405. SIMPLIFIED APPLICATION AND ELIGIBILITY DE-**
2 **TERMINATION SYSTEMS.**

3 Section 16 of the Food Stamp Act of 1977 (7 U.S.C.
4 2025) is amended by inserting at the end the following:
5 "(*l*) SIMPLIFICATION OF SYSTEMS.—The Secretary
6 shall expend up to $10 million in each fiscal year to pay
7 100 percent of the costs of State agencies to develop and
8 implement simple application and eligibility determination
9 systems.".

10 **SEC. 406. AUTHORIZATION OF APPROPRIATIONS.**

11 (a) EMPLOYMENT AND TRAINING PROGRAMS.—Sec-
12 tion 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C.
13 2025(h)(1)) is amended—
14 (1) in subparagraph (A)(vii) by striking "fiscal
15 year 2002" and inserting "each of the fiscal years
16 2003 through 2011"; and
17 (2) in subparagraph (B) by striking "2002"
18 and inserting "2011".

19 (b) COST ALLOCATION.—Section 16(k)(3) of the
20 Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is
21 amended—
22 (1) in subparagraph (A) by striking "2002"
23 and inserting "2011"; and
24 (2) in subparagraph (B)(ii) by striking "2002"
25 and inserting "2011".

1 (c) CASH PAYMENT PILOT PROJECTS.—Section
2 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C.
3 2026(b)(1)(B)(vi)) is amended by striking "2002" and in-
4 serting "2011".
5 (d) OUTREACH DEMONSTRATION PROJECTS.—Sec-
6 tion 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C.
7 2026(i)(1)(A)) is amended by striking "1992 through
8 2002" and inserting "2003 through 2011".
9 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
10 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C.
11 2027(a)(1)) is amended by striking "1996 through 2002"
12 and inserting "2003 through 2011".
13 (f) PUERTO RICO.—Section 19(a)(1)(A) of the Food
14 Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is
15 amended—
16 (1) in clause (ii) by striking "and" at the end;
17 (2) in clause (iii) by adding "and" at the end;
18 and
19 (3) by inserting after clause (iii) the following:
20 "(iv) for each of fiscal years 2003 through
21 2011, the amount equal to the amount required to
22 be paid under this subparagraph for the preceding
23 fiscal year, as adjusted by the percentage by which
24 the thrifty food plan is adjusted under section

1 3(o)(4) for the current fiscal year for which the
2 amount is determined under this clause;".
3 (g) TERRITORY OF AMERICAN SAMOA.—Section 24
4 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is amend-
5 ed by striking "1996 through 2002" and inserting "2003
6 through 2011".
7 (h) ASSISTANCE FOR COMMUNITY FOOD
8 PROJECTS.—Section 25(b)(2) of the Food Stamp Act of
9 1977 (7 U.S.C. 2034(b)(2)) is amended—
10 (1) in subparagraph (A) by striking "and" at
11 the end;
12 (2) in subparagraph (B)—
13 (A) by striking "2002" and inserting
14 "2001"; and
15 (B) by striking the period at the end and
16 inserting "; and"; and
17 (3) by inserting after subparagraph (B) the fol-
18 lowing:
19 "(C) $7,500,000 for each of the fiscal
20 years 2002 through 2011.".
21 (i) AVAILABILITY OF COMMODITIES FOR THE EMER-
22 GENCY FOOD ASSISTANCE PROGRAM.—Section 27 of the
23 Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—
24 (1) in subsection (a)—

1 (A) by striking "1997 through 2002" and
2 inserting "2002 through 2011"; and
3 (B) by striking "$100,000,000" and in-
4 serting "$140,000,000"; and
5 (2) by adding at the end the following:
6 "(c) USE OF FUNDS FOR RELATED COSTS.—For
7 each of the fiscal years 2002 through 2011, the Secretary
8 shall use $10,000,000 of the funds made available under
9 subsection (a) to pay for the direct and indirect costs of
10 the States related to the processing, storing, transporting,
11 and distributing to eligible recipient agencies of commod-
12 ities purchased by the Secretary under such subsection
13 and commodities secured from other sources, including
14 commodities secured by gleaning (as defined in section
15 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c
16 note)).".
17 (j) SPECIAL EFFECTIVE DATE.—The amendments
18 made by subsections (h) and (i) shall take effect of Octo-
19 ber 1, 2001.

Subtitle B—Commodity Distribution

SEC. 441. DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.

Section 1114(a) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e) is amended by striking "2002" and inserting "2011".

SEC. 442. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

The Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

(1) in section 4(a) by striking "1991 through 2002" and inserting "2003 through 2011"; and

(2) in subsections (a)(2) and (d)(2) of section 5 by striking "1991 through 2002" and inserting "2003 through 2011".

SEC. 443. EMERGENCY FOOD ASSISTANCE.

The 1st sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended—

(1) by striking "1991 through 2002" and inserting "2003 through 2011";

(2) by striking "administrative"; and

(3) by inserting "storage," after "processing,".

1 **Subtitle C—Miscellaneous**
2 **Provisions**

3 **SEC. 461. HUNGER FELLOWSHIP PROGRAM.**

4 (a) SHORT TITLE; FINDINGS.—

5 (1) SHORT TITLE.—This section may be cited
6 as the "Congressional Hunger Fellows Act of 2001".

7 (2) FINDINGS.—The Congress finds as follows:

8 (A) There is a critical need for compas-
9 sionate individuals who are committed to assist-
10 ing people who suffer from hunger as well as a
11 need for such individuals to initiate and admin-
12 ister solutions to the hunger problem.

13 (B) Bill Emerson, the distinguished late
14 Representative from the 8th District of Mis-
15 souri, demonstrated his commitment to solving
16 the problem of hunger in a bipartisan manner,
17 his commitment to public service, and his great
18 affection for the institution and the ideals of
19 the United States Congress.

20 (C) George T. (Mickey) Leland, the distin-
21 guished late Representative from the 18th Dis-
22 trict of Texas, demonstrated his compassion for
23 those in need, his high regard for public service,
24 and his lively exercise of political talents.

1 (D) The special concern that Mr. Emerson
2 and Mr. Leland demonstrated during their lives
3 for the hungry and poor was an inspiration for
4 others to work toward the goals of equality and
5 justice for all.
6 (E) These 2 outstanding leaders main-
7 tained a special bond of friendship regardless of
8 political affiliation and worked together to en-
9 courage future leaders to recognize and provide
10 service to others, and therefore it is especially
11 appropriate to honor the memory of Mr. Emer-
12 son and Mr. Leland by creating a fellowship
13 program to develop and train the future leaders
14 of the United States to pursue careers in hu-
15 manitarian service.
16 (b) ESTABLISHMENT.—There is established as an
17 independent entity of the legislative branch of the United
18 States Government the Congressional Hunger Fellows
19 Program (hereinafter in this section referred to as the
20 "Program").
21 (c) BOARD OF TRUSTEES.—
22 (1) IN GENERAL.—The Program shall be sub-
23 ject to the supervision and direction of a Board of
24 Trustees.
25 (2) MEMBERS OF THE BOARD OF TRUSTEES.—

1 (A) APPOINTMENT.—The Board shall be
2 composed of 6 voting members appointed under
3 clause (i) and 1 nonvoting ex officio member
4 designated in clause (ii) as follows:
5 (i) VOTING MEMBERS.—(I) The
6 Speaker of the House of Representatives
7 shall appoint 2 members.
8 (II) The minority leader of the House
9 of Representatives shall appoint 1 member.
10 (III) The majority leader of the Sen-
11 ate shall appoint 2 members.
12 (IV) The minority leader of the Sen-
13 ate shall appoint 1 member.
14 (ii) NONVOTING MEMBER.—The Exec-
15 utive Director of the program shall serve
16 as a nonvoting ex officio member of the
17 Board.
18 (B) TERMS.—Members of the Board shall
19 serve a term of 4 years.
20 (C) VACANCY.—
21 (i) AUTHORITY OF BOARD.—A va-
22 cancy in the membership of the Board does
23 not affect the power of the remaining
24 members to carry out this section.

1 (ii) APPOINTMENT OF SUCCESSORS.—
2 A vacancy in the membership of the Board
3 shall be filled in the same manner in which
4 the original appointment was made.
5 (iii) INCOMPLETE TERM.—If a mem-
6 ber of the Board does not serve the full
7 term applicable to the member, the indi-
8 vidual appointed to fill the resulting va-
9 cancy shall be appointed for the remainder
10 of the term of the predecessor of the indi-
11 vidual.
12 (D) CHAIRPERSON.—As the first order of
13 business of the first meeting of the Board, the
14 members shall elect a Chairperson.
15 (E) COMPENSATION.—
16 (i) IN GENERAL.—Subject to clause
17 (ii), members of the Board may not receive
18 compensation for service on the Board.
19 (ii) TRAVEL.—Members of the Board
20 may be reimbursed for travel, subsistence,
21 and other necessary expenses incurred in
22 carrying out the duties of the program.
23 (3) DUTIES.—
24 (A) BYLAWS.—

1 (i) ESTABLISHMENT.—The Board
2 shall establish such bylaws and other regu-
3 lations as may be appropriate to enable the
4 Board to carry out this section, including
5 the duties described in this paragraph.
6 (ii) CONTENTS.—Such bylaws and
7 other regulations shall include provisions—
8 (I) for appropriate fiscal control,
9 funds accountability, and operating
10 principles;
11 (II) to prevent any conflict of in-
12 terest, or the appearance of any con-
13 flict of interest, in the procurement
14 and employment actions taken by the
15 Board or by any officer or employee
16 of the Board and in the selection and
17 placement of individuals in the fellow-
18 ships developed under the program;
19 (III) for the resolution of a tie
20 vote of the members of the Board;
21 and
22 (IV) for authorization of travel
23 for members of the Board.
24 (iii) TRANSMITTAL TO CONGRESS.—
25 Not later than 90 days after the date of

1 the first meeting of the Board, the Chair-
2 person of the Board shall transmit to the
3 appropriate congressional committees a
4 copy of such bylaws.
5 (B) BUDGET.—For each fiscal year the
6 program is in operation, the Board shall deter-
7 mine a budget for the program for that fiscal
8 year. All spending by the program shall be pur-
9 suant to such budget unless a change is ap-
10 proved by the Board.
11 (C) PROCESS FOR SELECTION AND PLACE-
12 MENT OF FELLOWS.—The Board shall review
13 and approve the process established by the Ex-
14 ecutive Director for the selection and placement
15 of individuals in the fellowships developed under
16 the program.
17 (D) ALLOCATION OF FUNDS TO FELLOW-
18 SHIPS.—The Board of Trustees shall determine
19 the priority of the programs to be carried out
20 under this section and the amount of funds to
21 be allocated for the Emerson and Leland fellow-
22 ships.
23 (d) PURPOSES; AUTHORITY OF PROGRAM.—
24 (1) PURPOSES.—The purposes of the program
25 are—

1 (A) to encourage future leaders of the
2 United States to pursue careers in humani-
3 tarian service, to recognize the needs of people
4 who are hungry and poor, and to provide assist-
5 ance and compassion for those in need;
6 (B) to increase awareness of the impor-
7 tance of public service; and
8 (C) to provide training and development
9 opportunities for such leaders through place-
10 ment in programs operated by appropriate or-
11 ganizations or entities.
12 (2) AUTHORITY.—The program is authorized to
13 develop such fellowships to carry out the purposes of
14 this section, including the fellowships described in
15 paragraph (3).
16 (3) FELLOWSHIPS.—
17 (A) IN GENERAL.—The program shall es-
18 tablish and carry out the Bill Emerson Hunger
19 Fellowship and the Mickey Leland Hunger Fel-
20 lowship.
21 (B) CURRICULUM.—
22 (i) IN GENERAL.—The fellowships es-
23 tablished under subparagraph (A) shall
24 provide experience and training to develop
25 the skills and understanding necessary to

1 improve the humanitarian conditions and
2 the lives of individuals who suffer from
3 hunger, including—
4 (I) training in direct service to
5 the hungry in conjunction with com-
6 munity-based organizations through a
7 program of field placement; and
8 (II) experience in policy develop-
9 ment through placement in a govern-
10 mental entity or nonprofit organiza-
11 tion.
12 (ii) FOCUS OF BILL EMERSON HUN-
13 GER FELLOWSHIP.—The Bill Emerson
14 Hunger Fellowship shall address hunger
15 and other humanitarian needs in the
16 United States.
17 (iii) FOCUS OF MICKEY LELAND HUN-
18 GER FELLOWSHIP.—The Mickey Leland
19 Hunger Fellowship shall address inter-
20 national hunger and other humanitarian
21 needs.
22 (iv) WORKPLAN.—To carry out clause
23 (i) and to assist in the evaluation of the
24 fellowships under paragraph (4), the pro-
25 gram shall, for each fellow, approve a work

1 plan that identifies the target objectives for
2 the fellow in the fellowship, including spe-
3 cific duties and responsibilities related to
4 those objectives.
5 (C) PERIOD OF FELLOWSHIP.—
6 (i) EMERSON FELLOW.—A Bill Emer-
7 son Hunger Fellowship awarded under this
8 paragraph shall be for no more than 1
9 year.
10 (ii) LELAND FELLOW.—A Mickey Le-
11 land Hunger Fellowship awarded under
12 this paragraph shall be for no more than
13 2 years. Not less than one year of the fel-
14 lowship shall be dedicated to fulfilling the
15 requirement of subparagraph (B)(i)(I).
16 (D) SELECTION OF FELLOWS.—
17 (i) IN GENERAL.—A fellowship shall
18 be awarded pursuant to a nationwide com-
19 petition established by the program.
20 (ii) QUALIFICATION.—A successful
21 applicant shall be an individual who has
22 demonstrated—
23 (I) an intent to pursue a career
24 in humanitarian service and out-
25 standing potential for such a career;

1 (II) a commitment to social
2 change;
3 (III) leadership potential or ac-
4 tual leadership experience;
5 (IV) diverse life experience;
6 (V) proficient writing and speak-
7 ing skills;
8 (VI) an ability to live in poor or
9 diverse communities; and
10 (VII) such other attributes as de-
11 termined to be appropriate by the
12 Board.
13 (iii) AMOUNT OF AWARD.—
14 (I) IN GENERAL.—Each indi-
15 vidual awarded a fellowship under this
16 paragraph shall receive a living allow-
17 ance and, subject to subclause (II), an
18 end-of-service award as determined by
19 the program.
20 (II) REQUIREMENT FOR SUC-
21 CESSFUL COMPLETION OF FELLOW-
22 SHIP.—Each individual awarded a fel-
23 lowship under this paragraph shall be
24 entitled to receive an end-of-service
25 award at an appropriate rate for each

1 month of satisfactory service as deter-
2 mined by the Executive Director.
3 (iv) RECOGNITION OF FELLOWSHIP
4 AWARD.—
5 (I) EMERSON FELLOW.—An indi-
6 vidual awarded a fellowship from the
7 Bill Emerson Hunger Fellowship shall
8 be known as an "Emerson Fellow".
9 (II) LELAND FELLOW.—An indi-
10 vidual awarded a fellowship from the
11 Mickey Leland Hunger Fellowship
12 shall be known as a "Leland Fellow".
13 (4) EVALUATION.—The program shall conduct
14 periodic evaluations of the Bill Emerson and Mickey
15 Leland Hunger Fellowships. Such evaluations shall
16 include the following:
17 (A) An assessment of the successful com-
18 pletion of the work plan of the fellow.
19 (B) An assessment of the impact of the fel-
20 lowship on the fellows.
21 (C) An assessment of the accomplishment
22 of the purposes of the program.
23 (D) An assessment of the impact of the
24 fellow on the community.
25 (e) TRUST FUND.—

1 (1) ESTABLISHMENT.—There is established the
2 Congressional Hunger Fellows Trust Fund (herein-
3 after in this section referred to as the "Fund") in
4 the Treasury of the United States, consisting of
5 amounts appropriated to the Fund under subsection
6 (i), amounts credited to it under paragraph (3), and
7 amounts received under subsection (g)(3)(A).
8 (2) INVESTMENT OF FUNDS.—The Secretary of
9 the Treasury shall invest the full amount of the
10 Fund. Each investment shall be made in an interest
11 bearing obligation of the United States or an obliga-
12 tion guaranteed as to principal and interest by the
13 United States that, as determined by the Secretary
14 in consultation with the Board, has a maturity suit-
15 able for the Fund.
16 (3) RETURN ON INVESTMENT.—Except as pro-
17 vided in subsection (f)(2), the Secretary of the
18 Treasury shall credit to the Fund the interest on,
19 and the proceeds from the sale or redemption of, ob-
20 ligations held in the Fund.
21 (f) EXPENDITURES; AUDITS.—
22 (1) IN GENERAL.—The Secretary of the Treas-
23 ury shall transfer to the program from the amounts
24 described in subsection (e)(3) and subsection
25 (g)(3)(A) such sums as the Board determines are

1 necessary to enable the program to carry out the
2 provisions of this section.
3 (2) LIMITATION.—The Secretary may not
4 transfer to the program the amounts appropriated to
5 the Fund under subsection (i).
6 (3) USE OF FUNDS.—Funds transferred to the
7 program under paragraph (1) shall be used for the
8 following purposes:
9 (A) STIPENDS FOR FELLOWS.—To provide
10 for a living allowance for the fellows.
11 (B) TRAVEL OF FELLOWS.—To defray the
12 costs of transportation of the fellows to the fel-
13 lowship placement sites.
14 (C) INSURANCE.—To defray the costs of
15 appropriate insurance of the fellows, the pro-
16 gram, and the Board.
17 (D) TRAINING OF FELLOWS.—To defray
18 the costs of preservice and midservice education
19 and training of fellows.
20 (E) SUPPORT STAFF.—Staff described in
21 subsection (g).
22 (F) AWARDS.—End-of-service awards
23 under subsection (d)(3)(D)(iii)(II).

1 (G) ADDITIONAL APPROVED USES.—For
2 such other purposes that the Board determines
3 appropriate to carry out the program.
4 (4) AUDIT BY GAO.—
5 (A) IN GENERAL.—The Comptroller Gen-
6 eral of the United States shall conduct an an-
7 nual audit of the accounts of the program.
8 (B) BOOKS.—The program shall make
9 available to the Comptroller General all books,
10 accounts, financial records, reports, files, and
11 all other papers, things, or property belonging
12 to or in use by the program and necessary to
13 facilitate such audit.
14 (C) REPORT TO CONGRESS.—The Comp-
15 troller General shall submit a copy of the re-
16 sults of each such audit to the appropriate con-
17 gressional committees.
18 (g) STAFF; POWERS OF PROGRAM.—
19 (1) EXECUTIVE DIRECTOR.—
20 (A) IN GENERAL.—The Board shall ap-
21 point an Executive Director of the program who
22 shall administer the program. The Executive
23 Director shall carry out such other functions
24 consistent with the provisions of this section as
25 the Board shall prescribe.

1 (B) RESTRICTION.—The Executive Direc-
2 tor may not serve as Chairperson of the Board.
3 (C) COMPENSATION.—The Executive Di-
4 rector shall be paid at a rate not to exceed the
5 rate of basic pay payable for level V of the Ex-
6 ecutive Schedule under section 5316 of title 5,
7 United States Code.
8 (2) STAFF.—
9 (A) IN GENERAL.—With the approval of a
10 majority of the Board, the Executive Director
11 may appoint and fix the pay of additional per-
12 sonnel as the Executive Director considers nec-
13 essary and appropriate to carry out the func-
14 tions of the provisions of this section.
15 (B) COMPENSATION.—An individual ap-
16 pointed under subparagraph (A) shall be paid
17 at a rate not to exceed the rate of basic pay
18 payable for level GS–15 of the General Sched-
19 ule.
20 (3) POWERS.—In order to carry out the provi-
21 sions of this section, the program may perform the
22 following functions:
23 (A) GIFTS.—The program may solicit, ac-
24 cept, use, and dispose of gifts, bequests, or de-
25 vises of services or property, both real and per-

1 sonal, for the purpose of aiding or facilitating
2 the work of the program. Gifts, bequests, or de-
3 vises of money and proceeds from sales of other
4 property received as gifts, bequests, or devises
5 shall be deposited in the Fund and shall be
6 available for disbursement upon order of the
7 Board.

8 (B) EXPERTS AND CONSULTANTS.—The
9 program may procure temporary and intermit-
10 tent services under section 3109 of title 5,
11 United States Code, but at rates for individuals
12 not to exceed the daily equivalent of the max-
13 imum annual rate of basic pay payable for GS–
14 15 of the General Schedule.

15 (C) CONTRACT AUTHORITY.—The program
16 may contract, with the approval of a majority
17 of the members of the Board, with and com-
18 pensate Government and private agencies or
19 persons without regard to section 3709 of the
20 Revised Statutes (41 U.S.C. 5).

21 (D) OTHER NECESSARY EXPENDITURES.—
22 The program shall make such other expendi-
23 tures which the program considers necessary to
24 carry out the provisions of this section, but ex-
25 cluding project development.

1 (h) REPORT.—Not later than December 31 of each
2 year, the Board shall submit to the appropriate congres-
3 sional committees a report on the activities of the program
4 carried out during the previous fiscal year, and shall in-
5 clude the following:

6 (1) An analysis of the evaluations conducted
7 under subsection (d)(4) (relating to evaluations of
8 the Emerson and Leland fellowships and accomplish-
9 ment of the program purposes) during that fiscal
10 year.

11 (2) A statement of the total amount of funds
12 attributable to gifts received by the program in that
13 fiscal year (as authorized under subsection
14 (g)(3)(A)), and the total amount of such funds that
15 were expended to carry out the program that fiscal
16 year.

17 (i) AUTHORIZATION OF APPROPRIATIONS.—There
18 are authorized to be appropriated $18,000,000 to carry
19 out the provisions of this section.

20 (j) DEFINITION.—In this section, the term "appro-
21 priate congressional committees" means—

22 (1) the Committee on Agriculture and the Com-
23 mittee on International Relations of the House of
24 Representatives; and

1 (2) the Committee on Agriculture, Nutrition
2 and Forestry and the Committee on Foreign Rela-
3 tions of the Senate.

4 **SEC. 462. GENERAL EFFECTIVE DATE.**

5 Except as otherwise provided in this title, the amend-
6 ments made by this title shall take effect on October 1,
7 2002.

8 # TITLE V—CREDIT

9 **SEC. 501. ELIGIBILITY OF LIMITED LIABILITY COMPANIES**
10 **FOR FARM OWNERSHIP LOANS, FARM OPER-**
11 **ATING LOANS, AND EMERGENCY LOANS.**

12 (a) Sections 302(a), 311(a), and 321(a) of the Con-
13 solidated Farm and Rural Development Act (7 U.S.C.
14 1922(a), 1941(a), and 1961(a)) are each amended by
15 striking "and joint operations" each place it appears and
16 inserting "joint operations, and limited liability compa-
17 nies".

18 (b) Section 321(a) of such Act (7 U.S.C. 1961(a))
19 is amended by striking "or joint operations" each place
20 it appears and inserting "joint operations, or limited liabil-
21 ity companies".

1 **SEC. 502. SUSPENSION OF LIMITATION ON PERIOD FOR**
2 **WHICH BORROWERS ARE ELIGIBLE FOR**
3 **GUARANTEED ASSISTANCE.**

4 During the period beginning January 1, 2002, and
5 ending December 31, 2006, section 319(b) of the Consoli-
6 dated Farm and Rural Development Act (7 U.S.C.
7 1949(b)) shall have no force or effect.

8 **SEC. 503. ADMINISTRATION OF CERTIFIED LENDERS AND**
9 **PREFERRED CERTIFIED LENDERS PRO-**
10 **GRAMS.**

11 (a) IN GENERAL.—Section 331(b) of the Consoli-
12 dated Farm and Rural Development Act (7 U.S.C.
13 1981(b)) is amended—

14 (1) by redesignating paragraphs (2) through
15 (9) as paragraphs (3) through (10), respectively;
16 and

17 (2) by inserting after paragraph (1) the fol-
18 lowing:

19 "(2) administer the loan guarantee program
20 under section 339(c) through central offices estab-
21 lished in States or in multi-State areas;".

22 (b) CONFORMING AMENDMENT.—Section 331(c) of
23 such Act (7 U.S.C. 1981(c)) is amended by striking
24 "(b)(5)" and inserting "(b)(6)".

1 **SEC. 504. SIMPLIFIED LOAN GUARANTEE APPLICATION**
2 **AVAILABLE FOR LOANS OF GREATER**
3 **AMOUNTS.**

4 Section 333A(g)(1) of the Consolidated Farm and
5 Rural Development Act (7 U.S.C. 1983a(g)(1)) is amend-
6 ed by striking "$50,000" and inserting "$150,000".

7 **SEC. 505. ELIMINATION OF REQUIREMENT THAT SEC-**
8 **RETARY REQUIRE COUNTY COMMITTEES TO**
9 **CERTIFY IN WRITING THAT CERTAIN LOAN**
10 **REVIEWS HAVE BEEN CONDUCTED.**

11 Section 333 of the Consolidated Farm and Rural De-
12 velopment Act (7 U.S.C. 1983) is amended by striking
13 paragraph (2) and redesignating paragraphs (3) through
14 (5) as paragraphs (2) through (4), respectively.

15 **SEC. 506. AUTHORITY TO REDUCE PERCENTAGE OF LOAN**
16 **GUARANTEED IF BORROWER INCOME IS IN-**
17 **SUFFICIENT TO SERVICE DEBT.**

18 Section 339 of the Consolidated Farm and Rural De-
19 velopment Act (7 U.S.C. 1989) is amended—

20 (1) in subsection (c)(4)(A), by inserting ", ex-
21 cept that the Secretary may guarantee such lesser
22 percentage as the Secretary determines appropriate
23 of such a loan if the income of the borrower is less
24 than the income necessary to meet the requirements
25 of subsection (b)" before the period; and

1 (2) in subsection (d)(4)(A), by inserting ", ex-
2 cept that the Secretary may guarantee such lesser
3 percentage as the Secretary determines appropriate
4 of such a loan if the income of the borrower is less
5 than the income necessary to meet the requirements
6 of subsection (b)" before the semicolon.

7 **SEC. 507. TIMING OF LOAN ASSESSMENTS.**

8 Section 360(a) of the Consolidated Farm and Rural
9 Development Act (7 U.S.C. 2006b(a)) is amended by
10 striking "After an applicant is determined eligible for as-
11 sistance under this title by the appropriate county com-
12 mittee established pursuant to section 332, the" and in-
13 serting "The".

14 **SEC. 508. MAKING AND SERVICING OF LOANS BY PER-**
15 **SONNEL OF STATE, COUNTY, OR AREA COM-**
16 **MITTEES.**

17 (a) IN GENERAL.—Subtitle D of the Consolidated
18 Farm and Rural Development Act (7 U.S.C. 1981–2008j)
19 is amended by adding at the end the following:

20 **"SEC. 376. MAKING AND SERVICING OF LOANS BY PER-**
21 **SONNEL OF STATE, COUNTY, OR AREA COM-**
22 **MITTEES.**

23 "The Secretary shall employ personnel of a State,
24 county or area committee established under section
25 8(b)(5) of the Soil Conservation and Domestic Allotment

1 Act (16 U.S.C 590h(b)(5)) to make and service loans
2 under this title to the extent the personnel have been
3 trained to do so.".

4 (b) INAPPLICABILITY OF FINALITY RULE.—Section
5 281(a)(1) of the Department of Agriculture Reorganiza-
6 tion Act of 1994 (7 U.S.C. 7001(a)(1)) is amended by
7 inserting ", except functions performed pursuant to sec-
8 tion 376 of the Consolidated Farm and Rural Develop-
9 ment Act" before the period.

10 **SEC. 509. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY,**
11 **OR AREA COMMITTEE FOR LOANS AND LOAN**
12 **GUARANTEES.**

13 Subtitle D of the Consolidated Farm and Rural De-
14 velopment Act (7 U.S.C. 1981–2008j) is further amended
15 by adding at the end the following:

16 **"SEC. 377. ELIGIBILITY OF EMPLOYEES OF STATE, COUNTY,**
17 **OR AREA COMMITTEE FOR LOANS AND LOAN**
18 **GUARANTEES.**

19 "The Secretary shall not prohibit an employee of a
20 State, county or area committee established under section
21 8(b)(5) of the Soil Conservation and Domestic Allotment
22 Act (16 U.S.C. 590h(b)(5)) or an employee of the Depart-
23 ment of Agriculture from obtaining a loan or loan guar-
24 antee under subtitle A, B or C of this title if an office
25 of the Department of Agriculture other than the office in

1 which the employee is located determines that the em-
2 ployee is otherwise eligible for the loan or loan guar-
3 antee.".

4 **SEC. 510. EMERGENCY LOANS IN RESPONSE TO AN ECO-**
5 **NOMIC EMERGENCY RESULTING FROM QUAR-**
6 **ANTINES AND SHARPLY INCREASING ENERGY**
7 **COSTS.**

8 (a) LOAN AUTHORITY.—Section 321(a) of the Con-
9 solidated Farm and Rural Development Act (7 U.S.C.
10 1961(a)) is amended—
11 (1) in each of the 1st and 3rd sentences—
12 (A) by striking "a natural disaster in the
13 United States or by" and inserting "a quar-
14 antine imposed by the Secretary under the
15 Plant Protection Act or the animal quarantine
16 laws (as defined in section 2509 of the Food,
17 Agriculture, Conservation, and Trade Act of
18 1990), an economic emergency resulting from
19 sharply increasing energy costs as described in
20 section 329(b), a natural disaster in the United
21 States, or"; and
22 (B) by inserting "Robert T. Stafford" be-
23 fore "Disaster Relief and Emergency Assistance
24 Act"; and
25 (2) in the 4th sentence—

1 (A) by striking "a natural disaster" and
2 inserting "such a quarantine, economic emer-
3 gency, or natural disaster"; and
4 (B) by striking "by such natural disaster"
5 and inserting "by such quarantine, economic
6 emergency, or natural disaster".
7 (b) CONFORMING AMENDMENT.—Section 323 of
8 such Act (7 U.S.C. 1963) is amended—
9 (1) by inserting "quarantine," before "natural
10 disaster"; and
11 (2) by inserting "referred to in section 321(a),
12 including, notwithstanding any other provision of
13 this title, an economic emergency resulting from
14 sharply increasing energy costs as described in sec-
15 tion 329(b)" after "emergency".
16 (c) SHARPLY INCREASING ENERGY COSTS.—Section
17 329 of such Act (7 U.S.C. 1969) is amended—
18 (1) by striking all that precedes "Secretary
19 shall" and inserting the following:
20 **"SEC. 329. LOSS CONDITIONS.**
21 "(a) IN GENERAL.—Except as provided in subsection
22 (b), the"; and
23 (2) by adding after and below the end the fol-
24 lowing:

1 "(b) LOSS RESULTING FROM SHARPLY INCREASING
2 ENERGY COSTS.—The Secretary shall make financial as-
3 sistance under this subtitle available to any applicant seek-
4 ing assistance based on an income loss resulting from
5 sharply increasing energy costs referred to in section 323
6 if—
7 "(1) the price of electricity, gasoline, diesel fuel,
8 natural gas, propane, or other equivalent fuel during
9 any 3-month period is at least 50 percent greater
10 than the average price of the same form of energy
11 during the preceding 5 years, as determined by the
12 Secretary; and
13 "(2) the income loss of the applicant is directly
14 related to expenses incurred to prevent livestock
15 mortality, the degradation of a perishable agricul-
16 tural commodity, or damage to a field crop.".
17 (d) MAXIMUM AMOUNT OF LOAN.—Section 324(a) of
18 such Act (7 U.S.C. 1964(a)) is amended—
19 (1) by striking "or" at the end of paragraph
20 (1);
21 (2) by striking the period at the end of para-
22 graph (2) and inserting a semicolon; and
23 (3) by adding at the end the following:

"(3) in the case of a loan made in response to a quarantine referred to in section 321, exceeds $500,000; or

"(4) in the case of a loan made in response to an economic emergency referred to in section 321, exceeds $200,000.".

SEC. 511. EXTENSION OF AUTHORITY TO CONTRACT FOR SERVICING OF FARMER PROGRAM LOANS.

Section 331(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(d)) is amended—

(1) in the heading by striking "TEMPORARY"; and

(2) in paragraph (5), by striking "2002" and inserting "2011".

SEC. 512. AUTHORIZATION FOR LOANS.

Section 346(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(1)) is amended by striking "not more than the following amounts:" and all that follows and inserting "such sums as may be necessary.".

SEC. 513. RESERVATION OF FUNDS FOR DIRECT OPERATING LOANS FOR BEGINNING FARMERS AND RANCHERS.

Section 346(b)(2)(A)(ii)(III) of the Consolidated Farm and Rural Development Act (7 U.S.C.

1994(b)(2)(A)(ii)(III)) is amended by striking "2000 through 2002" and inserting "2002 through 2011".

SEC. 514. EXTENSION OF INTEREST RATE REDUCTION PROGRAM.

Section 351(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999(a)(2)) is amended by striking "2002" and inserting "2011".

SEC. 515. INCREASE IN DURATION OF LOANS UNDER DOWN PAYMENT LOAN PROGRAM.

(a) IN GENERAL.—Section 310E(b)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935(b)(3)) is amended by striking "10" and inserting "15".

(b) CONFORMING AMENDMENT.—Section 310E(c)(3)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935(c)(3)(B)) is amended by striking "10-year" and inserting "15-year".

SEC. 516. HORSE BREEDER LOANS.

(a) DEFINITION OF HORSE BREEDER.—In this section, the term "horse breeder" means a person that, as of the date of the enactment of this Act, derives more than 70 percent of the income of the person from the business of breeding, boarding, raising, training, or selling horses, during the shorter of—

1 (1) the 5-year period ending on January 1,
2 2001; or
3 (2) the period the person has been engaged in
4 the business.
5 (b) LOAN AUTHORIZATION.—The Secretary shall
6 make a loan to an eligible horse breeder to assist the
7 breeder for losses suffered as a result of mare reproductive
8 loss syndrome.
9 (c) ELIGIBILITY.—A horse breeder shall be eligible
10 for a loan under this section if the Secretary determines
11 that, as a result of mare reproductive loss syndrome—
12 (1) during the period beginning January 1,
13 2000, and ending October 1, 2000, or during the pe-
14 riod beginning January 1, 2001, and ending October
15 1, 2001—
16 (A) 30 percent or more of the mares
17 owned by the breeder failed to conceive, mis-
18 carried, aborted, or otherwise failed to produce
19 a live healthy foal; or
20 (B) 30 percent or more of the mares
21 boarded on a farm owned, operated, or leased
22 by the breeder failed to conceive, miscarried,
23 aborted, or otherwise failed to produce a live
24 healthy foal;

1 (2) during the period beginning January 1,
2 2000, and ending on September 30, 2002, the breed-
3 er was unable to meet the financial obligations, or
4 pay the ordinary and necessary expenses, of the
5 breeder incurred in connection with breeding, board-
6 ing, raising, training, or selling horses; and
7 (3) the breeder is not able to obtain sufficient
8 credit elsewhere (within the meaning of section
9 321(a) of the Consolidated Farm and Rural Devel-
10 opment Act).
11 (d) AMOUNT.—
12 (1) IN GENERAL.—Subject to paragraph (2),
13 the Secretary shall determine the amount of a loan
14 to be made to a horse breeder under this section, on
15 the basis of the amount of losses suffered by the
16 breeder, and the financial needs of the breeder, as
17 a result of mare reproductive loss syndrome.
18 (2) MAXIMUM AMOUNT.—The amount of a loan
19 made under this section shall not exceed $500,000.
20 (e) TERM.—
21 (1) IN GENERAL.—Subject to paragraph (2),
22 the term for repayment of a loan made to a horse
23 breeder under this section shall be determined by the
24 Secretary based on the ability of the breeder to
25 repay the loan.

1 (2) MAXIMUM TERM.—The term of a loan made
2 under this section shall not exceed 15 years.
3 (f) INTEREST RATE.—Interest shall be payable on a
4 loan made under this section, at the rate prescribed under
5 section 324(b)(1) of the Consolidated Farm and Rural De-
6 velopment Act.
7 (g) SECURITY.—Security shall be required on a loan
8 made under this section, in accordance with section 324(d)
9 of the Consolidated Farm and Rural Development Act.
10 (h) APPLICATION.—To be eligible to obtain a loan
11 under this section, a horse breeder shall submit to the Sec-
12 retary an application for the loan not later than Sep-
13 tember 30, 2002.
14 (i) FUNDING.—The Secretary shall carry out this sec-
15 tion using funds available for emergency loans under sub-
16 title C of the Consolidated Farm and Rural Development
17 Act.
18 (j) TERMINATION.—The authority provided by this
19 section shall terminate on September 30, 2003.
20 **SEC. 517. SUNSET OF DIRECT LOAN PROGRAMS UNDER THE**
21 **CONSOLIDATED FARM AND RURAL DEVELOP-**
22 **MENT ACT.**
23 (a) IN GENERAL.—Subtitle D of the Consolidated
24 Farm and Rural Development Act (7 U.S.C. 1981–2008j)
25 is amended by inserting after section 344 the following:

1 **"SEC. 345. SUNSET OF DIRECT LOAN PROGRAMS.**

2 "(a) IN GENERAL.—Except as provided in subsection
3 (b), beginning 5 years after the date of the enactment of
4 this section, the Secretary may not make a direct loan
5 under section 302 or 311.

6 "(b) EXCEPTIONS.—Subsection (a) shall not apply to
7 any authority to make direct loans to youths, qualified be-
8 ginning farmers or ranchers, or members of socially dis-
9 advantaged groups.

10 "(c) NO EFFECT ON EXISTING CONTRACTS.—Sub-
11 section (a) shall not be construed to permit the violation
12 of any contract entered into before the 5-year period de-
13 scribed in subsection (a).".

14 (b) EVALUATIONS OF DIRECT AND GUARANTEED
15 LOAN PROGRAMS.—

16 (1) STUDIES.—The Secretary of Agriculture
17 shall conduct 2 studies of the direct and guaranteed
18 loan progams under sections 302 and 311 of the
19 Consolidated Farm and Rural Development Act,
20 each of which shall include an examination of the
21 number, average principal amount, and delinquency
22 and default rates of loans provided or guaranteed
23 during the period covered by the study.

24 (2) PERIODS COVERED.—

25 (A) FIRST STUDY.—1 study under para-
26 graph (1) shall cover the 1-year period that be-

1 gins 1 year after the date of the enactment of
2 this section.
3 (B) SECOND STUDY.—1 study under para-
4 graph (1) shall cover the 1-year period that be-
5 gins 3 years after such date of enactment.
6 (3) REPORTS TO THE CONGRESS.—At the end
7 of the period covered by a study under this sub-
8 section, the Secretary of Agriculture shall submit to
9 the Congress a report that contains an evaluation of
10 the results of the study, including an analysis of the
11 effectiveness of loan programs referred to in para-
12 graph (1) in meeting the credit needs of agricultural
13 producers in an efficient and fiscally responsible
14 manner.

15 **SEC. 518. DEFINITION OF DEBT FORGIVENESS.**

16 Section 343(a)(12)(B) of the Consolidated Farm and
17 Rural Development Act (7 U.S.C. 1991(a)(12)(B)) is
18 amended to read as follows:
19 "(B) EXCEPTIONS.—The term 'debt for-
20 giveness' does not include—
21 "(i) consolidation, rescheduling, re-
22 amortization, or deferral of a loan; or
23 "(ii) any write-down provided as a
24 part of a resolution of a discrimination
25 complaint against the Secretary.".

1 **SEC. 519. LOAN ELIGIBILITY FOR BORROWERS WITH PRIOR**
2 **DEBT FORGIVENESS.**

3 Section 373(b)(1) of the Consolidated Farm and
4 Rural Development Act (7 U.S.C. 2008h(b)(1)) is amend-
5 ed to read as follows:

6 "(1) PROHIBITIONS.—Except as provided in
7 paragraph (2)—

8 "(A) the Secretary may not make a loan
9 under this title to a borrower who, on more
10 than 2 occasions, received debt forgiveness on a
11 loan made or guaranteed under this title; and

12 "(B) the Secretary may not guarantee a
13 loan under this title to a borrower who, on more
14 than 3 occasions, received debt forgiveness on a
15 loan made or guaranteed under this title.".

16 **SEC. 520. ALLOCATION OF CERTAIN FUNDS FOR SOCIALLY**
17 **DISADVANTAGED FARMERS AND RANCHERS.**

18 The last sentence of section 355(c)(2) of the Consoli-
19 dated Farm and Rural Development Act (7 U.S.C.
20 2003(c)(2)) is amended to read as follows: "Any funds re-
21 served and allocated under this paragraph but not used
22 within a State shall, to the extent necessary to satisfy
23 pending applications under this title, be available for use
24 by socially disadvantaged farmers and ranchers in other
25 States, as determined by the Secretary, and any remaining
26 funds shall be reallocated within the State.".

1 **SEC. 521. HORSES CONSIDERED TO BE LIVESTOCK UNDER**
2 **THE CONSOLIDATED FARM AND RURAL DE-**
3 **VELOPMENT ACT.**

4 Section 343 of the Consolidated Farm and Rural De-
5 velopment Act (7 U.S.C. 1991) is amended by adding at
6 the end the following:

7 "(c) LIVESTOCK INCLUDES HORSES.—The term
8 'livestock' includes horses.".

9 TITLE VI—RURAL
10 DEVELOPMENT

11 **SEC. 601. FUNDING FOR RURAL LOCAL TELEVISION BROAD-**
12 **CAST SIGNAL LOAN GUARANTEES.**

13 Section 1011(a) of the Launching Our Communities'
14 Access to Local Television Act of 2000 (title X of H.R.
15 5548, as enacted by section 1(a)(2) of Public Law 106-
16 553) is amended by adding at the end the following: "In
17 addition, a total of $200,000,000 of the funds of the Com-
18 modity Credit Corporation shall be available during fiscal
19 years 2002 through 2006, without fiscal year limitation,
20 for loan guarantees under this title.".

21 **SEC. 602. EXPANDED ELIGIBILITY FOR VALUE-ADDED AGRI-**
22 **CULTURAL PRODUCT MARKET DEVELOP-**
23 **MENT GRANTS.**

24 Section 231(a) of the Agricultural Risk Protection
25 Act of 2000 (7 U.S.C. 1621 note) is amended—

1 (1) by striking paragraph (1) and inserting the
2 following:
3 "(1) ESTABLISHMENT AND PURPOSES.—In
4 each of fiscal years 2002 through 2011, the Sec-
5 retary shall use $50,000,000 of the funds of the
6 Commodity Credit Corporation to award competitive
7 grants—
8 "(A) to eligible independent producers (as
9 determined by the Secretary) of value-added ag-
10 ricultural commodities and products of agricul-
11 tural commodities to assist an eligible
12 producer—
13 "(i) to develop a business plan for via-
14 ble marketing opportunities for a value-
15 added agricultural commodity or product
16 of an agricultural commodity; or
17 "(ii) to develop strategies for the ven-
18 tures that are intended to create marketing
19 opportunities for the producers; and
20 "(B) to public bodies, institutions of higher
21 learning, and trade associations to assist such
22 entities—
23 "(i) to develop a business plan for via-
24 ble marketing opportunities in emerging
25 markets for a value-added agricultural

1 commodity or product of an agricultural
2 commodity; or
3 "(ii) to develop strategies for the ven-
4 tures that are intended to create marketing
5 opportunities in emerging markets for the
6 producers.";
7 (2) by striking "producer" each place it appears
8 thereafter and inserting "grantee"; and
9 (3) in the heading for paragraph (3), by strik-
10 ing "PRODUCER" and inserting "GRANTEE".

11 **SEC. 603. AGRICULTURE INNOVATION CENTER DEM-**
12 **ONSTRATION PROGRAM.**

13 (a) PURPOSES.—The purposes of this section are to
14 carry out a demonstration program under which agricul-
15 tural producers are provided—
16 (1) technical assistance, including engineering
17 services, applied research, scale production, and
18 similar services to enable the producers to establish
19 businesses for further processing of agricultural
20 products;
21 (2) marketing, market development, and busi-
22 ness planning; and
23 (3) overall organizational, outreach, and devel-
24 opment assistance to increase the viability, growth,

1 and sustainability of value-added agricultural busi-
2 nesses.
3 (b) NATURE OF PROGRAM.—The Secretary of Agri-
4 culture (in this section referred to as the "Secretary")
5 shall—
6 (1) make grants to eligible applicants for the
7 purposes of enabling the applicants to obtain the as-
8 sistance described in subsection (a); and
9 (2) provide assistance to eligible applicants
10 through the research and technical services of the
11 Department of Agriculture.
12 (c) ELIGIBILITY REQUIREMENTS.—
13 (1) IN GENERAL.—An applicant shall be eligible
14 for a grant and assistance described in subsection
15 (b) to establish an Agriculture Innovation Center
16 if—
17 (A) the applicant—
18 (i) has provided services similar to
19 those described in subsection (a); or
20 (ii) shows the capability of providing
21 the services;
22 (B) the application of the applicant for the
23 grant and assistance sets forth a plan, in ac-
24 cordance with regulations which shall be pre-
25 scribed by the Secretary, outlining support of

1 the applicant in the agricultural community, the
2 technical and other expertise of the applicant,
3 and the goals of the applicant for increasing
4 and improving the ability of local producers to
5 develop markets and processes for value-added
6 agricultural products;
7 (C) the applicant demonstrates that re-
8 sources (in cash or in kind) of definite value are
9 available, or have been committed to be made
10 available, to the applicant, to increase and im-
11 prove the ability of local producers to develop
12 markets and processes for value-added agricul-
13 tural products; and
14 (D) the applicant meets the requirement of
15 paragraph (2).
16 (2) BOARD OF DIRECTORS.—The requirement
17 of this paragraph is that the applicant shall have a
18 board of directors comprised of representatives of
19 the following groups:
20 (A) The 2 general agricultural organiza-
21 tions with the greatest number of members in
22 the State in which the applicant is located.
23 (B) The Department of Agriculture or
24 similar State organization or department, for
25 the State.

1 (C) Organizations representing the 4 high-
2 est grossing commodities produced in the State,
3 according to annual gross cash sales.
4 (d) GRANTS AND ASSISTANCE.—
5 (1) IN GENERAL.—Subject to subsection (g),
6 the Secretary shall make annual grants to eligible
7 applicants under this section, each of which grants
8 shall not exceed the lesser of—
9 (A) $1,000,000; or
10 (B) twice the dollar value of the resources
11 (in cash or in kind) that the applicant has dem-
12 onstrated are available, or have been committed
13 to be made available, to the applicant in accord-
14 ance with subsection (c)(1)(C).
15 (2) INITIAL LIMITATION.—In the first year of
16 the demonstration program under this section, the
17 Secretary shall make grants under this section, on a
18 competitive basis, to not more than 5 eligible appli-
19 cants.
20 (3) EXPANSION OF DEMONSTRATION PRO-
21 GRAM.—In the second year of the demonstration
22 program under this section, the Secretary may make
23 grants under this section to not more than 10 eligi-
24 ble applicants, in addition to any entities to which
25 grants are made under paragraph (2) for such year.

1 (4) STATE LIMITATION.—In the first 3 years of
2 the demonstration program under this section, the
3 Secretary shall not make an Agricultural Innovation
4 Center Demonstration Program grant under this
5 section to more than 1 entity in a single State.
6 (e) USE OF FUNDS.—An entity to which a grant is
7 made under this section may use the grant only for the
8 following purposes, but only to the extent that the use is
9 not described in section 231(d) of the Agricultural Risk
10 Protection Act of 2000:
11 (1) Applied research.
12 (2) Consulting services.
13 (3) Hiring of employees, at the discretion of the
14 board of directors of the entity.
15 (4) The making of matching grants, each of
16 which shall be not more than $5,000, to agricultural
17 producers, so long as the aggregate amount of all
18 such matching grants shall be not more than
19 $50,000.
20 (5) Legal services.
21 (f) RULE OF INTERPRETATION.—This section shall
22 not be construed to prevent a recipient of a grant under
23 this section from collaborating with any other institution
24 with respect to activities conducted using the grant.

1 (g) AVAILABILITY OF FUNDS.—Of the amount made
2 available under section 231(a)(1) of the Agricultural Risk
3 Protection Act of 2000 (Public Law 106–224; 7 U.S.C.
4 1621 note), the Secretary shall use to carry out this
5 section—
6 (1) not less than $5,000,000 for fiscal year
7 2002; and
8 (2) not less than $10,000,000 for each of the
9 fiscal years 2003 and 2004.
10 (h) REPORT ON BEST PRACTICES.—
11 (1) EFFECTS ON THE AGRICULTURAL SEC-
12 TOR.—The Secretary shall utilize $300,000 per year
13 of the funds made available pursuant to this section
14 to support research at any university into the effects
15 of value-added projects on agricultural producers
16 and the commodity markets. The research should
17 systematically examine possible effects on demand
18 for agricultural commodities, market prices, farm in-
19 come, and Federal outlays on commodity programs
20 using linked, long-term, global projections of the ag-
21 ricultural sector.
22 (2) DEPARTMENT OF AGRICULTURE.—Not later
23 than 3 years after the first 10 grants are made
24 under this section, the Secretary shall prepare and
25 submit to the Committee on Agriculture, Nutrition,

1 and Forestry of the Senate and to the Committee on
2 Agriculture of the House of Representatives a writ-
3 ten report on the effectiveness of the demonstration
4 program conducted under this section at improving
5 the production of value-added agricultural products
6 and on the effects of the program on the economic
7 viability of the producers, which shall include the
8 best practices and innovations found at each of the
9 Agriculture Innovation Centers established under the
10 demonstration program under this section, and de-
11 tail the number and type of agricultural projects as-
12 sisted, and the type of assistance provided, under
13 this section.

14 **SEC. 604. FUNDING OF COMMUNITY WATER ASSISTANCE**
15 **GRANT PROGRAM.**

16 (a) FUNDING.—In each of fiscal years 2002 through
17 2011, the Secretary of Agriculture shall use $30,000,000
18 of the funds of the Commodity Credit Corporation to carry
19 out section 306A of the Consolidated Farm and Rural De-
20 velopment Act (7 U.S.C. 1926a).

21 (b) EXTENSION OF PROGRAM.—Section 306A(i) of
22 the Consolidated Farm and Rural Development Act (7
23 U.S.C. 1926a(i)) is amended by striking "2002" and in-
24 serting "2011".

1 (c) MISCELLANEOUS AMENDMENTS.—Section 306A
2 of such Act (7 U.S.C. 1926a) is amended—
3 (1) in the heading by striking "**EMERGENCY**";
4 (2) in subsection (a)(1)—
5 (A) by striking "after" and inserting
6 "when"; and
7 (B) by inserting "is imminent" after "com-
8 munities"; and
9 (3) in subsection (c), by striking "shall—" and
10 all that follows and inserting "shall be a public or
11 private nonprofit entity.".

12 **SEC. 605. LOAN GUARANTEES FOR THE FINANCING OF THE**
13 **PURCHASE OF RENEWABLE ENERGY SYS-**
14 **TEMS.**

15 Section 4 of the Rural Electrification Act of 1936 (7
16 U.S.C. 904) is amended—
17 (1) by inserting "(a)" before "The Secretary";
18 and
19 (2) by adding after and below the end the fol-
20 lowing:
21 "(b) LOAN GUARANTEES FOR THE FINANCING OF
22 THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.—
23 The Secretary may provide a loan guarantee, on such
24 terms and conditions as the Secretary deems appropriate,
25 for the purpose of financing the purchase of a renewable

1 energy system, including a wind energy system and anaer-
2 obic digestors for the purpose of energy generation, by any
3 person or individual who is a farmer, a rancher, or an
4 owner of a small business (as defined by the Secretary)
5 that is located in a rural area (as defined by the Sec-
6 retary). In providing guarantees under this subsection, the
7 Secretary shall give priority to loans used primarily for
8 power generation on a farm, ranch, or small business (as
9 so defined).".

10 **SEC. 606. LOANS AND LOAN GUARANTEES FOR RENEWABLE**
11 **ENERGY SYSTEMS.**

12 Section 310B(a)(3) of the Consolidated Farm and
13 Rural Development Act (7 U.S.C. 1932(a)(3)) is amended
14 by inserting "and other renewable energy systems includ-
15 ing wind energy systems and anaerobic digestors for the
16 purpose of energy generation" after "solar energy sys-
17 tems".

18 **SEC. 607. RURAL BUSINESS OPPORTUNITY GRANTS.**

19 Section 306(a)(11)(D) of the Consolidated Farm and
20 Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is
21 amended by striking "2002" and inserting "2011".

1 **SEC. 608. GRANTS FOR WATER SYSTEMS FOR RURAL AND**
2 **NATIVE VILLAGES IN ALASKA.**

3 Section 306D(d)(1) of the Consolidated Farm and
4 Rural Development Act (7 U.S.C. 1926d(d)(1)) is amend-
5 ed by striking "and 2002" and inserting "through 2011".

6 **SEC. 609. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

7 Section 310B(e)(9) of the Consolidated Farm and
8 Rural Development Act (7 U.S.C. 1932(e)(9)) is amended
9 by striking "2002" and inserting "2011".

10 **SEC. 610. NATIONAL RESERVE ACCOUNT OF RURAL DEVEL-**
11 **OPMENT TRUST FUND.**

12 Section 381E(e)(3)(F) of the Consolidated Farm and
13 Rural Development Act (7 U.S.C. 2009d(e)(3)(F)) is
14 amended by striking "fiscal year 2002" and inserting
15 "each of the fiscal years 2002 through 2011".

16 **SEC. 611. RURAL VENTURE CAPITAL DEMONSTRATION PRO-**
17 **GRAM.**

18 Section 381O(b)(3) of the Consolidated Farm and
19 Rural Development Act (7 U.S.C. 2009n(b)(3)) is amend-
20 ed by striking "2002" and inserting "2011".

21 **SEC. 612. INCREASE IN LIMIT ON CERTAIN LOANS FOR**
22 **RURAL DEVELOPMENT.**

23 Section 310B(a) of the Consolidated Farm and Rural
24 Development Act (7 U.S.C. 1932(a)) is amended by strik-
25 ing "$25,000,000" and inserting "$100,000,000".

1 **SEC. 613. PILOT PROGRAM FOR DEVELOPMENT AND IMPLE-**
2 **MENTATION OF STRATEGIC REGIONAL DE-**
3 **VELOPMENT PLANS.**

4 (a) DEVELOPMENT.—

5 (1) SELECTION OF STATES.—The Secretary of
6 Agriculture (in this section referred to as the "Sec-
7 retary") shall select 10 States in which to implement
8 strategic regional development plans developed under
9 this subsection.

10 (2) GRANTS.—

11 (A) AUTHORITY.—

12 (i) IN GENERAL.—From the funds
13 made available to carry out this subsection,
14 the Secretary shall make a matching grant
15 to 1 or more entities in each State selected
16 under subsection (a), to develop a strategic
17 regional development plan that provides for
18 rural economic development in a region in
19 the State in which the entity is located.

20 (ii) PRIORITY.—In making grants
21 under this subsection, the Secretary shall
22 give priority to entities that represent a re-
23 gional coalition of community-based plan-
24 ning, development, governmental, and busi-
25 ness organizations.

1 (B) TERMS OF MATCH.—In order for an
2 entity to be eligible for a matching grant under
3 this subsection, the entity shall make a commit-
4 ment to the Secretary to provide funds for the
5 development of a strategic regional development
6 plan of the kind referred to in subparagraph
7 (A) in an amount that is not less than the
8 amount of the matching grant.
9 (C) LIMITATION.—The Secretary shall not
10 make a grant under this subsection in an
11 amount that exceeds $150,000.
12 (3) FUNDING.—
13 (A) IN GENERAL.—The Secretary shall use
14 $2,000,000 of the funds of the Commodity
15 Credit Corporation in each of fiscal years 2002
16 through 2011 to carry out this subsection.
17 (B) AVAILABILITY.—Funds made available
18 pursuant to subparagraph (A) shall remain
19 available without fiscal year limitation.
20 (b) STRATEGIC PLANNING IMPLEMENTATION.—
21 (1) The Secretary shall use the authorities pro-
22 vided in the provisions of law specified in section
23 793(c)(1)(A)(ii) of the Federal Agriculture Improve-
24 ment and Reform Act of 1996 to implement the

1 strategic regional development plans developed pur-
2 suant to subsection (a) of this section.
3 (2) FUNDING.—
4 (A) IN GENERAL.—The Secretary shall use
5 $13,000,000 of the funds of the Commodity
6 Credit Corporation in each of fiscal years 2002
7 through 2011 to carry out this subsection.
8 (B) AVAILABILITY.—Funds made available
9 pursuant to subparagraph (A) shall remain
10 available without fiscal year limitation.
11 (c) USE OF FUNDS.—The amounts made available
12 under subsections (a) and (b) may be used as the Sec-
13 retary deems appropriate to carry out any provision of this
14 section.
15 **SEC. 614. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**
16 **NANCE THE CONSTRUCTION, REFURBISHING,**
17 **AND SERVICING OF INDIVIDUALLY-OWNED**
18 **HOUSEHOLD WATER WELL SYSTEMS IN**
19 **RURAL AREAS FOR INDIVIDUALS WITH LOW**
20 **OR MODERATE INCOMES.**
21 (a) IN GENERAL.—Subtitle A of the Consolidated
22 Farm and Rural Development Act (7 U.S.C. 1922–1949)
23 is amended by inserting after section 306D the following:

1 **"SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FI-**
2 **NANCE THE CONSTRUCTION, REFURBISHING,**
3 **AND SERVICING OF INDIVIDUALLY-OWNED**
4 **HOUSEHOLD WATER WELL SYSTEMS IN**
5 **RURAL AREAS FOR INDIVIDUALS WITH LOW**
6 **OR MODERATE INCOMES.**

7 "(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this
8 section, the term 'eligible individual' means an individual
9 who is a member of a household, the combined income of
10 whose members for the most recent 12-month period for
11 which the information is available, is not more than 100
12 percent of the median nonmetropolitan household income
13 for the State or territory in which the individual resides,
14 according to the most recent decennial census of the
15 United States.

16 "(b) GRANTS.—The Secretary may make grants to
17 private nonprofit organizations for the purpose of assist-
18 ing eligible individuals in obtaining financing for the con-
19 struction, refurbishing, and servicing of individual house-
20 hold water well systems in rural areas that are owned (or
21 to be owned) by the eligible individuals.

22 "(c) USE OF FUNDS.—A grant made under this sec-
23 tion may be—

24 "(1) used, or invested to provide income to be
25 used, to carry out subsection (b); and

1 "(2) used to pay administrative expenses associ-
2 ated with providing the assistance described in sub-
3 section (b).
4 "(d) PRIORITY IN AWARDING GRANTS.—In awarding
5 grants under this section, the Secretary shall give priority
6 to an applicant that has substantial expertise and experi-
7 ence in promoting the safe and productive use of individ-
8 ually-owned household water well systems and ground
9 water.".
10 (b) EFFECTIVE DATE.—The amendment made by
11 this section takes effect on October 1, 2001.
12 **SEC. 615. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.**
13 Subtitle E of the Consolidated Farm and Rural De-
14 velopment Act (7 U.S.C. 2009–2009n) is amended by add-
15 ing at the end the following:
16 **"SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNER-**
17 **SHIP.**
18 "(a) RURAL AREA DEFINED.—In this section, the
19 term 'rural area' means such areas as the Secretary may
20 determine.
21 "(b) ESTABLISHMENT.—There is established a Na-
22 tional Rural Development Partnership (in this section re-
23 ferred to as the 'Partnership'), which shall be composed
24 of—

1 "(1) the National Rural Development Coordi-
2 nating Committee established in accordance with
3 subsection (c); and
4 "(2) State rural development councils estab-
5 lished in accordance with subsection (d).
6 "(c) NATIONAL RURAL DEVELOPMENT COORDI-
7 NATING COMMITTEE.—
8 "(1) COMPOSITION.—The National Rural De-
9 velopment Coordinating Committee (in this section
10 referred to as the 'Coordinating Committee') may be
11 composed of—
12 "(A) representatives of all Federal depart-
13 ments and agencies with policies and programs
14 that affect or benefit rural areas;
15 "(B) representatives of national associa-
16 tions of State, regional, local, and tribal govern-
17 ments and intergovernmental and multi-juris-
18 dictional agencies and organizations;
19 "(C) national public interest groups; and
20 "(D) other national nonprofit organiza-
21 tions that elect to participate in the activities of
22 the Coordinating Committee.
23 "(2) FUNCTIONS.—The Coordinating Com-
24 mittee may—

1 "(A) provide support for the work of the
2 State rural development councils established in
3 accordance with subsection (d); and
4 "(B) develop and facilitate strategies to re-
5 duce or eliminate conflicting or duplicative ad-
6 ministrative and regulatory impediments con-
7 fronting rural areas.
8 "(d) STATE RURAL DEVELOPMENT COUNCILS.—
9 "(1) COMPOSITION.—A State rural development
10 council may—
11 "(A) be composed of representatives of
12 Federal, State, local, and tribal governments,
13 and nonprofit organizations, the private sector,
14 and other entities committed to rural advance-
15 ment; and
16 "(B) have a nonpartisan and nondiscrim-
17 inatory membership that is broad and rep-
18 resentative of the economic, social, and political
19 diversity of the State.
20 "(2) FUNCTIONS.—A State rural development
21 council may—
22 "(A) facilitate collaboration among Fed-
23 eral, State, local, and tribal governments and
24 the private and non-profit sectors in the plan-
25 ning and implementation of programs and poli-

1 cies that affect the rural areas of the State, and
2 to do so in such a way that provides the great-
3 est degree of flexibility and innovation in re-
4 sponding to the unique needs of the State and
5 the rural areas; and
6 "(B) in conjunction with the Coordinating
7 Committee, develop and facilitate strategies to
8 reduce or eliminate conflicting or duplicative
9 administrative and regulatory impediments con-
10 fronting the rural areas of the State.
11 "(e) ADMINISTRATION OF THE PARTNERSHIP.—The
12 Secretary may provide for any additional support staff to
13 the Partnership as the Secretary determines to be nec-
14 essary to carry out the duties of the Partnership.
15 "(f) TERMINATION.—The authority provided by this
16 section shall terminate on the date that is 5 years after
17 the date of the enactment of this section.".
18 **SEC. 616. ELIGIBILITY OF RURAL EMPOWERMENT ZONES,**
19 **RURAL ENTERPRISE COMMUNITIES, AND**
20 **CHAMPION COMMUNITIES FOR DIRECT AND**
21 **GUARANTEED LOANS FOR ESSENTIAL COM-**
22 **MUNITY FACILITIES.**
23 Section 306(a)(1) of the Consolidated Farm and
24 Rural Development Act (7 U.S.C. 1926(a)(1)) is amended
25 by inserting after the 1st sentence the following: "The

1 Secretary may also make or insure loans to communities
2 that have been designated as rural empowerment zones or
3 rural enterprise communities pursuant to part I of sub-
4 chapter U of chapter 1 of the Internal Revenue Code of
5 1986, as rural enterprise communities pursuant to section
6 766 of the Agriculture, Rural Development, Food and
7 Drug Administration, and Related Agencies Appropria-
8 tions Act, 1999, or as champion communities (as deter-
9 mined by the Secretary), to provide for the installation or
10 improvement of essential community facilities including
11 necessary related equipment, and to furnish financial as-
12 sistance or other aid in planning projects for such pur-
13 poses.".

14 **SEC. 617. GRANTS TO TRAIN FARM WORKERS IN NEW TECH-**
15 **NOLOGIES AND TO TRAIN FARM WORKERS IN**
16 **SPECIALIZED SKILLS NECESSARY FOR HIGH-**
17 **ER VALUE CROPS.**

18 (a) IN GENERAL.—The Secretary of Agriculture may
19 make a grant to a nonprofit organization with the capacity
20 to train farm workers, or to a consortium of non-profit
21 organizations, agribusinesses, State and local govern-
22 ments, agricultural labor organizations, and community-
23 based organizations with that capacity.

24 (b) USE OF FUNDS.—An entity to which a grant is
25 made under this section shall use the grant to train farm

1 workers to use new technologies and develop specialized
2 skills for agricultural development.

3 (c) LIMITATIONS ON AUTHORIZATION OF APPRO-
4 PRIATIONS.—For grants under this section, there are au-
5 thorized to be appropriated to the Secretary of Agriculture
6 not more than $10,000,000 for each of fiscal years 2002
7 through 2011.

8 **SEC. 618. LOAN GUARANTEES FOR THE PURCHASE OF**
9 **STOCK IN A FARMER COOPERATIVE SEEKING**
10 **TO MODERNIZE OR EXPAND.**

11 Section 310B(g)(2) of the Consolidated Farm and
12 Rural Development Act (7 U.S.C. 1932(g)(2)) is amended
13 by striking "start-up" and all that follows and inserting
14 "capital stock of a farmer cooperative established for an
15 agricultural purpose.".

16 **SEC. 619. INTANGIBLE ASSETS AND SUBORDINATED UNSE-**
17 **CURED DEBT REQUIRED TO BE CONSIDERED**
18 **IN DETERMINING ELIGIBILITY OF FARMER-**
19 **OWNED COOPERATIVE FOR BUSINESS AND**
20 **INDUSTRY GUARANTEED LOAN.**

21 Section 310B of the Consolidated Farm and Rural
22 Development Act (7 U.S.C. 1932) is amended by adding
23 at the end the following:

24 "(h) INTANGIBLE ASSETS AND SUBORDINATED UN-
25 SECURED DEBT REQUIRED TO BE CONSIDERED IN DE-

1 TERMINING ELIGIBILITY OF FARMER-OWNED COOPERA-
2 TIVE FOR BUSINESS AND INDUSTRY GUARANTEED
3 LOAN.—In determining whether a cooperative organiza-
4 tion owned by farmers is eligible for a guaranteed loan
5 under subsection (a)(1), the Secretary may consider the
6 value of the intangible assets and subordinated unsecured
7 debt of the cooperative organization.".

8 **SEC. 620. BAN ON LIMITING ELIGIBILITY OF FARMER COOP-**
9 **ERATIVE FOR BUSINESS AND INDUSTRY**
10 **LOAN GUARANTEE BASED ON POPULATION**
11 **OF AREA IN WHICH COOPERATIVE IS LO-**
12 **CATED.**

13 Section 310B of the Consolidated Farm and Rural
14 Development Act (7 U.S.C. 1932) is further amended by
15 adding at the end of the following:

16 "(i) SPECIAL RULES APPLICABLE TO FARMER CO-
17 OPERATIVES UNDER THE BUSINESS AND INDUSTRY LOAN
18 PROGRAM.—In determining whether a cooperative organi-
19 zation owned by farmers is eligible for a guaranteed loan
20 under subsection (a)(1), the Secretary shall not apply any
21 lending restriction based on population to the area in
22 which the cooperative organization is located.".

23 **SEC. 621. RURAL WATER AND WASTE FACILITY GRANTS.**

24 Section 306(a)(2) of the Consolidated Farm and
25 Rural Development Act (7 U.S.C. 1926(a)(2)) is amended

1 by striking "aggregating not to exceed $590,000,000 in
2 any fiscal year".

3 **SEC. 622. RURAL WATER CIRCUIT RIDER PROGRAM.**

4 (a) ESTABLISHMENT.—The Secretary of Agriculture
5 shall establish a national rural water and wastewater cir-
6 cuit rider grant program that shall be modeled after the
7 National Rural Water Association Rural Water Circuit
8 Rider Program that receives funding from the Rural Utili-
9 ties Service.

10 (b) LIMITATIONS ON AUTHORIZATION OF APPRO-
11 PRIATIONS.—To carry out subsection (a), there are au-
12 thorized to be appropriated to the Secretary of Agriculture
13 $15,000,000 for each fiscal year.

14 **SEC. 623. RURAL WATER GRASSROOTS SOURCE WATER**
15 **PROTECTION PROGRAM.**

16 (a) ESTABLISHMENT.—The Secretary of Agriculture
17 shall establish a national grassroots source water protec-
18 tion program that will utilize the on-site technical assist-
19 ance capabilities of State rural water associations that are
20 operating wellhead or ground water protection programs
21 in each State.

22 (b) LIMITATIONS ON AUTHORIZATION OF APPRO-
23 PRIATIONS.—To carry out subsection (a), there are au-
24 thorized to be appropriated to the Secretary of Agriculture
25 $5,000,000 for each fiscal year.

TITLE VII—RESEARCH AND RELATED MATTERS

Subtitle A—Extensions

SEC. 700. MARKET EXPANSION RESEARCH.

Section 1436(b)(3)(C) of the Food Security Act of 1985 (7 U.S.C. 1632(b)(3)(C)) is amended by striking "1990" and inserting "2011".

SEC. 701. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking "2002" and inserting "2011".

SEC. 702. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

Section 1417(*l*) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(*l*)) is amended by striking "2002" and inserting "2011".

SEC. 703. POLICY RESEARCH CENTERS.

Section 1419A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(d)) is amended by striking "2002" and inserting "2011".

1 **SEC. 704. HUMAN NUTRITION INTERVENTION AND HEALTH**
2 **PROMOTION RESEARCH PROGRAM.**

3 Section 1424(d) of the National Agricultural Re-
4 search, Extension, and Teaching Policy Act of 1977 (7
5 U.S.C. 3174(d)) is amended by striking "2002" and in-
6 serting "2011".

7 **SEC. 705. PILOT RESEARCH PROGRAM TO COMBINE MED-**
8 **ICAL AND AGRICULTURAL RESEARCH.**

9 Section 1424A(d) of the National Agricultural Re-
10 search, Extension, and Teaching Policy Act of 1977 (7
11 U.S.C. 3174a(d)) is amended by striking "2002" and in-
12 serting "2011".

13 **SEC. 706. NUTRITION EDUCATION PROGRAM.**

14 Section 1425(c)(3) of the National Agricultural Re-
15 search, Extension, and Teaching Policy Act of 1977 (7
16 U.S.C. 3175(c)(3)) is amended by striking "2002" and
17 inserting "2011".

18 **SEC. 707. CONTINUING ANIMAL HEALTH AND DISEASE RE-**
19 **SEARCH PROGRAMS.**

20 Section 1433(a) of the National Agricultural Re-
21 search, Extension, and Teaching Policy Act of 1977 (7
22 U.S.C. 3195(a)) is amended by striking "2002" and in-
23 serting "2011".

1 **SEC. 708. APPROPRIATIONS FOR RESEARCH ON NATIONAL**
2 **OR REGIONAL PROBLEMS.**

3 Section 1434(a) of the National Agricultural Re-
4 search, Extension, and Teaching Policy Act of 1977 (7
5 U.S.C. 3196(a)) is amended by striking "2002" and in-
6 serting "2011".

7 **SEC. 709. GRANTS TO UPGRADE AGRICULTURAL AND FOOD**
8 **SCIENCES FACILITIES AT 1890 LAND-GRANT**
9 **COLLEGES, INCLUDING TUSKEGEE UNIVER-**
10 **SITY.**

11 Section 1447(b) of the National Agricultural Re-
12 search, Extension, and Teaching Policy Act of 1977 (7
13 U.S.C. 3222b(b)) is amended by striking "2002" and in-
14 serting "2011".

15 **SEC. 710. NATIONAL RESEARCH AND TRAINING CENTEN-**
16 **NIAL CENTERS AT 1890 LAND-GRANT INSTITU-**
17 **TIONS.**

18 Sections 1448(a)(1) and (f) of the National Agricul-
19 tural Research, Extension, and Teaching Policy Act of
20 1977 (7 U.S.C. 3222c(a)(1) and (f)) are amended by
21 striking "2002" each place it appears and inserting
22 "2011".

23 **SEC. 711. HISPANIC-SERVING INSTITUTIONS.**

24 Section 1455(c) of the National Agricultural Re-
25 search, Extension, and Teaching Policy Act of 1977 (7

1 U.S.C. 3241(c)) is amended by striking "2002" and in-
2 serting "2011".

3 **SEC. 712. COMPETITIVE GRANTS FOR INTERNATIONAL AG-**
4 **RICULTURAL SCIENCE AND EDUCATION PRO-**
5 **GRAMS.**

6 Section 1459A(c) of the National Agricultural Re-
7 search, Extension, and Teaching Policy Act of 1977 (7
8 U.S.C. 3292b(c)) is amended by striking "2002" and in-
9 serting "2011".

10 **SEC. 713. UNIVERSITY RESEARCH.**

11 Subsections (a) and (b) of section 1463 of the Na-
12 tional Agricultural Research, Extension, and Teaching
13 Policy Act of 1977 (7 U.S.C. 3311(a) and (b)) are amend-
14 ed by striking "2002" each place it appears and inserting
15 "2011".

16 **SEC. 714. EXTENSION SERVICE.**

17 Section 1464 of the National Agricultural Research,
18 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
19 3312) is amended by striking "2002" and inserting
20 "2011".

21 **SEC. 715. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

22 Section 1473D(a) of the National Agricultural Re-
23 search, Extension, and Teaching Policy Act of 1977 (7
24 U.S.C. 3319d(a)) is amended by striking "2002" and in-
25 serting "2011".

1 **SEC. 716. AQUACULTURE RESEARCH FACILITIES.**

2 The first sentence of section 1477 of the National
3 Agricultural Research, Extension, and Teaching Policy
4 Act of 1977 (7 U.S.C. 3324) is amended by striking
5 "2002" and inserting "2011".

6 **SEC. 717. RANGELAND RESEARCH.**

7 Section 1483(a) of the National Agricultural Re-
8 search, Extension, and Teaching Policy Act of 1977 (7
9 U.S.C. 3336(a)) is amended by striking "2002" and in-
10 serting "2011".

11 **SEC. 718. NATIONAL GENETICS RESOURCES PROGRAM.**

12 Section 1635(b) of the Food, Agriculture, Conserva-
13 tion, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amend-
14 ed by striking "2002" and inserting "2011".

15 **SEC. 719. HIGH-PRIORITY RESEARCH AND EXTENSION INI-**
16 **TIATIVES.**

17 Section 1672(h) of the Food, Agriculture, Conserva-
18 tion, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amend-
19 ed by striking "2002" and inserting "2011".

20 **SEC. 720. NUTRIENT MANAGEMENT RESEARCH AND EXTEN-**
21 **SION INITIATIVE.**

22 Section 1672A(g) of the Food, Agriculture, Conserva-
23 tion, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is
24 amended by striking "2002" and inserting "2011".

1 **SEC. 721. AGRICULTURAL TELECOMMUNICATIONS PRO-**
2 **GRAM.**

3 Section 1673(h) of the Food, Agriculture, Conserva-
4 tion, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amend-
5 ed by striking "2002" and inserting "2011".

6 **SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND**
7 **COMMERCIALIZATION REVOLVING FUND.**

8 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
9 1664(g)(1) of the Food, Agriculture, Conservation, and
10 Trade Act of 1990 (7 U.S.C. 5908(g)(1)) is amended by
11 striking "2002" and inserting "2011".

12 (b) CAPITALIZATION.—Section 1664(g)(2) of such
13 Act (7 U.S.C. 5908(g)(2)) is amended by striking "2002"
14 and inserting "2011".

15 **SEC. 723. ASSISTIVE TECHNOLOGY PROGRAM FOR FARM-**
16 **ERS WITH DISABILITIES.**

17 Section 1680(c)(1) of the Food, Agriculture, Con-
18 servation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1))
19 is amended by striking "2002" and inserting "2011".

20 **SEC. 724. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL**
21 **PRODUCT QUALITY RESEARCH.**

22 Section 402(g) of the Agricultural Research, Exten-
23 sion, and Education Reform Act of 1998 (7 U.S.C.
24 7622(g)) is amended by striking "2002" and inserting
25 "2011".

1 **SEC. 725. BIOBASED PRODUCTS.**

2 (a) PILOT PROJECT.—Section 404(e)(2) of the Agri-
3 cultural Research, Extension, and Education Reform Act
4 of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking
5 "2001" and inserting "2011".

6 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
7 404(h) of such Act (7 U.S.C. 7624(h)) is amended by
8 striking "2002" and inserting "2011".

9 **SEC. 726. INTEGRATED RESEARCH, EDUCATION, AND EX-**
10 **TENSION COMPETITIVE GRANTS PROGRAM.**

11 Section 406(e) of the Agricultural Research, Exten-
12 sion, and Education Reform Act of 1998 (7 U.S.C.
13 7626(e)) is amended by striking "2002" and inserting
14 "2011".

15 **SEC. 727. INSTITUTIONAL CAPACITY BUILDING GRANTS.**

16 (a) GENERALLY.—Section 535(b)(1) of the Equity in
17 Educational Land-Grant Status Act of 1994 (7 U.S.C.
18 301 note) is amended by striking "2000" and inserting
19 "2011".

20 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
21 535(c) of such Act is amended by striking "2000" and
22 inserting "2011".

23 **SEC. 728. 1994 INSTITUTION RESEARCH GRANTS.**

24 Section 536(c) of the Equity in Educational Land-
25 Grant Status Act of 1994 (7 U.S.C. 301 note) is amended
26 by striking "2002" and inserting "2011".

1 **SEC. 729. ENDOWMENT FOR 1994 INSTITUTIONS.**

2 The first sentence of section 533(b) of the Equity in
3 Educational Land-Grant Status Act of 1994 (7 U.S.C.
4 301 note) is amended by striking "$4,600,000" and all
5 that follows through the period and inserting "such sums
6 as are necessary to carry out this section for each of fiscal
7 years 1996 through 2011.".

8 **SEC. 730. PRECISION AGRICULTURE.**

9 Section 403(i) of the Agricultural Research, Exten-
10 sion, and Education Reform Act of 1998 (7 U.S.C.
11 7623(i)) is amended by striking "2002" and inserting
12 "2011".

13 **SEC. 731. THOMAS JEFFERSON INITIATIVE FOR CROP DI-**
14 **VERSIFICATION.**

15 Section 405(h) of the Agricultural Research, Exten-
16 sion, and Education Reform Act of 1998 (7 U.S.C.
17 7625(h)) is amended by striking "2002" and inserting
18 "2011".

19 **SEC. 732. SUPPORT FOR RESEARCH REGARDING DISEASES**
20 **OF WHEAT, TRITICALE, AND BARLEY CAUSED**
21 **BY FUSARIUM GRAMINEARUM OR BY**
22 **TILLETIA INDICA.**

23 Section 408(e) of the Agricultural Research, Exten-
24 sion, and Education Reform Act of 1998 (7 U.S.C.
25 7628(e)) is amended by striking "2002" and inserting
26 "2011".

1 **SEC. 733. OFFICE OF PEST MANAGEMENT POLICY.**

2 Section 614(f) of the Agricultural Research, Exten-
3 sion, and Education Reform Act of 1998 (7 U.S.C.
4 7653(f)) is amended by striking "2002" and inserting
5 "2011".

6 **SEC. 734. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
7 **SION, EDUCATION, AND ECONOMICS ADVI-**
8 **SORY BOARD.**

9 Section 1408(h) of the National Agricultural Re-
10 search, Extension, and Teaching Policy Act of 1977 (7
11 U.S.C. 3123(h)) is amended by striking "2002" and in-
12 serting "2011".

13 **SEC. 735. GRANTS FOR RESEARCH ON PRODUCTION AND**
14 **MARKETING OF ALCOHOLS AND INDUSTRIAL**
15 **HYDROCARBONS FROM AGRICULTURAL COM-**
16 **MODITIES AND FOREST PRODUCTS.**

17 Section 1419(d) of the National Agricultural Re-
18 search, Extension, and Teaching Policy Act of 1977 (7
19 U.S.C. 3154(d)) is amended by striking "2002" and in-
20 serting "2011".

21 **SEC. 736. BIOMASS RESEARCH AND DEVELOPMENT.**

22 Title III of the Agricultural Risk Protection Act of
23 2000 (7 U.S.C. 7624 note) is amended—

24 (1) in section 307(f), by striking "2005" and
25 inserting "2011"; and

1 (2) in section 310, by striking "2005" and in-
2 serting "2011".

3 **SEC. 737. AGRICULTURAL EXPERIMENT STATIONS RE-**
4 **SEARCH FACILITIES.**

5 Section 6(a) of the Research Facilities Act (7 U.S.C.
6 390d(a)) is amended by striking "2002" and inserting
7 "2011".

8 **SEC. 738. COMPETITIVE, SPECIAL, AND FACILITIES RE-**
9 **SEARCH GRANTS NATIONAL RESEARCH INI-**
10 **TIATIVE.**

11 Section 2(b)(10) of the Competitive, Special, and Fa-
12 cilities Research Grant Act (7 U.S.C. 450i(b)(10)) is
13 amended by striking "2002" and inserting "2011".

14 **SEC. 739. FEDERAL AGRICULTURAL RESEARCH FACILITIES**
15 **AUTHORIZATION OF APPROPRIATIONS.**

16 Section 1431 of the National Agricultural Research,
17 Extension, and Teaching Policy Act Amendments of 1985
18 (Public Law 99–198; 99 Stat. 1556) is amended by strik-
19 ing "2002" and inserting "2011".

20 **SEC. 740. COTTON CLASSIFICATION SERVICES.**

21 The first sentence of section 3a of the Act of March
22 3, 1927 (commonly known as the "Cotton Statistics and
23 Estimates Act"; 7 U.S.C. 473a) is amended by striking
24 "2002" and inserting "2011".

1 **SEC. 740A. CRITICAL AGRICULTURAL MATERIALS RE-**
2 **SEARCH.**

3 Section 16(a) of the Critical Agricultural Materials
4 Act (7 U.S.C. 178n(a)) is amended by striking "2002"
5 and inserting "2011".

6 **Subtitle B—Modifications**

7 **SEC. 741. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**
8 **ACT OF 1994.**

9 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
10 534(a)(1)(A) of the Equity in Educational Land-Grant
11 Status Act of 1994 (7 U.S.C. 301 note) is amended by
12 striking "$50,000" and inserting "$100,000".

13 (b) WITHDRAWALS AND EXPENDITURES.—Section
14 533(c)(4)(A) of such Act is amended by striking "section
15 390(3)" and all that follows through "1998)" and insert-
16 ing "section 2(a)(7) of the Tribally Controlled College or
17 University Assistance Act of 1978)".

18 (c) ACCREDITATION.—Section 533(a)(3) of such Act
19 is amended by striking "under sections 534 and 535" and
20 inserting "under sections 534, 535, and 536".

21 (d) 1994 INSTITUTIONS.—Section 532 of such Act is
22 amended by striking paragraphs (1) through (30) and in-
23 serting the following:

24 "(1) Bay Mills Community College.

25 "(2) Blackfeet Community College.

26 "(3) Cankdeska Cikana Community College.

1 "(4) College of Menominee Nation.

2 "(5) Crownpoint Institute of Technology.

3 "(6) D–Q University.

4 "(7) Diné College.

5 "(8) Dull Knife Memorial College.

6 "(9) Fond du Lac Tribal and Community Col-
7 lege.

8 "(10) Fort Belknap College.

9 "(11) Fort Berthold Community College.

10 "(12) Fort Peck Community College.

11 "(13) Haskell Indian Nations University.

12 "(14) Institute of American Indian and Alaska
13 Native Culture and Arts Development.

14 "(15) Lac Courte Oreilles Ojibwa Community
15 College.

16 "(16) Leech Lake Tribal College.

17 "(17) Little Big Horn College.

18 "(18) Little Priest Tribal College.

19 "(19) Nebraska Indian Community College.

20 "(20) Northwest Indian College.

21 "(21) Oglala Lakota College.

22 "(22) Salish Kootenai College.

23 "(23) Sinte Gleska University.

24 "(24) Sisseton Wahpeton Community College.

25 "(25) Si Tanka/Huron University.

"(26) Sitting Bull College.

"(27) Southwestern Indian Polytechnic Institute.

"(28) Stone Child College.

"(29) Turtle Mountain Community College.

"(30) United Tribes Technical College.".

SEC. 742. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.

Section 1404(4) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(4)) is amended—

(1) by striking the period at the end of subparagraph (E) and inserting ", or"; and

(2) by adding at the end the following: "(F) is one of the 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994).".

SEC. 743. AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION REFORM ACT OF 1998.

(a) PRIORITY MISSION AREAS.—Section 401(c)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(c)(2)) is amended—

(1) by striking "and" at the end of subparagraph (E);

1 (2) by striking the period at the end of sub-
2 paragraph (F) and inserting "; and"; and
3 (3) by adding at the end the following new sub-
4 paragraph:
5 "(G) alternative fuels and renewable en-
6 ergy sources.".
7 (b) PRECISION AGRICULTURE.—Section 403 of the
8 Agricultural Research, Extension, and Education Reform
9 Act of 1998 (7 U.S.C. 7623) is amended—
10 (1) in subsection (a)(5)(F), by inserting "(in-
11 cluding improved use of energy inputs)" after "farm
12 production efficiencies"; and
13 (2) in subsection (d)—
14 (A) by redesignating paragraphs (4) and
15 (5) as paragraphs (5) and (6), respectively; and
16 (B) by inserting after paragraph (3) the
17 following new paragraph:
18 "(4) Improve on farm energy use efficiencies.".
19 (c) THOMAS JEFFERSON INITIATIVE FOR CROP DI-
20 VERSIFICATION.—Section 405(a) of the Agricultural Re-
21 search, Extension, and Education Reform Act of 1998 (7
22 U.S.C. 7625(a)) is amended by striking "and marketing"
23 and inserting ", marketing, and efficient use".
24 (d) COORDINATED PROGRAM OF RESEARCH, EXTEN-
25 SION, AND EDUCATION TO IMPROVE VIABILITY OF

1 SMALL- AND MEDIUM-SIZE DAIRY, LIVESTOCK, AND
2 POULTRY OPERATIONS.—Section 407(b)(3) of the Agri-
3 cultural Research, Extension, and Education Reform Act
4 of 1998 (7 U.S.C. 7627(b)(3)) is amended by inserting
5 "(including improved use of energy inputs)" after "poultry
6 systems that increase efficiencies".

7 (e) SUPPORT FOR RESEARCH REGARDING DISEASES
8 OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSAR-
9 IUM GRAMINEARUM OR BY TILLETIA INDICA.—

10 (1) RESEARCH GRANT AUTHORIZED.—Section
11 408(a) of the Agricultural Research, Extension, and
12 Education Reform Act of 1998 (7 U.S.C. 7628(a))
13 is amended to read as follows:

14 "(a) RESEARCH GRANT AUTHORIZED.—The Sec-
15 retary of Agriculture may make grants to consortia of
16 land-grant colleges and universities to enhance the ability
17 of the consortia to carry out multi-State research projects
18 aimed at understanding and combating diseases of wheat,
19 triticale, and barley caused by Fusarium graminearum
20 and related fungi (referred to in this section as 'wheat
21 scab') or by Tilletia indica and related fungi (referred to
22 in this section as 'Karnal bunt').".

23 (2) RESEARCH COMPONENTS.—Section 408(b)
24 of such Act (7 U.S.C. 7628(b)) is amended—

(A) in paragraph (1), by inserting "or of Karnal bunt," after "epidemiology of wheat scab";

(B) in paragraph (1), by inserting ", triticale," after "occurring in wheat";

(C) in paragraph (2), by inserting "or Karnal bunt" after "wheat scab";

(D) in paragraph (3)(A), by striking "and barley for the presence of" and inserting ", triticale, and barley for the presence of Karnal bunt or of";

(E) in paragraph (3)(B), by striking "and barley infected with wheat scab" and inserting ", triticale, and barley infected with wheat scab or with Karnal bunt";

(F) in paragraph (3)(C), by inserting "wheat scab" after "to render";

(G) in paragraph (4), by striking "and barley to wheat scab" and inserting ", triticale, and barley to wheat scab and to Karnal bunt"; and

(H) in paragraph (5)—

(i) by inserting "and Karnal bunt" after "wheat scab"; and

1 (ii) by inserting ", triticale," after
2 "resistant wheat".
3 (3) COMMUNICATIONS NETWORKS.—Section
4 408(c) of such Act (7 U.S.C. 7628(c)) is amended
5 by inserting "or Karnal bunt" after "wheat scab".
6 (4) TECHNICAL AMENDMENTS.—(A) The sec-
7 tion heading for section 408 of such Act is amended
8 by striking "**AND BARLEY CAUSED BY FUSARIUM**
9 **GRAMINEARUM**" and inserting "**, TRITICALE,**
10 **AND BARLEY CAUSED BY FUSARIUM**
11 **GRAMINEARUM OR BY TILLETIA INDICA**".
12 (B) The table of sections for such Act is
13 amended by striking "and barley caused by fusarium
14 graminearum" in the item relating to section 408
15 and inserting ", triticale, and barley caused by Fu-
16 sarium graminearum or by Tilletia indica".
17 (f) PROGRAM TO CONTROL JOHNE'S DISEASE.—Title
18 IV of the Agricultural Research, Extension, and Edu-
19 cation Reform Act of 1998 (7 U.S.C. 7621 et seq.) is
20 amended by adding at the end the following new section:
21 **"SEC. 409. BOVINE JOHNE'S DISEASE CONTROL PROGRAM.**
22 "(a) ESTABLISHMENT.—The Secretary of Agri-
23 culture, in coordination with State veterinarians and other
24 appropriate State animal health professionals, may estab-
25 lish a program to conduct research, testing, and evaluation

1 of programs for the control and management of Johne's
2 disease in livestock.

3 "(b) AUTHORIZATION OF APPROPRIATIONS.—There
4 is authorized to be appropriated to the Secretary such
5 sums as may be necessary to carry out this section for
6 each of fiscal years 2003 through 2011.".

7 **SEC. 744. FOOD, AGRICULTURE, CONSERVATION, AND**
8 **TRADE ACT OF 1990.**

9 (a) AGRICULTURAL GENOME INITIATIVE.—Section
10 1671(b) of the Food, Agriculture, Conservation, and
11 Trade Act of 1990 (7 U.S.C. 5924(b)) is amended—

12 (1) in paragraph (3), by inserting "pathogens
13 and" before "diseases causing economic hardship";

14 (2) in paragraph (6), by striking "and" at the
15 end;

16 (3) by redesignating paragraph (7) as para-
17 graph (8); and

18 (4) by inserting after paragraph (6) the fol-
19 lowing new paragraph:

20 "(7) reducing the economic impact of plant
21 pathogens on commercially important crop plants;
22 and".

23 (b) HIGH-PRIORITY RESEARCH AND EXTENSION INI-
24 TIATIVES.—Section 1672(e) of the Food, Agriculture,
25 Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is

1 amended by adding at the end the following new para-
2 graphs:

3 "(25) RESEARCH TO PROTECT THE UNITED
4 STATES FOOD SUPPLY AND AGRICULTURE FROM
5 BIOTERRORISM.—Research grants may be made
6 under this section for the purpose of developing
7 technologies, which support the capability to deal
8 with the threat of agricultural bioterrorism.

9 "(26) WIND EROSION RESEARCH AND EXTEN-
10 SION.—Research and extension grants may be made
11 under this section for the purpose of validating wind
12 erosion models.

13 "(27) CROP LOSS RESEARCH AND EXTEN-
14 SION.—Research and extension grants may be made
15 under this section for the purpose of validating crop
16 loss models.

17 "(28) LAND USE MANAGEMENT RESEARCH AND
18 EXTENSION.—Research and extension grants may be
19 made under this section for the purposes of evalu-
20 ating the environmental benefits of land use man-
21 agement tools such as those provided in the Farm-
22 land Protection Program.

23 "(29) WATER AND AIR QUALITY RESEARCH
24 AND EXTENSION.—Research and extension grants
25 may be made under this section for the purpose of

1 better understanding agricultural impacts to air and
2 water quality and means to address them.
3 "(30) REVENUE AND INSURANCE TOOLS RE-
4 SEARCH AND EXTENSION.—Research and extension
5 grants may be made under this section for the pur-
6 poses of better understanding the impact of revenue
7 and insurance tools on farm income.
8 "(31) AGROTOURISM RESEARCH AND EXTEN-
9 SION.—Research and extension grants may be made
10 under this section for the purpose of better under-
11 standing the economic, environmental, and food sys-
12 tems impacts on agrotourism.
13 "(32) HARVESTING PRODUCTIVITY FOR FRUITS
14 AND VEGETABLES.—Research and extension grants
15 may be made under this section for the purpose of
16 improving harvesting productivity for fruits and
17 vegetables (including citrus), including the develop-
18 ment of mechanical harvesting technologies and ef-
19 fective, economical, and safe abscission compounds.
20 "(33) NITROGEN-FIXATION BY PLANTS.—Re-
21 search and extension grants may be made under this
22 section for the purpose of enhancing the nitrogen-
23 fixing ability and efficiency of legumes, developing
24 new varieties of legumes that fix nitrogen more effi-
25 ciently, and developing new varieties of other com-

1 mercially important crops that potentially are able to
2 fix nitrogen.
3 "(34) AGRICULTURAL MARKETING.—Extension
4 grants may be made under this section for the pur-
5 pose of providing education materials, information,
6 and outreach programs regarding commodity and
7 livestock marketing strategies for agricultural pro-
8 ducers and for cooperatives and other marketers of
9 any agricultural commodity, including livestock.
10 "(35) ENVIRONMENT AND PRIVATE LANDS RE-
11 SEARCH AND EXTENSION.—Research and extension
12 grants may be made under this section for the pur-
13 pose of researching the use of computer models to
14 aid in assessment of best management practices on
15 a watershed basis, working with government, indus-
16 try, and private landowners to help craft industry-
17 led solutions to identified environmental issues, re-
18 searching and monitoring water, air, or soil environ-
19 mental quality to aid in the development of new ap-
20 proaches to local environmental concerns, and work-
21 ing with local, State, and federal officials to help
22 craft effective environmental solutions that respect
23 private property rights and agricultural production
24 realities.

1 "(36) LIVESTOCK DISEASE RESEARCH AND EX-
2 TENSION.—Research and extension grants may be
3 made under this section for the purpose of identi-
4 fying possible livestock disease threats, educating the
5 public regarding livestock disease threats, training
6 persons to deal with such threats, and conducting
7 related research.

8 "(37) PLANT GENE EXPRESSION.—Research
9 and development grants may be made under this
10 section for the purpose of plant gene expression re-
11 search to accelerate the application of basic plant
12 genomic science to the development and testing of
13 new varieties of enhanced food crops, crops that can
14 be used as renewable energy sources, and other al-
15 ternative uses of agricultural crops.".

16 **SEC. 745. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
17 **SION, AND TEACHING POLICY ACT OF 1977.**

18 (a) NATIONAL AGRICULTURAL RESEARCH, EXTEN-
19 SION, EDUCATION, AND ECONOMIC ADVISORY BOARD.—
20 Section 1408 of the National Agricultural Research, Ex-
21 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3123)
22 is amended—

23 (1) in subsection (b)(3)—

1 (A) by redesignating subparagraphs (R)
2 through (DD) as subparagraphs (S) through
3 (EE), respectively; and
4 (B) by inserting after subparagraph (Q)
5 the following new subparagraph:
6 "(R) 1 member representing a nonland
7 grant college or university with a historic com-
8 mitment to research in the food and agricul-
9 tural sciences.";
10 (2) in subsection (c)(1), by striking "and land-
11 grant colleges and universities" and inserting ",
12 land-grant colleges and universities, and the Com-
13 mittee on Agriculture of the House of Representa-
14 tives, the Committee on Agriculture, Nutrition, and
15 Forestry of the Senate, the Subcommittee on Agri-
16 culture, Rural Development, Food and Drug Admin-
17 istration and Related Agencies of the Committee on
18 Appropriations of the House of Representatives, and
19 the Subcommittee on Agriculture, Rural Develop-
20 ment and Related Agencies of the Committee on Ap-
21 propriations of the Senate";
22 (3) in subsection (d)(1), inserting "consult with
23 any appropriate agencies of the Department of Agri-
24 culture and" after "the Advisory Board shall"; and

1 (4) in subsection (b)(1), by striking "30 mem-
2 bers" and inserting "31 members".
3 (b) GRANTS FOR RESEARCH ON PRODUCTION AND
4 MARKETING OF ALCOHOLS AND INDUSTRIAL HYDRO-
5 CARBONS FROM AGRICULTURAL COMMODITIES AND FOR-
6 EST PRODUCTS.—Section 1419 of the National Agricul-
7 tural Research, Extension, and Teaching Policy Act of
8 1977 (7 U.S.C. 3154) is amended—
9 (1) in subsection (a)(2), by inserting "and ani-
10 mal fats and oils" after "industrial oilseed crops";
11 and
12 (2) in subsection (a)(4), by inserting "or
13 triglycerides" after "other industrial hydrocarbons".
14 (c) FAS OVERSEAS INTERN PROGRAM.—Section
15 1458(a) of the National Agricultural Research, Extension,
16 and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is
17 amended—
18 (1) by striking "and" at the end of paragraph
19 (8);
20 (2) by striking the period at the end of para-
21 graph (9) and inserting "; and"; and
22 (3) by adding at the end the following new
23 paragraph:
24 "(10) establish a program, to be coordinated by
25 the Cooperative State Research, Education, and Ex-

1 tension Service and the Foreign Agricultural Service,
2 to place interns from United States colleges and uni-
3 versities at Foreign Agricultural Service field offices
4 overseas.".

5 **SEC. 746. BIOMASS RESEARCH AND DEVELOPMENT.**

6 Title III of the Agricultural Risk Protection Act of
7 2000 (7 U.S.C. 7624 note) is amended—

8 (1) in section 302(3), by inserting "or bio-
9 diesel" after "such as ethanol";

10 (2) in section 303(3), by inserting "animal by-
11 products," after "fibers,"; and

12 (3) in section 306(b)(1)—

13 (A) by redesignating subparagraphs (E)
14 through (J) as subparagraphs (F) through (K),
15 respectively; and

16 (B) by inserting after subparagraph (D)
17 the following new subparagraph:

18 "(E) an individual affiliated with a live-
19 stock trade association;".

20 **SEC. 747. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.**

21 Section 1668 of the Food, Agriculture, Conservation,
22 and Trade Act of 1990 (7 U.S.C. 5921) is amended to
23 read as follows:

1 **"SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RE-**
2 **SEARCH.**

3 "(a) PURPOSE.—It is the purpose of this section—
4 "(1) to authorize and support environmental as-
5 sessment research to help identify and analyze envi-
6 ronmental effects of biotechnology; and
7 "(2) to authorize research to help regulators de-
8 velop long-term policies concerning the introduction
9 of such technology.

10 "(b) GRANT PROGRAM.— The Secretary of Agri-
11 culture shall establish a grant program within the Cooper-
12 ative State Research, Education, and Extension Service
13 and the Agricultural Research Service to provide the nec-
14 essary funding for environmental assessment research
15 concerning the introduction of genetically engineered
16 plants and animals into the environment.

17 "(c) TYPES OF RESEARCH.— Types of research for
18 which grants may be made under this section shall include
19 the following:
20 "(1) Research designed to identify and develop
21 appropriate management practices to minimize phys-
22 ical and biological risks associated with genetically
23 engineered animals and plants once they are intro-
24 duced into the environment.

1 "(2) Research designed to develop methods to
2 monitor the dispersal of genetically engineered ani-
3 mals and plants.
4 "(3) Research designed to further existing
5 knowledge with respect to the characteristics, rates
6 and methods of gene transfer that may occur be-
7 tween genetically engineered plants and animals and
8 related wild and agricultural organisms.
9 "(4) Environmental assessment research de-
10 signed to provide analysis, which compares the rel-
11 ative impacts of plants and animals modified
12 through genetic engineering to other types of pro-
13 duction systems.
14 "(5) Other areas of research designed to fur-
15 ther the purposes of this section.
16 "(d) ELIGIBILITY REQUIREMENTS.—Grants under
17 this section shall be—
18 "(1) made on the basis of the quality of the
19 proposed research project; and
20 "(2) available to any public or private research
21 or educational institution or organization.
22 "(e) CONSULTATION.— In considering specific areas
23 of research for funding under this section, the Secretary
24 of Agriculture shall consult with the Administrator of the
25 Animal and Plant Health Inspection Service and the Na-

1 tional Agricultural Research, Extension, Education, and
2 Economics Advisory Board.

3 "(f) PROGRAM COORDINATION.— The Secretary of
4 Agriculture shall coordinate research funded under this
5 section with the Office of Research and Development of
6 the Environmental Protection Agency in order to avoid du-
7 plication of research activities.

8 "(g) AUTHORIZATION OF APPROPRIATIONS.—

9 "(1) IN GENERAL.— There are authorized to be
10 appropriated such sums as necessary to carry out
11 this section.

12 "(2) WITHHOLDINGS FROM BIOTECHNOLOGY
13 OUTLAYS.—The Secretary of Agriculture shall with-
14 hold from outlays of the Department of Agriculture
15 for research on biotechnology, as defined and deter-
16 mined by the Secretary, at least one percent of such
17 amount for the purpose of making grants under this
18 section for research on biotechnology risk assess-
19 ment. Except that, funding from this authorization
20 should be collected and applied to the maximum ex-
21 tent practicable to risk assessment research on all
22 categories identified as biotechnology by the Sec-
23 retary.".

1 **SEC. 748. COMPETITIVE, SPECIAL, AND FACILITIES RE-**
2 **SEARCH GRANTS.**

3 Section 2(a) of the Competitive, Special, and Facili-
4 ties Research Grant Act (7 U.S.C. 450i(a)) is amended
5 by adding at the end the following new paragraph:

6 "(3) DETERMINATION OF HIGH PRIORITY RE-
7 SEARCH.—Research priorities shall be determined by
8 the Secretary on an annual basis, taking into ac-
9 count input as gathered by the Secretary through
10 the National Agricultural Research, Extension, Edu-
11 cation, and Economics Advisory Board.".

12 **SEC. 749. MATCHING FUNDS REQUIREMENT FOR RE-**
13 **SEARCH AND EXTENSION ACTIVITIES OF 1890**
14 **INSTITUTIONS.**

15 Section 1449 of the National Agricultural Research,
16 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
17 3222d) is amended—

18 (1) by amending subsection (c) to read as fol-
19 lows:

20 "(c) MATCHING FORMULA.—For each of fiscal years
21 2003 through 2011, the State shall provide matching
22 funds from non-Federal sources. Such matching funds
23 shall be for an amount equal to not less than 60 percent
24 of the formula funds to be distributed to the eligible insti-
25 tution, and shall increase by 10 percent each fiscal year
26 thereafter until fiscal year 2007."; and

1 (2) by amending subsection (d) to read as fol-
2 lows:
3 "(d) WAIVER AUTHORITY.—Notwithstanding sub-
4 section (f), the Secretary may waive the matching funds
5 requirement under subsection (c) above the 50 percent
6 level for fiscal years 2003 through 2011 for an eligible
7 institution of a State if the Secretary determines that the
8 State will be unlikely to satisfy the matching require-
9 ment.".

10 **SEC. 749A. MATCHING FUNDS REQUIREMENT FOR RE-**
11 **SEARCH AND EXTENSION ACTIVITIES FOR**
12 **THE UNITED STATES TERRITORIES.**

13 (a) RESEARCH MATCHING REQUIREMENT.—Section
14 3(d)(4) of the Hatch Act of 1887 (7 U.S.C. 361c(d)(4))
15 is amended by striking "the same matching funds" and
16 all that follows through the end of the sentence and insert-
17 ing "matching funds requirements from non-Federal
18 sources for fiscal years 2003 through 2011 in an amount
19 equal to not less than 50 percent of the formula funds
20 to be distributed to the Territory. The Secretary may
21 waive the matching funds requirements for a Territory for
22 any of the fiscal years 2003 through 2011 if the Secretary
23 determines that the Territory will be unlikely to satisfy
24 the matching funds requirement for that fiscal year.".

1 (b) EXTENSION MATCHING REQUIREMENT.—Section
2 3(e)(4) of the Smith-Lever Act (7 U.S.C. 343(e)(4)) is
3 amended by striking "the same matching funds" and all
4 that follows through the end of the sentence and inserting
5 "matching funds requirements from non-Federal sources
6 for fiscal years 2003 through 2011 in an amount equal
7 to not less than 50 percent of the formula funds to be
8 distributed to the Territory. The Secretary may waive the
9 matching funds requirements for a Territory for any of
10 the fiscal years 2003 through 2011 if the Secretary deter-
11 mines that the Territory will be unlikely to satisfy the
12 matching funds requirement for that fiscal year.".

13 **SEC. 750. INITIATIVE FOR FUTURE AGRICULTURE AND**
14 **FOOD SYSTEMS.**

15 (a) FUNDING.—Section 401(b)(1) of the Agricultural
16 Research, Extension, and Education Reform Act of 1998
17 (7 U.S.C. 7621(b)(1)) is amended to read as follows:

18 "(1) IN GENERAL.—

19 "(A) TOTAL AMOUNT TO BE TRANS-
20 FERRED.—On October 1, 2003, and each Octo-
21 ber 1 thereafter through September 30, 2011,
22 the Secretary of Agriculture shall deposit funds
23 of the Commodity Credit Corporation into the
24 Account. The total amount of Commodity Cred-
25 it Corporation funds deposited into the Account

1 under this subparagraph shall equal
2 $1,160,000,000.
3 "(B) EQUAL AMOUNTS.—To the maximum
4 extent practicable, the amounts deposited into
5 the Account pursuant to subparagraph (A) shall
6 be deposited in equal amounts for each fiscal
7 year.
8 "(C) AVAILABILITY OF FUNDS.—Amounts
9 deposited into the Account pursuant to sub-
10 paragraph (A) shall remain available until ex-
11 pended.".
12 (b) AVAILABILITY OF FUNDS.—Section 401(f)(6) of
13 the Agricultural Research, Extension, and Education Re-
14 form Act of 1998 (7 U.S.C. 7621(f)(6)) is amended to
15 read as follows:
16 "(6) AVAILABILITY OF FUNDS.—Funds made
17 available under this section to the Secretary prior to
18 October 1, 2003, for grants under this section shall
19 be available to the Secretary for a 2-year period.".
20 **SEC. 751. CARBON CYCLE RESEARCH.**
21 Section 221 of the Agricultural Risk Protection Act
22 of 2000 (Public Law 106–224; 114 Stat. 407) is
23 amended—
24 (1) in subsection (a), by striking "Of the
25 amount" and all that follows through "to provide"

1 and inserting "To the extent funds are made avail-
2 able for this purpose, the Secretary shall provide";
3 (2) in subsection (d), by striking "under sub-
4 section (a)" and inserting "for this section"; and
5 (3) by adding at the end the following new sub-
6 section:
7 "(e) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated for fiscal years 2002
9 through 2011 such sums as may be necessary to carry
10 out this section."

11 **SEC. 752. DEFINITION OF FOOD AND AGRICULTURAL**
12 **SCIENCES.**

13 Section 2(3) of the Research Facilities Act (7 U.S.C.
14 390(2)(3)) is amended to read as follows:
15 "(3) FOOD AND AGRICULTURAL SCIENCES.—
16 The term 'food and agricultural sciences' has the
17 meaning given that term in section 1404(8) of the
18 National Agricultural Research, Extension, and
19 Teaching Policy Act of 1977 (7 U.S.C. 3103(8)).".

20 **SEC. 753. FEDERAL EXTENSION SERVICE.**

21 Section 3(b)(3) of the Smith-Lever Act (7 U.S.C.
22 343(b)(3)) is amended by striking "$5,000,000" and in-
23 serting "such sums as are necessary".

1 **SEC. 754. POLICY RESEARCH CENTERS.**

2 Section 1419A(c)(3) of the National Agricultural Re-
3 search, Extension, and Teaching Policy Act of 1977 (7
4 U.S.C. 3155(c)(3)) is amended by striking "collect and
5 analyze data" and inserting "collect, analyze, and dissemi-
6 nate data".

7 Subtitle C—Related Matters

8 **SEC. 761. RESIDENT INSTRUCTION AT LAND-GRANT COL-**
9 **LEGES IN UNITED STATES TERRITORIES.**

10 (a) PURPOSE.—It is the purpose of this section to
11 promote and strengthen higher education in the food and
12 agricultural sciences at agricultural and mechanical col-
13 leges located in the Commonwealth of Puerto Rico, the
14 Virgin Islands of the United States, Guam, American
15 Samoa, the Commonwealth of the Northern Mariana Is-
16 lands, the Federated States of Micronesia, the Republic
17 of the Marshall Islands, or the Republic of Palau (herein-
18 after referred to in this section as "eligible institutions")
19 by formulating and administering programs to enhance
20 teaching programs in agriculture, natural resources, for-
21 estry, veterinary medicine, home economics, and dis-
22 ciplines closely allied to the food and agriculture produc-
23 tion and delivery system.

24 (b) GRANTS.—The Secretary of Agriculture shall
25 make competitive grants to those eligible institutions hav-

1 ing a demonstrable capacity to carry out the teaching of
2 food and agricultural sciences.

3 (c) USE OF GRANT FUNDS.—Grants made under
4 subsection (b) shall be used to—

5 (1) strengthen institutional educational capac-
6 ities, including libraries, curriculum, faculty, sci-
7 entific instrumentation, instruction delivery systems,
8 and student recruitment and retention, in order to
9 respond to identified State, regional, national, or
10 international education needs in the food and agri-
11 cultural sciences;

12 (2) attract and support undergraduate and
13 graduate students in order to educate them in iden-
14 tified areas of national need to the food and agri-
15 culture sciences;

16 (3) facilitate cooperative initiatives between two
17 or more eligible institutions or between eligible insti-
18 tutions and units of State Government, organiza-
19 tional in the private sector, to maximize the develop-
20 ment and use of resources such as faculty, facilities,
21 and equipment to improve food and agricultural
22 sciences teaching programs; and

23 (4) conduct undergraduate scholarship pro-
24 grams to assist in meeting national needs for train-
25 ing food and agricultural scientists.

1 (d) GRANT REQUIREMENTS.—

2 (1) The Secretary of Agriculture shall ensure
3 that each eligible institution, prior to receiving grant
4 funds under subsection (b), shall have a significant
5 demonstrable commitment to higher educations pro-
6 grams in the food and agricultural sciences and to
7 each specific subject area for which grant funds
8 under this subsection are to be used.

9 (2) The Secretary of Agriculture may require
10 that any grant awarded under this section contain
11 provisions that require funds to be targeted to meet
12 the needs identified in section 1402 of the National
13 Agriculture Research, Extension, and Teaching Pol-
14 icy Act of 1977.

15 (e) AUTHORIZATION OF APPROPRIATIONS.—There
16 are authorized to be appropriated such sums as are nec-
17 essary for each of the fiscal years 2002 through 2011 to
18 carry out this section.

19 **SEC. 762. DECLARATION OF EXTRAORDINARY EMERGENCY**
20 **AND RESULTING AUTHORITIES.**

21 (a) REVIEW OF PAYMENT OF COMPENSATION.—Sec-
22 tion 415(e) of the Plant Protection Act (7 U.S.C. 7715(e))
23 is amended by inserting before the final period the fol-
24 lowing: "or review by any officer of the Government other
25 than the Secretary or the designee of the Secretary".

1 (b) REVIEW OF CERTAIN DECISIONS.—

2 (1) PLANT PROTECTION ACT.—Section 442 of
3 the Plant Protection Act (7 U.S.C. 7772) is amend-
4 ed by adding at the end following new subsection:

5 "(f) SECRETARIAL DISCRETION.—The action of any
6 officer, employee, or agent of the Secretary in carrying
7 out this section, including determining the amount of and
8 making any payment authorized to be made under this
9 section, shall not be subject to review by any officer of
10 the Government other than the Secretary or the designee
11 of the Secretary.".

12 (2) OTHER PLANT AND ANIMAL PEST AND DIS-
13 EASE LAWS.—Section 11 of the Act of May 29, 1884
14 (21 U.S.C. 114a; commonly known as the "Animal
15 Industry Act") and the first section of the Act of
16 September 25, 1981 (7 U.S.C. 147b), are each
17 amended by adding at the end the following new
18 sentence: "The action of any officer, employee, or
19 agent of the Secretary in carrying out this section,
20 including determining the amount of and making
21 any payment authorized to be made under this sec-
22 tion, shall not be subject to review by any officer of
23 the Government other than the Secretary or the des-
24 ignee of the Secretary.".

1 (c) METHYL BROMIDE.—The Plant Protection Act (7
2 U.S.C. 7701 et seq.) is amended by inserting after section
3 418 the following new section:

4 **"SEC. 419. METHYL BROMIDE.**

5 "(a) IN GENERAL.—The Secretary, upon request of
6 State, local, or tribal authorities, shall determine whether
7 methyl bromide treatments or applications required by
8 State, local, or tribal authorities to prevent the introduc-
9 tion, establishment, or spread of plant pests (including
10 diseases) or noxious weeds should be authorized as an offi-
11 cial control or official requirement.

12 "(b) ADMINISTRATION.—

13 "(1) TIMELINE FOR DETERMINATION.—The
14 Secretary shall make the determination required by
15 subsection (a) not later than 90 days after receiving
16 the request for such a determination.

17 "(2) REGULATIONS.—The promulgation of reg-
18 ulations for and the administration of this section
19 shall be made without regard to—

20 "(A) the notice and comment provisions of
21 section 553 of title 5, United States Code;

22 "(B) the Statement of Policy of the Sec-
23 retary of Agriculture, effective July 24, 1971
24 (36 Fed. Reg. 13804; relating to notices of pro-

1 posed rulemaking and public participation in
2 rulemaking); and
3 "(C) chapter 35 of title 44, United States
4 Code (commonly known as the 'Paperwork Re-
5 duction Act').
6 "(c) REGISTRY.—Not later than 180 days after the
7 date of the enactment of this section, the Secretary shall
8 publish, and thereafter maintain, a registry of State, local,
9 and tribal requirements authorized by the Secretary under
10 this section.".

11 Subtitle D—Repeal of Certain
12 Activities and Authorities

13 SEC. 771. FOOD SAFETY RESEARCH INFORMATION OFFICE
14 AND NATIONAL CONFERENCE.

15 (a) REPEAL.—Subsections (b) and (c) of section 615
16 of the Agricultural Research, Extension, and Education
17 Reform Act of 1998 (7 U.S.C. 7654(b) and (c)) are re-
18 pealed.
19 (b) CONFORMING AMENDMENTS.—
20 (1) GENERALLY.—Section 615 of such Act is
21 amended—
22 (A) in the section heading, by striking
23 "**AND NATIONAL CONFERENCE**";
24 (B) by striking "(a) FOOD SAFETY RE-
25 SEARCH INFORMATION OFFICE.—";

1 (C) by redesignating paragraphs (1), (2),
2 and (3) as subsections (a), (b), and (c), respec-
3 tively, and moving the margins 2 ems to the
4 left;
5 (D) in subsection (b) (as so redesignated),
6 by redesignating subparagraphs (A) and (B) as
7 paragraphs (1) and (2), respectively, and mov-
8 ing the margins 2 ems to the left; and
9 (E) in subsection (c) (as so redesignated),
10 by striking "this subsection" and inserting
11 "this section".
12 (2) TABLE OF SECTIONS.—The table of sections
13 for such Act is amended by striking "and National
14 Conference" in the item relating to section 615.

15 **SEC. 772. REIMBURSEMENT OF EXPENSES UNDER SHEEP**
16 **PROMOTION, RESEARCH, AND INFORMATION**
17 **ACT OF 1994.**

18 Section 617 of the Agricultural Research, Extension,
19 and Education Reform Act of 1998 (Public Law 105–185;
20 112 Stat. 607) is repealed.

21 **SEC. 773. NATIONAL GENETIC RESOURCES PROGRAM.**

22 Section 1634 of the Food, Agriculture, Conservation,
23 and Trade Act of 1990 (7 U.S.C. 5843) is repealed.

1 **SEC. 774. NATIONAL ADVISORY BOARD ON AGRICULTURAL**
2 **WEATHER.**

3 (a) REPEAL.—Section 1639 of the Food, Agriculture,
4 Conservation, and Trade Act of 1990 (7 U.S.C. 5853) is
5 repealed.

6 (b) CONFORMING AMENDMENT.—Section 1640(b) of
7 the Food, Agriculture, Conservation, and Trade Act of
8 1990 (7 U.S.C. 5854(b)) is amended by striking "take
9 into" and all that follows through "Weather and".

10 **SEC. 775. AGRICULTURAL INFORMATION EXCHANGE WITH**
11 **IRELAND.**

12 Section 1420 of the National Agricultural Research,
13 Extension and Teaching Policy Act Amendments of 1985
14 (Public Law 99–198; 99 Stat. 1551) is repealed.

15 **SEC. 776. PESTICIDE RESISTANCE STUDY.**

16 Section 1437 of the National Agricultural Research,
17 Extension, and Teaching Policy Act Amendments of 1985
18 (Public Law 99–198; 99 Stat. 1558) is repealed.

19 **SEC. 777. EXPANSION OF EDUCATION STUDY.**

20 Section 1438 of the National Agricultural Research,
21 Extension, and Teaching Policy Act Amendments of 1985
22 (Public Law 99–198; 99 Stat. 1559) is repealed.

23 **SEC. 778. SUPPORT FOR ADVISORY BOARD.**

24 (a) REPEAL.—Section 1412 of the National Agricul-
25 tural Research, Extension, and Teaching Policy Act of
26 1977 (7 U.S.C. 3127) is repealed.

1 (b) CONFORMING AMENDMENT.—Section 1413(c) of
2 such Act (7 U.S.C. 3128(c)) is amended by striking "sec-
3 tion 1412 of this title and".

4 **SEC. 779. TASK FORCE ON 10-YEAR STRATEGIC PLAN FOR**
5 **AGRICULTURAL RESEARCH FACILITIES.**

6 (a) REPEAL.—Section 4 of the Research Facilities
7 Act (7 U.S.C. 390b) is repealed.

8 (b) CONFORMING AMENDMENT.—Section 2 of such
9 Act (7 U.S.C. 390) is amended by striking paragraph (5).

10 Subtitle E—Agriculture Facility
11 Protection

12 **SEC. 790. ADDITIONAL PROTECTIONS FOR ANIMAL OR AG-**
13 **RICULTURAL ENTERPRISES, RESEARCH FA-**
14 **CILITIES, AND OTHER ENTITIES.**

15 (a) DEFINITIONS.—The Research Facilities Act (7
16 U.S.C. 390 et seq.) is amended—

17 (1) by redesignating section 6 as section 7; and

18 (2) by inserting after section 5 the following
19 new section:

20 **"SEC. 6. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRI-**
21 **CULTURAL ENTERPRISES, RESEARCH FACILI-**
22 **TIES, AND OTHER ENTITIES AGAINST DISRUP-**
23 **TION.**

24 "(a) DEFINITIONS.—For the purposes of this section,
25 the following definitions apply:

"(1) ANIMAL OR AGRICULTURAL ENTERPRISE.—The term 'animal or agricultural enterprise' means any of the following:

"(A) A commercial, governmental, or academic enterprise that uses animals, plants, or other biological materials for food or fiber production, breeding, processing, research, or testing.

"(B) A zoo, aquarium, circus, rodeo, or other entity that exhibits or uses animals, plants, or other biological materials for educational or entertainment purposes.

"(C) A fair or similar event intended to advance agricultural arts and sciences.

"(D) A facility managed or occupied by an association, federation, foundation, council, or other group or entity of food or fiber producers, processors, or agricultural or biomedical researchers intended to advance agricultural or biomedical arts and sciences.

"(2) ECONOMIC DAMAGE.—The term 'economic damage' means the replacement of the following:

"(A) The cost of lost or damaged property (including all real and personal property) of an animal or agricultural enterprise.

1 "(B) The cost of repeating an interrupted
2 or invalidated experiment.
3 "(C) The loss of revenue (including costs
4 related to business recovery) directly related to
5 the disruption of an animal or agricultural en-
6 terprise.
7 "(D) The cost of the tuition and expenses
8 of any student to complete an academic pro-
9 gram that was disrupted, or to complete a re-
10 placement program, when the tuition and ex-
11 penses are incurred as a result of the damage
12 or loss of the property of an animal or agricul-
13 tural enterprise.
14 "(3) PROPERTY OF AN ANIMAL OR AGRICUL-
15 TURAL ENTERPRISE.—The term 'property of an ani-
16 mal or agricultural enterprise' means real and per-
17 sonal property of or used by any of the following:
18 "(A) An animal or agricultural enterprise.
19 "(B) An employee of an animal or agricul-
20 tural enterprise.
21 "(C) A student attending an academic ani-
22 mal or agricultural enterprise.
23 "(4) DISRUPTION.—The term 'disruption' does
24 not include any lawful disruption that results from
25 lawful public, governmental, or animal or agricul-

1 tural enterprise employee reaction to the disclosure
2 of information about an animal or agricultural en-
3 terprise.
4 "(b) VIOLATION.—A person may not recklessly,
5 knowingly, or intentionally cause, or contribute to, the dis-
6 ruption of the functioning of an animal or agricultural en-
7 terprise by damaging or causing the loss of any property
8 of the animal or agricultural enterprise that results in eco-
9 nomic damage, as determined by the Secretary.
10 "(c) ASSESSMENT OF CIVIL PENALTY.—
11 "(1) IN GENERAL.—The Secretary may impose
12 on any person that the Secretary determines violates
13 subsection (b) a civil penalty in an amount deter-
14 mined under paragraphs (2) and (3). The civil pen-
15 alty may be assessed only on the record after an op-
16 portunity for a hearing.
17 "(2) RECOVERY OF DEPARTMENT COSTS.—The
18 civil penalty assessed by the Secretary against a per-
19 son for a violation of subsection (b) shall be not less
20 than the total cost incurred by the Secretary for in-
21 vestigation of the violation, conducting any hearing
22 regarding the violation, and assessing the civil pen-
23 alty.
24 "(3) RECOVERY OF ECONOMIC DAMAGE.—In
25 addition to the amount determined under paragraph

1 (2), the amount of the civil penalty shall include an
2 amount not less than the total cost (or, in the case
3 of knowing or intentional disruption, not less than
4 150 percent of the total cost) of the economic dam-
5 age incurred by the animal or agricultural enter-
6 prise, any employee of the animal or agricultural en-
7 terprise, or any student attending an academic ani-
8 mal or agricultural enterprise as a result of the
9 damage or loss of the property of an animal or agri-
10 cultural enterprise.

11 "(d) IDENTIFICATION.—The Secretary shall identify
12 for each civil penalty assessed under subsection (c), the
13 portion of the amount of the civil penalty that represents
14 the recovery of Department costs and the portion that rep-
15 resents the recovery of economic losses.

16 "(e) OTHER FACTORS IN DETERMINING PENALTY.—
17 In determining the amount of a civil penalty under sub-
18 section (c), the Secretary shall consider the following:

19 "(1) The nature, circumstance, extent, and
20 gravity of the violation or violations.

21 "(2) The ability of the injured animal or agri-
22 cultural enterprise to continue to operate, costs in-
23 curred by the animal or agricultural enterprise to re-
24 cover lost business, and the effect of the violation on

earnings of employees of the animal or agricultural enterprise.

"(3) The interruptions experienced by students attending an academic animal or agricultural enterprise.

"(4) Whether the violator has previously violated subsection (a).

"(5) The violator's degree of culpability.

"(f) FUND TO ASSIST VICTIMS OF DISRUPTION.—

"(1) FUND ESTABLISHED.—There is established in the Treasury a fund which shall consist of that portion of each civil penalty collected under subsection (c) that represents the recovery of economic damages.

"(2) USE OF AMOUNTS IN FUND.—The Secretary of Agriculture shall use amounts in the fund to compensate animal or agricultural enterprises, employees of an animal or agricultural enterprise, and student attending an academic animal or agricultural enterprise for economic losses incurred as a result of the disruption of the functioning of an animal or agricultural enterprise in violation of subsection (b).".

TITLE VIII—FORESTRY INITIATIVES

SEC. 801. REPEAL OF FORESTRY INCENTIVES PROGRAM AND STEWARDSHIP INCENTIVE PROGRAM.

The Cooperative Forestry Assistance Act of 1978 is amended by striking section 4 (16 U.S.C. 2103) and section 6 (16 U.S.C. 2103b).

SEC. 802. ESTABLISHMENT OF FOREST LAND ENHANCEMENT PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) There is a growing dependence on private nonindustrial forest lands to supply the necessary market commodities and nonmarket values, such as habitat for fish and wildlife, aesthetics, outdoor recreation opportunities, and other forest resources, required by a growing population.

(2) There is a strong demand for expanded assistance programs for owners of nonindustrial private forest land since the majority of the wood supply of the United States comes from nonindustrial private forest land.

(3) The soil, carbon stores, water and air quality of the United States can be maintained and improved through good stewardship of nonindustrial private forest lands.

1 (4) The products and services resulting from
2 stewardship of nonindustrial private forest lands
3 provide income and employment that contribute to
4 the economic health and diversity of rural commu-
5 nities.
6 (5) Wildfires threaten human lives, property,
7 forests, and other resources, and Federal and State
8 cooperation in forest fire prevention and control has
9 proven effective and valuable, in that properly man-
10 aged forest stands are less susceptible to cata-
11 strophic fire, as dramatized by the catastrophic fire
12 seasons of 1998 and 2000.
13 (6) Owners of private nonindustrial forest lands
14 are being faced with increased pressure to convert
15 their forestland to development and other uses.
16 (7) Complex, long-rotation forest investments,
17 including sustainable hardwood management, are
18 often the most difficult commitment for small, non-
19 industrial private forest landowners and, thus,
20 should receive equal consideration under cost-share
21 programs.
22 (8) The investment of one Federal dollar in
23 State and private forestry programs is estimated to
24 leverage $9 on average from State, local, and private
25 sources.

1 (b) PURPOSE.—It is the purpose of this section to
2 strengthen the commitment of the Department of Agri-
3 culture to sustainable forestry and to establish a coordi-
4 nated and cooperative Federal, State, and local sustain-
5 able forest program for the establishment, management,
6 maintenance, enhancement, and restoration of forests on
7 nonindustrial private forest lands in the United States.

8 (c) FOREST LAND ENHANCEMENT PROGRAM.—The
9 Cooperative Forestry Assistance Act of 1978 is amended
10 by inserting after section 3 (16 U.S.C. 2102) the following
11 new section 4:

12 **"SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.**

13 "(a) ESTABLISHMENT.—

14 "(1) ESTABLISHMENT; PURPOSE.—The Sec-
15 retary shall establish a Forest Land Enhancement
16 Program (in this section referred to as the 'Pro-
17 gram') for the purpose of providing financial, tech-
18 nical, educational, and related assistance to State
19 foresters to encourage the long-term sustainability of
20 nonindustrial private forest lands in the United
21 States by assisting the owners of such lands in more
22 actively managing their forest and related resources
23 by utilizing existing State, Federal, and private sec-
24 tor resource management expertise, financial assist-
25 ance, and educational programs.

1 "(2) ADMINISTRATION.—The Secretary shall
2 carry out the Program within, and administer the
3 Program through, the Natural Resources Conserva-
4 tion Service.
5 "(3) COORDINATION.—The Secretary shall im-
6 plement the Program in coordination with State for-
7 esters.
8 "(b) PROGRAM OBJECTIVES.—In implementing the
9 Program, the Secretary shall target resources to achieve
10 the following objectives:
11 "(1) Investment in practices to establish, re-
12 store, protect, manage, maintain, and enhance the
13 health and productivity of the nonindustrial private
14 forest lands in the United States for timber, habitat
15 for flora and fauna, water quality, and wetlands.
16 "(2) Ensuring that afforestation, reforestation,
17 improvement of poorly stocked stands, timber stand
18 improvement, practices necessary to improve seed-
19 ling growth and survival, and growth enhancement
20 practices occur where needed to enhance and sustain
21 the long-term productivity of timber and nontimber
22 forest resources to help meet future public demand
23 for all forest resources and provide environmental
24 benefits.

1 "(3) Reduce the risks and help restore, recover,
2 and mitigate the damage to forests caused by fire,
3 insects, invasive species, disease, and damaging
4 weather.
5 "(4) Increase and enhance carbon sequestration
6 opportunities.
7 "(5) Enhance implementation of agroforestry
8 practices.
9 "(6) Maintain and enhance the forest landbase
10 and leverage State and local financial and technical
11 assistance to owners that promote the same con-
12 servation and environmental values.
13 "(c) ELIGIBILITY.—
14 "(1) IN GENERAL.—An owner of nonindustrial
15 private forest land is eligible for cost-sharing assist-
16 ance under the Program if the owner—
17 "(A) agrees to develop and implement an
18 individual stewardship, forest, or stand manage-
19 ment plan addressing site specific activities and
20 practices in cooperation with, and approved by,
21 the State forester, state official, or private sec-
22 tor program in consultation with the State for-
23 ester;
24 "(B) agrees to implement approved activi-
25 ties in accordance with the plan for a period of

1 not less than 10 years, unless the State forester
2 approves a modification to such plan; and
3 "(C) meets the acreage restrictions as de-
4 termined by the State forester in conjunction
5 with the State Forest Stewardship Coordinating
6 Committee established under section 19.
7 "(2) STATE PRIORITIES.—The Secretary, in
8 consultation with the State forester and the State
9 Forest Stewardship Coordinating Committee may
10 develop State priorities for cost sharing under the
11 Program that will promote forest management objec-
12 tives in that State.
13 "(3) DEVELOPMENT OF PLAN.—An owner shall
14 be eligible for cost-share assistance for the develop-
15 ment of the individual stewardship, forest, or stand
16 management plan required by paragraph (1).
17 "(d) APPROVED ACTIVITIES.—
18 "(1) DEVELOPMENT.—The Secretary, in con-
19 sultation with the State forester and the State For-
20 est Stewardship Coordinating Committee, shall de-
21 velop a list of approved forest activities and prac-
22 tices that will be eligible for cost-share assistance
23 under the Program within each State.
24 "(2) TYPE OF ACTIVITIES.—In developing a list
25 of approved activities and practices under paragraph

1 (1), the Secretary shall attempt to achieve the estab-
2 lishment, restoration, management, maintenance,
3 and enhancement of forests and trees for the fol-
4 lowing:
5 "(A) The sustainable growth and manage-
6 ment of forests for timber production.
7 "(B) The restoration, use, and enhance-
8 ment of forest wetlands and riparian areas.
9 "(C) The protection of water quality and
10 watersheds through the application of State-de-
11 veloped forestry best management practices.
12 "(D) Energy conservation and carbon se-
13 questration purposes.
14 "(E) Habitat for flora and fauna.
15 "(F) The control, detection, and moni-
16 toring of invasive species on forestlands as well
17 as preventing the spread and providing for the
18 restoration of lands affected by invasive species.
19 "(G) Hazardous fuels reduction and other
20 management activities that reduce the risks and
21 help restore, recover, and mitigate the damage
22 to forests caused by fire.
23 "(H) The development of forest or stand
24 management plans.

1 "(I) Other activities approved by the Sec-
2 retary, in coordination with the State forester
3 and the State Forest Stewardship Coordinating
4 Committee.
5 "(e) COOPERATION.—In implementing the Program,
6 the Secretary shall cooperate with other Federal, State,
7 and local natural resource management agencies, institu-
8 tions of higher education, and the private sector.
9 "(f) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—
10 "(1) IN GENERAL.—The Secretary shall share
11 the cost of implementing the approved activities that
12 the Secretary determines are appropriate, in the
13 case of an owner that has entered into an agreement
14 to place nonindustrial private forest lands of the
15 owner in the Program.
16 "(2) RATE.—The Secretary shall determine the
17 appropriate reimbursement rate for cost-share pay-
18 ments under paragraph (1) and the schedule for
19 making such payments.
20 "(3) MAXIMUM.—The Secretary shall not make
21 cost-share payments under this subsection to an
22 owner in an amount in excess of 75 percent of the
23 total cost, or a lower percentage as determined by
24 the State forester, to such owner for implementing
25 the practices under an approved plan. The maximum

1 payments to any one owner shall be determined by
2 the Secretary.
3 "(4) CONSULTATION.—The Secretary shall
4 make determinations under this subsection in con-
5 sultation with the State forester.
6 "(g) RECAPTURE.—
7 "(1) IN GENERAL.—The Secretary shall estab-
8 lish and implement a mechanism to recapture pay-
9 ments made to an owner in the event that the owner
10 fails to implement any approved activity specified in
11 the individual stewardship, forest, or stand manage-
12 ment plan for which such owner received cost-share
13 payments.
14 "(2) ADDITIONAL REMEDY.—The remedy pro-
15 vided in paragraph (1) is in addition to any other
16 remedy available to the Secretary.
17 "(h) DISTRIBUTION.—The Secretary shall distribute
18 funds available for cost sharing under the Program among
19 the States only after giving appropriate consideration to—
20 "(1) the total acreage of nonindustrial private
21 forest land in each State;
22 "(2) the potential productivity of such land;
23 "(3) the number of owners eligible for cost
24 sharing in each State;

"(4) the opportunities to enhance non-timber resources on such forest lands;

"(5) the anticipated demand for timber and nontimber resources in each State;

"(6) the need to improve forest health to minimize the damaging effects of catastrophic fire, insects, disease, or weather; and

"(7) the need and demand for agroforestry practices in each State.

"(i) DEFINITIONS.—In this section:

"(1) NONINDUSTRIAL PRIVATE FOREST LANDS.—The term 'nonindustrial private forest lands' means rural lands, as determined by the Secretary, that—

"(A) have existing tree cover or are suitable for growing trees; and

"(B) are owned or controlled by any nonindustrial private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) so long as the individual, group, association, corporation, tribe, or entity has definitive decision-making authority over the lands, including through long-term leases and other land tenure

1 systems, for a period of time long enough to en-
2 sure compliance with the Program.
3 "(2) OWNER.—The term 'owner' includes a pri-
4 vate individual, group, association, corporation, In-
5 dian tribe, or other private legal entity (other than
6 a nonprofit private legal entity) that has definitive
7 decision-making authority over nonindustrial private
8 forest lands through a long-term lease or other land
9 tenure systems.
10 "(3) SECRETARY.—The term 'Secretary' means
11 the Secretary of Agriculture.
12 "(4) STATE FORESTER.—The term 'State for-
13 ester' means the director or other head of a State
14 Forestry Agency or equivalent State official.
15 "(j) AVAILABILITY OF FUNDS.—The Secretary shall
16 use $200,000,000 of funds of the Commodity Credit Cor-
17 poration to carry out the Program during the period be-
18 ginning on October 1, 2001, and ending on September 30,
19 2011.".
20 (d) CONFORMING AMENDMENT.—Section 246(b)(2)
21 of the Department of Agriculture Reorganization Act of
22 1994 (7 U.S.C. 6962(b)(2)) is amended by striking "for-
23 estry incentive program" and inserting "Forest Land En-
24 hancement Program".

1 **SEC. 803. RENEWABLE RESOURCES EXTENSION ACTIVITIES.**

2 (a) EXTENSION AND AUTHORIZATION INCREASE.—
3 Section 6 of the Renewable Resources Extension Act of
4 1978 (16 U.S.C. 1675) is amended—

5 (1) by striking "$15,000,000" and inserting
6 "$30,000,000"; and

7 (2) by striking "2002" and inserting "2011".

8 (b) SUSTAINABLE FORESTRY OUTREACH INITIA-
9 TIVE.—The Renewable Resources Extension Act of 1978
10 is amended by inserting after section 5A (16 U.S.C.
11 1674a) the following new section:

12 **"SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.**

13 "The Secretary shall establish a program to be known
14 as the 'Sustainable Forestry Outreach Initiative' for the
15 purpose of educating landowners regarding the following:

16 "(1) The value and benefits of practicing sus-
17 tainable forestry.

18 "(2) The importance of professional forestry
19 advice in achieving their sustainable forestry objec-
20 tives.

21 "(3) The variety of public and private sector re-
22 sources available to assist them in planning for and
23 practicing sustainable forestry.".

24 **SEC. 804. ENHANCED COMMUNITY FIRE PROTECTION.**

25 (a) FINDINGS.—Congress finds the following:

1 (1) The severity and intensity of wildland fires
2 has increased dramatically over the past few decades
3 as a result of past fire and land management poli-
4 cies.
5 (2) The record 2000 fire season is a prime ex-
6 ample of what can be expected if action is not taken.
7 (3) These wildfires threaten not only the na-
8 tion's forested resources, but the thousands of com-
9 munities intermingled with the wildlands in the
10 wildland-urban interface.
11 (4) The National Fire Plan developed in re-
12 sponse to the 2000 fire season is the proper, coordi-
13 nated, and most effective means to address this wild-
14 fire issue.
15 (5) Whereas adequate authorities exist to tackle
16 the wildfire issues at the landscape level on Federal
17 lands, there is limited authority to take action on
18 most private lands where the largest threat to life
19 and property lies.
20 (6) There is a significant Federal interest in en-
21 hancing community protection from wildfire.
22 (b) ENHANCED PROTECTION.—The Cooperative For-
23 estry Assistance Act of 1978 is amended by inserting after
24 section 10 (16 U.S.C. 2106) the following new section:

1 **"SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.**

2 "(a) COOPERATIVE MANAGEMENT RELATED TO
3 WILDFIRE THREATS.—The Secretary may cooperate with
4 State foresters and equivalent State officials in the man-
5 agement of lands in the United States for the following
6 purposes:

7 "(1) Aid in wildfire prevention and control.

8 "(2) Protect communities from wildfire threats.

9 "(3) Enhance the growth and maintenance of
10 trees and forests that promote overall forest health.

11 "(4) Ensure the continued production of all for-
12 est resources, including timber, outdoor recreation
13 opportunities, wildlife habitat, and clean water,
14 through conservation of forest cover on watersheds,
15 shelterbelts, and windbreaks.

16 "(b) COMMUNITY AND PRIVATE LAND FIRE ASSIST-
17 ANCE PROGRAM.—

18 "(1) ESTABLISHMENT; PURPOSE.—The Sec-
19 retary shall establish a Community and Private
20 Land Fire Assistance program (in this section re-
21 ferred to as the 'Program')—

22 "(A) to focus the Federal role in pro-
23 moting optimal firefighting efficiency at the
24 Federal, State, and local levels;

25 "(B) to augment Federal projects that es-
26 tablish landscape level protection from wildfires;

1 "(C) to expand outreach and education
2 programs to homeowners and communities
3 about fire prevention; and
4 "(D) to establish defensible space around
5 private landowners homes and property against
6 wildfires.
7 "(2) ADMINISTRATION AND IMPLEMENTA-
8 TION.—The Program shall be administered by the
9 Forest Service and implemented through the State
10 forester or equivalent State official.
11 "(3) COMPONENTS.—In coordination with exist-
12 ing authorities under this Act, the Secretary may
13 undertake on both Federal and non-Federal lands—
14 "(A) fuel hazard mitigation and preven-
15 tion;
16 "(B) invasive species management;
17 "(C) multi-resource wildfire planning;
18 "(D) community protection planning;
19 "(E) community and landowner education
20 enterprises, including the program known as
21 FIREWISE;
22 "(F) market development and expansion;
23 "(G) improved wood utilization;
24 "(H) special restoration projects.

1 "(4) CONSIDERATIONS.—The Secretary shall
2 use local contract personnel wherever possible to
3 carry out projects under the Program.
4 "(c) AUTHORIZATION OF APPROPRIATIONS.—There
5 are hereby authorized to be appropriated to the Secretary
6 $35,000,000 for each of fiscal years 2002 through 2011,
7 and such sums as may be necessary thereafter, to carry
8 out this section.".

9 **SEC. 805. INTERNATIONAL FORESTRY PROGRAM.**

10 Section 2405(d) of the Global Climate Change Pre-
11 vention Act of 1990 (title XXIV of Public Law 101–624;
12 7 U.S.C. 6704(d)) is amended by striking "2002" and in-
13 serting "2011".

14 **SEC. 806. LONG-TERM FOREST STEWARDSHIP CONTRACTS**
15 **FOR HAZARDOUS FUELS REMOVAL AND IM-**
16 **PLEMENTATION OF NATIONAL FIRE PLAN.**

17 (a) ANNUAL ASSESSMENT OF TREATMENT ACRE-
18 AGE.—Not later than March 1 of each of fiscal years 2002
19 through 2006, the Secretary of Agriculture shall submit
20 to Congress an assessment of the number of acres of for-
21 ested National Forest System lands recommended to be
22 treated during the next fiscal year using stewardship end
23 result contracts authorized by subsection (c). The assess-
24 ment shall be based on the treatment schedules contained
25 in the report entitled "Protecting People and Sustaining

1 Resources in Fire-Adapted Ecosystems", dated October
2 13, 2000, and incorporated into the National Fire Plan.
3 The assessment shall identify the acreage by condition
4 class, type of treatment, and treatment year to achieve
5 the restoration goals outlined in the report within 10-, 15-
6 , and 20-year time periods. The assessment shall also in-
7 clude changes in the restoration goals based on the effects
8 of fire, hazardous fuel treatments pursuant to the Na-
9 tional Fire Plan, or updates in data.

10 (b) FUNDING RECOMMENDATION.—The Secretary of
11 Agriculture shall include in the annual assessment a re-
12 quest for funds sufficient to implement the recommenda-
13 tions contained in the assessment using stewardship end
14 result contracts under subsection (c) when the Secretary
15 determines that the objectives of the National Fire Plan
16 are best accomplished through forest stewardship end re-
17 sult contracting.

18 (c) STEWARDSHIP END RESULT CONTRACTING.—

19 (1) AUTHORITY.—Subject to the amount of
20 funds made available pursuant to subsection (b), the
21 Secretary of Agriculture may enter into stewardship
22 end result contracts to implement the National Fire
23 Plan on National Forest System lands based upon
24 the stewardship treatment schedules provided in the
25 annual assessments under subsection (a). The con-

1 tracting goals and authorities described in sub-
2 sections (b) through (f) of section 347 of the De-
3 partment of the Interior and Related Agencies Ap-
4 propriations Act, 1999 (as contained in section
5 101(e) of division A of Public Law 105–277; 16
6 U.S.C. 2104 note; commonly known as the Steward-
7 ship End Result Contracting Demonstration Project)
8 shall apply to contracts entered into under this sub-
9 section, except that the period of the contract shall
10 be 10 years.

11 (2) DURATION.—The authority of the Secretary
12 of Agriculture to enter into contracts under this sub-
13 section expires September 30, 2007.

14 (d) STATUS REPORT.—Beginning with the assess-
15 ment required under subsection (a) in 2003, the Secretary
16 of Agriculture shall include in the annual assessment a
17 status report of the stewardship end result contracts en-
18 tered into under the authority of this section.

19 **SEC. 807. MCINTIRE-STENNIS COOPERATIVE FORESTRY RE-**
20 **SEARCH PROGRAM.**

21 It is the sense of Congress to reaffirm the importance
22 of Public Law 87–88 (16 U.S.C. 582a et seq.), commonly
23 known as the McIntire-Stennis Cooperative Forestry Act.

TITLE IX—MISCELLANEOUS PROVISIONS

Subtitle A—Tree Assistance Program

SEC. 901. ELIGIBILITY.

(a) LOSS.—Subject to the limitation in subsection (b), the Secretary of Agriculture shall provide assistance, as specified in section 902, to eligible orchardists that planted trees for commercial purposes but lost such trees as a result of a natural disaster, as determined by the Secretary.

(b) LIMITATION.—An eligible orchardist shall qualify for assistance under subsection (a) only if such orchardist's tree mortality, as a result of the natural disaster, exceeds 15 percent (adjusted for normal mortality).

SEC. 902. ASSISTANCE.

The assistance provided by the Secretary of Agriculture to eligible orchardists for losses described in section 901 shall consist of either—

(1) reimbursement of 75 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

(2) at the discretion of the Secretary, sufficient seedlings to reestablish the stand.

1 **SEC. 903. LIMITATION ON ASSISTANCE.**

2 (a) LIMITATION.—The total amount of payments
3 that a person shall be entitled to receive under this subtitle
4 may not exceed $50,000, or an equivalent value in tree
5 seedlings.

6 (b) REGULATIONS.—The Secretary of Agriculture
7 shall issue regulations—

8 (1) defining the term "person" for the purposes
9 of this subtitle, which shall conform, to the extent
10 practicable, to the regulations defining the term
11 "person" issued under section 1001 of the Food Se-
12 curity Act of 1985 (7 U.S.C. 1308) and the Disaster
13 Assistance Act of 1988 (7 U.S.C. 1421 note); and

14 (2) prescribing such rules as the Secretary de-
15 termines necessary to ensure a fair and reasonable
16 application of the limitation established under this
17 section.

18 **SEC. 904. DEFINITIONS.**

19 In this subtitle:

20 (1) ELIGIBLE ORCHARDIST.—The term "eligible
21 orchardist" means a person who produces annual
22 crops from trees for commercial purposes and owns
23 500 acres or less of such trees.

24 (2) NATURAL DISASTER.—The term "natural
25 disaster" includes plant disease, insect infestation,

1 drought, fire, freeze, flood, earthquake, and other
2 occurrences, as determined by the Secretary.
3 (3) TREE.—The term "tree" includes trees,
4 bushes, and vines.

5 Subtitle B—Other Matters

6 SEC. 921. HAZARDOUS FUEL REDUCTION GRANTS TO PRE-
7 VENT WILDFIRE DISASTERS AND TRANS-
8 FORM HAZARDOUS FUELS TO ELECTRIC EN-
9 ERGY, USEFUL HEAT, OR TRANSPORTATION
10 FUELS.

11 (a) FINDINGS.—Congress finds the following:
12 (1) The damages caused by wildfire disasters
13 have been equivalent in magnitude to the damage re-
14 sulting from the Northridge earthquake, Hurricane
15 Andrew, and the recent flooding of the Mississippi
16 River and the Red River.
17 (2) More than 20,000 communities in the
18 United States are at risk to wildfire and approxi-
19 mately 11,000 of these communities are located near
20 Federal lands. More than 72,000,000 acres of Na-
21 tional Forest System lands and 57,000,000 acres of
22 lands managed by the Secretary of the Interior are
23 at risk of catastrophic fire in the near future. The
24 accumulation of heavy forest fuel loads continues to
25 increase as a result of disease, insect infestations,

1 and drought, further raising the risk of fire each
2 year.
3 (3) Modification of forest fuel load conditions
4 through the removal of hazardous fuels will minimize
5 catastrophic damage from wildfires, reducing the
6 need for emergency funding to respond to wildfires
7 and protecting lives, communities, watersheds, and
8 wildlife habitat.
9 (4) The hazardous fuels removed from forest
10 lands represent an abundant renewable resource as
11 well as a significant supply of biomass for biomass-
12 to-energy facilities.
13 (b) HAZARDOUS FUELS TO ENERGY GRANT PRO-
14 GRAM.—The Secretary concerned may make a grant to a
15 person that operates a biomass-to-energy facility to offset
16 the costs incurred to purchase hazardous fuels from forest
17 lands for use by the facility in the production of electric
18 energy, useful heat, or transportation fuels. The Secretary
19 concerned shall select grant recipients on the basis of their
20 planned purchases of hazardous fuels and the level of an-
21 ticipated benefits to reduced wildfire risk.
22 (c) GRANT AMOUNTS.—A grant under this section
23 shall be equal to at least $5 per ton of hazardous fuels
24 delivered, but not to exceed $10 per ton of hazardous fuels

1 delivered, based on the distance of the hazardous fuels
2 from the biomass-to-energy facility.

3 (d) MONITORING OF GRANT RECIPIENT ACTIVI-
4 TIES.—As a condition on a grant under this section, the
5 grant recipient shall keep such records as the Secretary
6 concerned may require to fully and correctly disclose the
7 use of the grant funds and all transactions involved in the
8 purchase of hazardous fuels derived from forest lands.
9 Upon notice by a duly authorized representative of the
10 Secretary concerned, the operator of a biomass-to-energy
11 facility that purchases or uses the resulting hazardous
12 fuels shall afford the representative reasonable access to
13 the facility and an opportunity to examine the inventory
14 and records of the facility.

15 (e) MONITORING OF EFFECT OF TREATMENTS.—The
16 Secretary concerned shall monitor Federal lands from
17 which hazardous fuels are removed and sold to a biomass-
18 to-energy facility to determine and document the reduction
19 in fire hazards on such lands.

20 (f) DEFINITIONS.—In this section:

21 (1) BIOMASS-TO-ENERGY FACILITY.—The term
22 "biomass-to-energy facility" means a facility that
23 uses forest biomass as a raw material to produce
24 electric energy, useful heat, or transportation fuels.

1 (2) FOREST BIOMASS.—The term "forest bio-
2 mass" means hazardous fuels and biomass accumu-
3 lations from precommercial thinnings, slash, and
4 brush on forest lands that do not satisfy the defini-
5 tion of hazardous fuels.
6 (3) HAZARDOUS FUELS.—The term "hazardous
7 fuels" means any unnaturally excessive accumulation
8 of organic material, particularly in areas designated
9 as condition class 2 or condition class 3 (as defined
10 in the report entitled "Protecting People and Sus-
11 tainable Resources in Fire-Adapted Ecosystems",
12 prepared by the Forest Service, and dated October
13 13, 2000), on forest lands that the Secretary con-
14 cerned determines poses a substantial present or po-
15 tential hazard to forest ecosystems, wildlife, human,
16 community, or firefighter safety in the case of a
17 wildfire, particularly a wildfire in a drought year.
18 (4) SECRETARY CONCERNED.—The term "Sec-
19 retary concerned" means—
20 (A) the Secretary of Agriculture or the
21 designee of the Secretary of Agriculture with
22 respect to the National Forest System lands
23 and private lands; and
24 (B) the Secretary of the Interior or the
25 designee of the Secretary of the Interior with

1 respect to Federal lands under the jurisdiction
2 of the Secretary of the Interior and Indian
3 lands.

4 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
5 authorized to be appropriated $50,000,000 for each fiscal
6 year to carry out this section.

7 **SEC. 922. BIOENERGY PROGRAM.**

8 Notwithstanding any limitations in the Commodity
9 Credit Corporation Charter Act (15 U.S.C. 714 et seq.)
10 or part 1424 of title 7, Code of Federal Regulations, the
11 Commodity Credit Corporation shall designate animal
12 fats, agricultural byproducts, and oils as eligible agricul-
13 tural commodities for use in the Bioenergy Program to
14 promote industrial consumption of agricultural commod-
15 ities for the production of ethanol and biodiesel fuels.

16 **SEC. 923. AVAILABILITY OF SECTION 32 FUNDS.**

17 The 2d undesignated paragraph of section 32 of the
18 Act of August 24, 1935 (Public Law 320; 49 Stat. 774;
19 7 U.S.C. 612c), is amended by striking "$300,000,000"
20 and inserting "$500,000,000".

21 **SEC. 924. SENIORS FARMERS' MARKET NUTRITION PRO-**
22 **GRAM.**

23 (a) ESTABLISHMENT.—For each of the fiscal years
24 2002 through 2011, the Secretary of Agriculture shall use
25 $15,000,000 of the funds available to the Commodity

1 Credit Corporation to carry out and expand a seniors
2 farmers' market nutrition program.
3 (b) PROGRAM PURPOSES.— The purposes of the sen-
4 iors farmers' market nutrition program are—
5 (1) to provide resources in the form of fresh,
6 nutritious, unprepared, locally grown fruits, vegeta-
7 bles, and herbs from farmers' markets, roadside
8 stands and community supported agriculture pro-
9 grams to low-income seniors;
10 (2) to increase the domestic consumption of ag-
11 ricultural commodities by expanding or aiding in the
12 expansion of domestic farmers' markets, roadside
13 stands, and community supported agriculture pro-
14 grams; and
15 (3) to develop or aid in the development of new
16 and additional farmers' markets, roadside stands,
17 and community supported agriculture programs.
18 (c) REGULATIONS.—The Secretary may issue such
19 regulations as the Secretary considers necessary to carry
20 out the seniors farmers' market nutrition program.
21 **SEC. 925. DEPARTMENT OF AGRICULTURE AUTHORITIES**
22 **REGARDING CANEBERRIES.**
23 (a) AUTHORITY FOR MARKETING ORDER AND RE-
24 SEARCH AND PROMOTION ORDER.—Section 8c of the Ag-
25 ricultural Adjustment Act (7 U.S.C. 608c), reenacted with

1 amendments by the Agricultural Marketing Agreement
2 Act of 1937, is amended—
3 (1) in subsection (2)—
4 (A) in paragraph (A), by inserting
5 "caneberries (including raspberries, black-
6 berries, and logenberries)," after "other than
7 pears, olives, grapefruit,"; and
8 (B) in the second sentence, by inserting
9 "caneberries (including raspberries, black-
10 berries, and logenberries)," after "effective as
11 to cherries, apples,"; and
12 (2) in subsection (6)(I), by inserting
13 "caneberries (including raspberries, blackberries,
14 and logenberries)" after "tomatoes,".
15 (b) AUTHORITY WITH RESPECT TO IMPORTS.—Sec-
16 tion 8e(a) of such Act (7 U.S.C. 608e–1(a)) is amended
17 by inserting "caneberries (including raspberries, black-
18 berries, and logenberries)," after "pistachios,".
19 **SEC. 926. NATIONAL APPEALS DIVISION.**
20 Section 278 of the Department of Agriculture Reor-
21 ganization Act of 1994 (7 U.S.C. 6998) is amended by
22 adding at the end the following new subsection:
23 "(f) FINALITY OF CERTAIN APPEAL DECISIONS.—If
24 an appellant prevails at the regional level in an adminis-
25 trative appeal of a decision by the Division, the agency

1 may not pursue an administrative appeal of that decision
2 to the national level.".

3 **SEC. 927. OUTREACH AND ASSISTANCE FOR SOCIALLY DIS-**
4 **ADVANTAGED FARMERS AND RANCHERS.**

5 Subsection (a) of section 2501 of the Food, Agri-
6 culture, Conservation, and Trade Act of 1990 (7 U.S.C.
7 2279) is amended to read as follows:

8 "(a) OUTREACH AND ASSISTANCE.—

9 "(1) IN GENERAL.—The Secretary of Agri-
10 culture (in this section referred to as the 'Secretary')
11 shall provide outreach and technical assistance pro-
12 grams specifically to encourage and assist socially
13 disadvantaged farmers and ranchers to own and op-
14 erate farms and ranches and to participate equitably
15 in the full range of agricultural programs. This as-
16 sistance, which should enhance coordination and
17 make more effective the outreach, technical assist-
18 ance, and education efforts authorized in specific ag-
19 riculture programs, shall include information and as-
20 sistance on commodity, conservation, credit, rural,
21 and business development programs, application and
22 bidding procedures, farm and risk management,
23 marketing, and other essential information to par-
24 ticipate in agricultural and other programs of the
25 Department.

1 "(2) GRANTS AND CONTRACTS.—The Secretary
2 may make grants and enter into contracts and other
3 agreements in the furtherance of this section with
4 the following entities:
5 "(A) Any community-based organization,
6 network, or coalition of community-based orga-
7 nizations that—
8 "(i) has demonstrated experience in
9 providing agricultural education or other
10 agriculturally related services to socially
11 disadvantaged farmers and ranchers;
12 "(ii) provides documentary evidence of
13 its past experience of working with socially
14 disadvantaged farmers and ranchers dur-
15 ing the two years preceding its application
16 for assistance under this section; and
17 "(iii) does not engage in activities pro-
18 hibited under section 501(c)(3) of the In-
19 ternal Revenue Code of 1986.
20 "(B) 1890 Land-Grant Colleges, including
21 Tuskegee Institute, Indian tribal community
22 colleges and Alaska native cooperative colleges,
23 Hispanic serving post-secondary educational in-
24 stitutions, and other post-secondary educational
25 institutions with demonstrated experience in

1 providing agriculture education or other agri-
2 culturally related services to socially disadvan-
3 taged family farmers and ranchers in their re-
4 gion.

5 "(C) Federally recognized tribes and na-
6 tional tribal organizations with demonstrated
7 experience in providing agriculture education or
8 other agriculturally related services to socially
9 disadvantaged family farmers and ranchers in
10 their region.

11 "(3) FUNDING.—There are authorized to be ap-
12 propriated $25,000,000 for each fiscal year to make
13 grants and enter into contracts and other agree-
14 ments with the entities described in paragraph (2)
15 and to otherwise carry out the purposes of this sub-
16 section.".

17 **SEC. 928. EQUAL TREATMENT OF POTATOES AND SWEET**
18 **POTATOES.**

19 Section 508(a)(2) of the Federal Crop Insurance Act
20 (7 U.S.C. 1508(a)(2)) is amended by striking "and pota-
21 toes" and inserting ", potatoes, and sweet potatoes".

1 **SEC. 929. REFERENCE TO SEA GRASS AND SEA OATS AS**
2 **CROPS COVERED BY NONINSURED CROP DIS-**
3 **ASTER ASSISTANCE PROGRAM.**

4 Section 196(a)(2)(B) of the Federal Agriculture Im-
5 provement and Reform Act of 1996 (7 U.S.C.
6 7333(a)(2)(B)) is amended by inserting "sea grass and
7 sea oats," after "fish),".

8 **SEC. 930. OPERATION OF GRADUATE SCHOOL OF DEPART-**
9 **MENT OF AGRICULTURE.**

10 (a) COMPETITION.—Section 921 of the Federal Agri-
11 culture Improvement and Reform Act of 1996 (7 U.S.C.
12 2279b) is amended—

13 (1) in subsection (c)—

14 (A) by striking "Under" and inserting the
15 following:

16 "(1) EDUCATIONAL, TRAINING, AND PROFES-
17 SIONAL DEVELOPMENT ACTIVITIES.—Under"; and

18 (B) by adding at the end the following new
19 paragraph:

20 "(2) COMPETITION.—The Graduate School may
21 not enter into a contract or agreement with a Fed-
22 eral agency to provide services or conduct activities
23 described in paragraph (1) unless, before the award-
24 ing of the contract or agreement, the contact or
25 agreement was subject to competition that was open

1 to individuals and entities of the private sector.";
2 and
3 (2) in subsection (i), by striking "The" and in-
4 serting "Subject to subsection (c)(2), the".
5 (b) AUDITS OF RECORDS.—Such section is further
6 amended by adding at the end the following new sub-
7 section:
8 "(k) AUDITS OF RECORDS.—The financial records of
9 the Graduate School relating to contracts and agreements
10 for services or activities described in subsection (c)(1)
11 shall be made available to the Comptroller General for
12 purposes of conducting an audit.".
13 (c) CONFORMING REPEAL.—Section 1669 of the
14 Food, Agriculture, Conservation, and Trade Act of 1990
15 (7 U.S.C. 5922) is repealed.
16 **SEC. 931. ASSISTANCE FOR LIVESTOCK PRODUCERS.**
17 (a) AVAILABILITY OF ASSISTANCE.—In such
18 amounts as are provided in advance in appropriation Acts,
19 the Secretary may provide assistance to dairy and other
20 livestock producers to cover economic losses incurred by
21 such producers in connection with the production of live-
22 stock.
23 (b) TYPES OF ASSISTANCE.—The assistance provided
24 to livestock producers may be in the form of—

1 (1) indemnity payments to livestock producers
2 who incur livestock mortality losses;
3 (2) livestock feed assistance to livestock pro-
4 ducers affected by shortages of feed;
5 (3) compensation for sudden increases in pro-
6 duction costs; and
7 (4) such other assistance, and for such other
8 economic losses, as the Secretary considers appro-
9 priate.
10 (c) LIMITATIONS.—Notwithstanding section 181(a),
11 the Secretary may not use the funds of the Commodity
12 Credit Corporation to provide assistance under this sec-
13 tion.
14 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
15 authorized to be appropriated to the Secretary such sums
16 as may be necessary to carry out this section.

PART B

Summary of Amendment to the Amendment in the Nature of a Substitute Printed in Part A, To Be Considered As Adopted

Combest—Makes two technical changes to the bill to ensure it is within the budgetary parameters established by the FY 2002 Concurrent Resolution on the Budget: (1) reduces the amount of the partial countercyclical payments that producers of peanuts and covered commodities may receive from 50% to 40% of the total projected countercyclical payment; and (2) adds a new subsection (h) at the end of section 105 which directs the Secretary, in calculating the effective price with respect to barley, to use either the all barley loan rate, or the feed barley loan rate, as appropriate. (Summary derived from information provided by sponsor.)

TEXT OF AMENDMENT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE PRINTED IN PART A, TO BE CONSIDERED AS ADOPTED

In section 105(f)(2) (page 22, beginning line 17), strike "50 percent" and insert "40 percent".

At the end of section 105 (page 23, after line 9), insert the following new subsection:

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

In section 143(a) (page 68, beginning line 7) strike "DIARY" and insert "DAIRY".

In section 164(f)(2) (page 112, beginning line 21), strike "50 percent" and insert "40 percent".

In section 930, in the paragraph (2) being added by subsection (a) (page 352, beginning line 20), strike "contact" and insert "contract".

○