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


IN THE SENATE OF THE UNITED STATES

Mr. HARKIN from the Committee on Agriculture, Nutrition, and Forestry reported the following original bill; which was read twice and placed on the calendar

A BILL

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

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

3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

4  (a) SHORT TITLE.—This Act may be cited as the
5 “Food and Energy Security Act of 2007”.

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

Sec. 1. Short title; table of contents.
Sec. 2. Definition of Secretary.
TITLE I—PRODUCER INCOME PROTECTION PROGRAMS

Sec. 1001. Definitions.

Subtitle A—Traditional Payments and Loans

PART I—DIRECT PAYMENTS AND COUNTER-CYCLICAL PAYMENTS

Sec. 1101. Base acres and payment acres for a farm.
Sec. 1102. Payment yields.
Sec. 1103. Availability of direct payments.
Sec. 1104. Availability of counter-cyclical payments.
Sec. 1105. Producer agreement required as condition of provision of direct payments and counter-cyclical payments.
Sec. 1106. Planting flexibility.
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PART II—MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS

Sec. 1201. Availability of nonrecourse marketing assistance loans for loan commodities.
Sec. 1202. Loan rates for nonrecourse marketing assistance loans.
Sec. 1203. Term of loans.
Sec. 1204. Repayment of loans.
Sec. 1205. Loan deficiency payments.
Sec. 1206. Payments in lieu of loan deficiency payments for grazed acreage.
Sec. 1207. Special marketing loan provisions for upland cotton.
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PART III—PEANUTS

Sec. 1301. Definitions.
Sec. 1302. Base acres for peanuts for a farm.
Sec. 1303. Availability of direct payments for peanuts.
Sec. 1304. Availability of counter-cyclical payments for peanuts.
Sec. 1305. Producer agreement required as condition on provision of direct payments and counter-cyclical payments.
Sec. 1306. Planting flexibility.
Sec. 1307. Marketing assistance loans and loan deficiency payments for peanuts.
Sec. 1308. Adjustments of loans.

Subtitle B—Average Crop Revenue Program

Sec. 1401. Availability of average crop revenue payments.
Sec. 1402. Producer agreement as condition of average crop revenue payments.
Sec. 1403. Planting flexibility.
Sec. 1404. Impact on crop insurance program.

Subtitle C—Sugar

Sec. 1501. Sugar program.
Sec. 1502. Storage facility loans.
Sec. 1503. Commodity Credit Corporation storage payments.
Sec. 1504. Flexible marketing allotments for sugar.
Sec. 1505. Sense of the Senate regarding NAFTA sugar coordination.

Subtitle D—Dairy

Sec. 1601. Dairy product price support program.
Sec. 1602. National dairy market loss payments.
Sec. 1603. Dairy export incentive and dairy indemnity programs.
Sec. 1604. Funding of dairy promotion and research program.
Sec. 1605. Revision of Federal marketing order amendment procedures.
Sec. 1606. Dairy forward pricing program.
Sec. 1607. Report on Department of Agriculture reporting procedures for non-fat dry milk.

Subtitle E—Administration

Sec. 1701. Administration generally.
Sec. 1702. Suspension of permanent price support authority.
Sec. 1703. Payment limitations.
Sec. 1704. Adjusted gross income limitation.
Sec. 1705. Availability of quality incentive payments for certain producers.
Sec. 1706. Hard white wheat development program.
Sec. 1707. Durum wheat quality program.
Sec. 1708. Storage facility loans.
Sec. 1709. Personal liability of producers for deficiencies.
Sec. 1710. Extension of existing administrative authority regarding loans.
Sec. 1711. Assignment of payments.
Sec. 1712. Cotton classification services.
Sec. 1713. Designation of States for cotton research and promotion.
Sec. 1714. Government publication of cotton price forecasts.
Sec. 1715. State, county, and area committees.
Sec. 1716. Prohibition on charging certain fees.
Sec. 1717. Signature authority.
Sec. 1718. Modernization of Farm Service Agency.
Sec. 1719. Geospatial systems.
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PART I—MARKETING, INFORMATION, AND EDUCATION

Sec. 1811. Fruit and vegetable market news allocation.
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Sec. 1814. Census of specialty crops.

PART II—ORGANIC PRODUCTION

Sec. 1821. Organic data collection and price reporting.
Sec. 1822. Exemption of certified organic products from assessments.
Sec. 1824. National organic program.
PART III—INTERNATIONAL TRADE

Sec. 1831. Foreign market access study and strategy plan.
Sec. 1832. Market access program.
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PART IV—SPECIALTY CROPS COMPETITIVENESS

Sec. 1841. Specialty crop block grants.
Sec. 1842. Grant program to improve movement of specialty crops.
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PART V—MISCELLANEOUS

Sec. 1851. Clean plant network.
Sec. 1852. Market loss assistance for asparagus producers.
Sec. 1853. Mushroom promotion, research, and consumer information.
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Sec. 1855. Identification of honey.
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Sec. 1901. Definition of organic crop.
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Sec. 1904. Controlled business insurance.
Sec. 1905. Administrative fee.
Sec. 1906. Time for payment.
Sec. 1907. Surcharge prohibition.
Sec. 1908. Premium reduction plan.
Sec. 1909. Denial of claims.
Sec. 1910. Measurement of farm-stored commodities.
Sec. 1911. Reimbursement rate.
Sec. 1912. Renegotiation of standard reinsurance agreement.
Sec. 1913. Change in due date for Corporation payments for underwriting gains.
Sec. 1914. Access to data mining information.
Sec. 1915. Producer eligibility.
Sec. 1916. Contracts for additional crop policies.
Sec. 1917. Research and development.
Sec. 1918. Funding from insurance fund.
Sec. 1919. Camelina pilot program.
Sec. 1920. Crop insurance mediation.
Sec. 1921. Drought coverage for aquaculture under noninsured crop assistance program.
Sec. 1922. Increase in service fees for noninsured crop assistance program.
Sec. 1923. Determination of certain sweet potato production.
Sec. 1924. Perennial crop report.
SEC. 2. DEFINITION OF SECRETARY.

In this Act, the term “Secretary” means the Secretary of Agriculture.

TITLE I—PRODUCER INCOME PROTECTION PROGRAMS

SEC. 1001. DEFINITIONS.

In this title (other than part III of subtitle A):

(1) AVERAGE CROP REVENUE PAYMENT.—The term “average crop revenue payment” means a payment made to producers on a farm under section 1401.

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

(3) COUNTER-CYCLICAL PAYMENT.—The term “counter-cyclical payment” means a payment made to producers on a farm under section 1104.

(4) COVERED COMMODITY.—The term “covered commodity” means wheat, corn, grain sorghum, barley, oats, upland cotton, long grain rice, medium grain rice, pulse crops, soybeans, and other oilseeds.
(5) Direct Payment.—The term “direct payment” means a payment made to producers on a farm under section 1103.

(6) Effective Price.—The term “effective price”, with respect to a covered commodity for a crop year, means the price calculated by the Secretary under section 1104 to determine whether counter-cyclical payments are required to be made for that crop year.

(7) Extra Long Staple Cotton.—The term “extra long staple cotton” means cotton that—

(A) is produced from pure strain varieties of the Barbadense species or any hybrid of the species, or other similar types of extra long staple cotton, designated by the Secretary, having characteristics needed for various end uses for which United States upland cotton is not suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and

(B) is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.
(8) **LOAN COMMODITY.**—The term “loan commodity” means wheat, corn, grain sorghum, barley, oats, upland cotton, extra long staple cotton, long grain rice, medium grain rice, soybeans, other oilseeds, wool, mohair, honey, dry peas, lentils, small chickpeas, and large chickpeas.

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

(10) **OTHER OILSEED.**—The term “other oilseed” means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, camelina, or any oilseed designated by the Secretary.

(11) **PAYMENT ACRES.**—The term “payment acres” means, in the case of direct payments and counter-cyclical payments, 85 percent of the base acres of a covered commodity on a farm on which direct payments or counter-cyclical payments are made.

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

(13) **PRODUCER.**—

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

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

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

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

(14) **PULSE CROP.**—The term “pulse crop” means dry peas, lentils, small chickpeas, and large chickpeas.

(15) **STATE.**—The term “State” means—

(A) a State;

(B) the District of Columbia;
(C) the Commonwealth of Puerto Rico;

and

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

(16) TARGET PRICE.—The term “target price”
means the price per bushel, pound, or hundred-
weight (or other appropriate unit) of a covered com-
modity used to determine the payment rate for
counter-cyclical payments.

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

Subtitle A—Traditional Payments and Loans

PART I—DIRECT PAYMENTS AND COUNTER-
CYCLICAL PAYMENTS

SEC. 1101. BASE ACRES AND PAYMENT ACRES FOR A FARM.

(a) ADJUSTMENT OF BASE ACRES.—

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

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

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

(C) The producer has eligible pulse crop or
camelina acreage.

(D) The producer has eligible oilseed acre-
age as the result of the Secretary designating
additional oilseeds.

(2) SPECIAL CONSERVATION RESERVE ACREAGE
PAYMENT RULES.—For the crop year in which a
base acres adjustment under subparagraph (A) or
(B) of paragraph (1) is first made, the owner of the
farm shall elect to receive either direct payments
and counter-cyclical payments with respect to the
acreage added to the farm under this subsection or
a prorated payment under the conservation reserve
contract, but not both.

(b) PREVENTION OF EXCESS BASE ACRES.—

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

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

(A) Any base acres for peanuts for the farm.

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

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

(D) Any eligible pulse crop or camelina acreage, which shall be determined in the same manner as eligible oilseed acreage under section 1101(a)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7911(a)(2)).

(E) If the Secretary designates additional oilseeds, any eligible oilseed acreage, which shall
be determined in the same manner as eligible oilseed acreage under section 1101(a)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7911(a)(2)).

(3) Selection of Acres.—The Secretary shall give the owner of the farm the opportunity to select the base acres for a covered commodity or the base acres for peanuts for the farm against which the reduction required by paragraph (1) will be made.

(4) Exception for Double-Cropped Acreage.—In applying paragraph (1), the Secretary shall make an exception in the case of double cropping, as determined by the Secretary.

(5) Coordinated Application of Requirements.—The Secretary shall take into account section 1302(b) when applying the requirements of this subsection.

(c) Permanent Reduction in Base Acres.—

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

(2) Administration.—The reduction shall be permanent and made in the manner prescribed by the Secretary.
SEC. 1102. PAYMENT YIELDS.

(a) Establishment and Purpose.—For the purpose of making direct payments and counter-cyclical payments under this subtitle, the Secretary shall provide for the establishment of a yield for each farm for any designated oilseed, camelina, or eligible pulse crop for which a payment yield was not established under section 1102 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7912) in accordance with this section.

(b) Payment Yields for Designated Oilseeds, Camelina, and Eligible Pulse Crops.—

(1) Determination of Average Yield.—In the case of designated oilseeds, camelina, and eligible pulse crops, the Secretary shall determine the average yield per planted acre for the designated oilseed, camelina, or pulse crop on a farm for the 1998 through 2001 crop years, excluding any crop year in which the acreage planted to the designated oilseed, camelina, or pulse crop was zero.

(2) Adjustment for Payment Yield.—

(A) In general.—The payment yield for a farm for a designated oilseed, camelina, or eligible pulse crop shall be equal to the product of the following:
(i) The average yield for the designated oilseed, camelina, or pulse crop determined under paragraph (1).

(ii) The ratio resulting from dividing the national average yield for the designated oilseed, camelina, or pulse crop for the 1981 through 1985 crops by the national average yield for the designated oilseed, camelina, or pulse crop for the 1998 through 2001 crops.

(B) No national average yield information available.—To the extent that national average yield information for a designated oilseed, camelina, or pulse crop is not available, the Secretary shall use such information as the Secretary determines to be fair and equitable to establish a national average yield under this section.

(3) Use of partial county average yield.—If the yield per planted acre for a crop of a designated oilseed, camelina, or pulse crop for a farm for any of the 1998 through 2001 crop years was less than 75 percent of the county yield for that designated oilseed, camelina, or pulse crop, the Secretary shall assign a yield for that crop year equal
to 75 percent of the county yield for the purpose of
determining the average under paragraph (1).

(4) No historic yield data available.—In
the case of establishing yields for designated oil-
seeds, camelina, and eligible pulse crops, if historic
yield data is not available, the Secretary shall use
the ratio for dry peas calculated under paragraph
(2)(A)(ii) in determining the yields for designated
oilseeds, camelina, and eligible pulse crops, as deter-
mined to be fair and equitable by the Secretary.

SEC. 1103. AVAILABILITY OF DIRECT PAYMENTS.

(a) Payment required.—Except as provided in
section 1401, for each of the 2008 through 2012 crop
years of each covered commodity (other than pulse crops),
the Secretary shall make direct payments to producers on
farms for which payment yields and base acres are estab-
lished.

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

(1) Wheat, $0.52 per bushel.

(2) Corn, $0.28 per bushel.

(3) Grain sorghum, $0.35 per bushel.

(4) Barley, $0.24 per bushel.

(5) Oats, $0.024 per bushel.
1 (6) Upland cotton, $0.0667 per pound.
2 (7) Long grain rice, $2.35 per hundredweight.
3 (8) Medium grain rice, $2.35 per hundredweight.
4 (9) Soybeans, $0.44 per bushel.
5 (10) Other oilseeds, $0.80 per hundredweight.
6 (c) PAYMENT AMOUNT.—The amount of the direct payment to be paid to the producers on a farm for a covered commodity for a crop year shall be equal to the product of the following:
7 (1) The payment rate specified in subsection (b).
8 (2) The payment acres of the covered commodity on the farm.
9 (3) The payment yield for the covered commodity for the farm.
10 (d) TIME FOR PAYMENT.—
11 (1) IN GENERAL.—In the case of each of the 2008 through 2012 crop years, the Secretary shall make direct payments under this section not earlier than October 1 of the calendar year in which the crop of the covered commodity is harvested.
12 (2) ADVANCE PAYMENTS.—
13 (A) OPTION.—At the option of the producers on a farm, the Secretary shall pay in ad-
vance up to 22 percent of the direct payment
for a covered commodity for any of the 2008
through 2011 crop years to the producers on a
farm.

(B) MONTH.—

(i) SELECTION.—Subject to clauses
(ii) and (iii), the producers on a farm shall
select the month during which the advance
payment for a crop year will be made.

(ii) OPTIONS.—The month selected
may be any month during the period—

(I) beginning on December 1 of
the calendar year before the calendar
year in which the crop of the covered
commodity is harvested; and

(II) ending during the month
within which the direct payment
would otherwise be made.

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

(3) REPAYMENT OF ADVANCE PAYMENTS.—If a
producer on a farm that receives an advance direct
payment for a crop year ceases to be a producer on
that farm, or the extent to which the producer shares in the risk of producing a crop changes, before the date the remainder of the direct payment is made, the producer shall be responsible for repaying the Secretary the applicable amount of the advance payment, as determined by the Secretary.

SEC. 1104. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS.

(a) Payment Required.—Subject to sections 1107 and 1401, for each of the 2008 through 2012 crop years for each covered commodity, the Secretary shall make counter-cyclical payments to producers on farms for which payment yields and base acres are established with respect to the covered commodity if the Secretary determines that the effective price for the covered commodity is less than the target price for the covered commodity.

(b) Effective Price.—

(1) Covered Commodities other than Rice.—Except as provided in paragraph (2), for purposes of subsection (a), the effective price for a covered commodity is equal to the sum of the following:

(A) The higher of the following:

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

(ii) The national average loan rate for a marketing assistance loan for the covered commodity in effect for the applicable period under part II.

(B) The payment rate in effect for the covered commodity under section 1103 for the purpose of making direct payments with respect to the covered commodity.

(2) RICE.—In the case of long grain rice and medium grain rice, for purposes of subsection (a), the effective price for each type or class of rice is equal to the sum of the following:

(A) The higher of the following:

(i) The national average market price received by producers during the 12-month marketing year for the type or class of rice, as determined by the Secretary.

(ii) The national average loan rate for a marketing assistance loan for the type or class of rice in effect for the applicable period under part II.

(B) The payment rate in effect for the type or class of rice under section 1103 for the
purpose of making direct payments with respect to the type or class of rice.

(c) Target Price.—

(1) In general.—For purposes of each of the 2008 through 2012 crop years, the target prices for covered commodities shall be as follows:

(A) Wheat, $4.20 per bushel.
(B) Corn, $2.63 per bushel.
(C) Grain sorghum, $2.63 per bushel.
(D) Barley, $2.63 per bushel.
(E) Oats, $1.83 per bushel.
(F) Upland cotton, $0.7225 per pound.
(G) Long grain rice, $10.50 per hundredweight.
(H) Medium grain rice, $10.50 per hundredweight.
(I) Soybeans, $6.00 per bushel.
(J) Other oilseeds, $12.74 per hundredweight.
(K) Dry peas, $8.33 per hundredweight.
(L) Lentils, $12.82 per hundredweight.
(M) Small chickpeas, $10.36 per hundredweight.
(N) Large chickpeas, $12.82 per hundredweight.
(2) SEPARATE TARGET PRICE.—The Secretary may not establish a target price for a covered commodity that is different from the target price specified in paragraph (1) for the covered commodity.

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

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

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

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

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

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

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

(f) TIME FOR PAYMENTS.—
(1) GENERAL RULE.—If the Secretary determines under subsection (a) that counter-cyclical payments are required to be made under this section for the crop of a covered commodity, the Secretary shall make the counter-cyclical payments for the crop beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the covered commodity.

(2) AVAILABILITY OF PARTIAL PAYMENTS.—

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

(B) ELECTION.—

(i) IN GENERAL.—The Secretary shall allow producers on a farm to make an election to receive partial payments for a covered commodity under subparagraph (A) at any time but not later than 30 days
prior to the end of the marketing year for that covered commodity.

(ii) DATE OF ISSUANCE.—The Secretary shall issue the partial payment after the date of an announcement by the Secretary but not later than 30 days prior to the end of the marketing year.

(3) TIME FOR PARTIAL PAYMENTS.—When the Secretary makes partial payments for a covered commodity for any of the 2008 through 2010 crop years—

(A) the first partial payment shall be made after completion of the first 180 days of the marketing year for the covered commodity; and

(B) the final partial payment shall be made beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the covered commodity.

(4) AMOUNT OF PARTIAL PAYMENT.—

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

(B) Final Payment.—The final payment for a covered commodity for a crop year shall be equal to the difference between—

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

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

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

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

(a) Compliance With Certain Requirements.—

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

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

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

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

(D) to use the land on the farm, in a quantity equal to the attributable base acres for the farm and any base acres for peanuts for the farm under part III, for an agricultural or conserving use, and not for a nonagricultural commercial, industrial, or residential use (including land subdivided and developed into residential units or other nonfarming uses, or that is otherwise no longer intended to be used in conjunction with a farming operation), as determined by the Secretary; and

(E) to effectively control noxious weeds and otherwise maintain the land in accordance with sound agricultural practices, as determined
by the Secretary, if the agricultural or conserving use involves the noncultivation of any portion of the land referred to in subparagraph (D).

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

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

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

(1) TERMINATION.—

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

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

(c) Acreage Reports.—

(1) In general.—As a condition on the receipt of any benefits under this part or part II, the Secretary shall require producers on a farm to submit to the Secretary annual acreage reports with respect to all cropland on the farm.

(2) Penalties.—No penalty with respect to benefits under this part or part II shall be assessed against the producers on a farm for an inaccurate acreage report unless the producers on the farm knowingly and willfully falsified the acreage report.

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

(e) Sharing of Payments.—The Secretary shall provide for the sharing of direct payments and counter-
cyclical payments among the producers on a farm on a fair and equitable basis.

SEC. 1106. PLANTING FLEXIBILITY.

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

(b) LIMITATIONS REGARDING CERTAIN COMMODITIES.—

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

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

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

(A) Fruits.

(B) Vegetables (other than mung beans and pulse crops).

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

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

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

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

(A) the quantity planted may not exceed the average annual planting history of such agricultural commodity by the producers on the farm in the 1991 through 1995 or 1998 through 2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and
(B) direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such agricultural commodity.

(d) PLANTING TRANSFERABILITY PILOT PROJECT.—

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

(2) CONTRACT AND MANAGEMENT REQUIREMENTS.—To be eligible for selection to participate in the pilot project, the producers on a farm shall—

(A) have entered into a contract to produce tomatoes for processing; and

(B) agree to produce the tomatoes as part of a program of crop rotation on the farm to achieve agronomic and pest and disease management benefits.

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

(A) In general.—If the Secretary recalculates base acres for a farm while the farm is included in the pilot project, the planting and production of tomatoes on base acres for which a temporary reduction was made under this section shall be considered to be the same as the planting and production of a covered commodity.

(B) Prohibition.—Nothing in this paragraph provides authority for the Secretary to recalculate base acres for a farm.

SEC. 1107. SPECIAL RULE FOR LONG GRAIN AND MEDIUM GRAIN RICE.

(a) Calculation method.—Subject to subsections (b) and (c), for the purposes of determining the amount of the counter-cyclical payments to be paid to the producers on a farm for long grain rice and medium grain rice under section 1104, the base acres of rice on the farm shall be apportioned using the 4-year average of the percentages of acreage planted in the applicable State to long grain rice and medium grain rice during the 2003 through 2006 crop years, as determined by the Secretary.

(b) Producer Election.—As an alternative to the calculation method described in subsection (a), the Sec-
Secretary shall provide producers on a farm the opportunity to elect to apportion rice base acres on the farm using the 4-year average of—

(1) the percentages of acreage planted on the farm to long grain rice and medium grain rice during the 2003 through 2006 crop years;

(2) the percentages of any acreage on the farm that the producers were prevented from planting to long grain rice and medium grain rice during the 2003 through 2006 crop years because of drought, flood, other natural disaster, or other condition beyond the control of the producers, as determined by the Secretary; and

(3) in the case of a crop year for which a producer on a farm elected not to plant to long grain and medium grain rice during the 2003 through 2006 crop years, the percentages of acreage planted in the applicable State to long grain rice and medium grain rice, as determined by the Secretary.

(c) LIMITATION.—In carrying out this section, the Secretary shall use the same total base acres, payment acres, and payment yields established with respect to rice under sections 1101 and 1102 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7911, 7912), as in effect on the day before the date of enactment of this
Act, subject to any adjustment under section 1101 of this Act.

SEC. 1108. PERIOD OF EFFECTIVENESS.

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

PART II—MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS

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

(a) Nonrecourse Loans Available.—

(1) Availability.—Except as provided in section 1401, for each of the 2008 through 2012 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm.

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

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

(c) Treatment of Certain Commingled Commodities.—In carrying out this part, the Secretary shall
make loans to producers on a farm that would be eligible
to obtain a marketing assistance loan, but for the fact the
loan commodity owned by the producers on the farm is
commingled with loan commodities of other producers in
facilities unlicensed for the storage of agricultural com-
modities by the Secretary or a State licensing authority,
if the producers obtaining the loan agree to immediately
redeem the loan collateral in accordance with section 166
of the Federal Agriculture Improvement and Reform Act

(d) Compliance With Conservation and Wet-
lands Requirements.—As a condition of the receipt of
a marketing assistance loan under subsection (a), the pro-
ducer shall comply with applicable conservation require-
ments under subtitle B of title XII of the Food Security
Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-
land protection requirements under subtitle C of title XII
of the Act (16 U.S.C. 3821 et seq.) during the term of
the loan.
SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.

(a) Loan Rates.—For each of the 2008 through 2012 crop years, the loan rate for a marketing assistance loan under section 1201 for a loan commodity shall be equal to the following:

1. In the case of wheat, $2.94 per bushel.
2. In the case of corn, $1.95 per bushel.
3. In the case of grain sorghum, $1.95 per bushel.
4. In the case of barley, $1.95 per bushel.
5. In the case of oats, $1.39 per bushel.
6. In the case of the base quality of upland cotton, $0.52 per pound.
7. In the case of extra long staple cotton, $0.7977 per pound.
8. In the case of long grain rice, $6.50 per hundredweight.
9. In the case of medium grain rice, $6.50 per hundredweight.
10. In the case of soybeans, $5.00 per bushel.
11. In the case of other oilseeds, $10.09 per hundredweight.
12. In the case of dry peas, $5.40 per hundredweight.
(13) In the case of lentils, $11.28 per hundred-weight.

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

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

(16) In the case of graded wool, $1.20 per pound.

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

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

(19) In the case of honey, $0.72 per pound.

(b) Single County Loan Rate for Other Oilseeds.—The Secretary shall establish a single loan rate in each county for each kind of other oilseeds described in subsection (a)(10).

(c) Grading Basis for Marketing Loans for Pulse Crops.—The loan rate for pulse crops—

(1) shall be based on a grade not less than grade number 2 or other grade factors, including the fair and average quality of the 1 or more crops in any year; and

(2) may be adjusted by the Secretary to reflect the normal market discounts for grades less than number 2 quality.
(d) Corn and Grain Sorghum.—Notwithstanding any other provision of law, the Secretary shall establish the loan rate for grain sorghum in each individual county at a rate that is equal to the loan rate for corn in the county.

SEC. 1203. TERM OF LOANS.

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

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

SEC. 1204. REPAYMENT OF LOANS.

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

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

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;
(B) minimize the accumulation of stocks of the commodity by the Federal Government;
(C) minimize the cost incurred by the Federal Government in storing the commodity;
(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally; and
(E) minimize discrepancies in marketing loan benefits across State boundaries and across county boundaries.

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

(1) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or
(2) the prevailing world market price for the commodity (adjusted to United States quality and location), as determined by the Secretary.

(c) Repayment Rates for Extra Long Staple Cotton.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)).

(d) Prevailing World Market Price.—For purposes of this section and section 1207, the Secretary shall prescribe by regulation—

(1) a formula to determine—

(A) the prevailing world market price for upland cotton (adjusted to United States quality and location); and

(B) the prevailing world market price for long grain rice and medium grain rice, adjusted to United States quality and location; and

(2) a mechanism by which the Secretary shall announce periodically the prevailing world market price for upland cotton, long grain rice, and medium grain rice.
(c) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—

(1) IN GENERAL.—During the period beginning on the date of enactment of this Act and ending July 31, 2013, the Secretary may further adjust the prevailing world market price for upland cotton (adjusted to United States quality and location) if the Secretary determines the adjustment is necessary—

(A) to minimize potential loan forfeitures;

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

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

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

(E) to ensure an appropriate transition between current-crop and forward-crop price quotations, except that the Secretary may use forward-crop price quotations prior to July 31 of a marketing year only if—

(i) there are insufficient current-crop price quotations; and
(ii) the forward-crop price quotation is
the lowest such quotation available.

(2) **GUIDELINES FOR ADDITIONAL ADJUSTMENTS.**—In making adjustments under this sub-
section, the Secretary shall establish a mechanism
for determining and announcing the adjustments in
order to avoid undue disruption in the United States
market.

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

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

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

(g) **QUALITY GRADES FOR PULSE CROPS.**—The loan
repayment rate for pulse crops shall be based on the qual-
ity grades for the applicable commodity specified in section
1202(e).
(h) Payment of Cotton Storage Costs.—Effective for the 2008 through 2012 crop years, the Secretary shall use the funds of the Commodity Credit Corporation to provide cotton storage payments in the same manner, and at the same rates, as the Secretary provided those payments for the 2006 crop of cotton.

SEC. 1205. LOAN DEFICIENCY PAYMENTS.

(a) Availability of Loan Deficiency Payments.—

(1) In general.—Except as provided in subsection (d) and section 1401, the Secretary may make loan deficiency payments available to producers on a farm that, although eligible to obtain a marketing assistance loan under section 1201 with respect to a loan commodity, agree to forgo obtaining the loan for the commodity in return for loan deficiency payments under this section.

(2) Unshorn pelts, hay, and silage.—

(A) Marketing assistance loans.—Subject to subparagraph (B), nongraded wool in the form of unshorn pelts and hay and silage derived from a loan commodity are not eligible for a marketing assistance loan under section 1201.
(B) Loan deficiency payment.—Effective for the 2008 through 2012 crop years, the Secretary may make loan deficiency payments available under this section to producers on a farm that produce unshorn pelts or hay and silage derived from a loan commodity.

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

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

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

(e) Payment Rate.—

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

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

(B) the rate at which a marketing assistance loan for the loan commodity may be repaid under section 1204.
(2) Unshorn pelts.—In the case of unshorn pelts, the payment rate shall be the amount by which—

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

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

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

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

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

(d) Exception for Extra Long Staple Cotton.—This section shall not apply with respect to extra long staple cotton.

(e) Effective Date for Payment Rate Determination.—

(1) Loss of Beneficial Interest.—The Secretary shall determine the amount of the loan deficiency payment to be made under this section to the
producers on a farm with respect to a quantity of a loan commodity or commodity referred to in subsection (a)(2) using the payment rate in effect under subsection (c) as soon as practicable after the date on which the producers on the farm lose beneficial interest.

(2) On-farm consumption.—For the quantity of a loan commodity or commodity referred to in subsection (a)(2) consumed on a farm, the Secretary shall provide procedures to determine a date on which the producers on the farm lose beneficial interest.

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

(a) Eligible producers.—

(1) In general.—Except as provided in section 1401, effective for the 2008 through 2012 crop years, in the case of a producer that would be eligible for a loan deficiency payment under section 1205 for wheat, barley, or oats, but that elects to use acreage planted to the wheat, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary
to forgo any other harvesting of the wheat, barley, or oats on that acreage.

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

(b) Payment amount.—

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

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

(B) the payment quantity determined by multiplying—

(i) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of wheat, barley, or oats; and
(ii) the payment yield in effect for the
calculation of direct payments under part I
with respect to that loan commodity on the
farm or, in the case of a farm without a
payment yield for that loan commodity, an
appropriate yield established by the Sec-
retary in a manner consistent with section
1102(c).

(2) Grazing of triticale acreage.—The
amount of a payment made under this section to a
producer on a farm described in subsection (a)(2)
shall be equal to the amount determined by multi-
plying—

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

(B) the payment quantity determined by
multiplying—

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

(ii) the payment yield in effect for the
calculation of direct payments under part I
with respect to wheat on the farm or, in
the case of a farm without a payment yield
for wheat, an appropriate yield established
by the Secretary in a manner consistent
with section 1102(c).

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

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

(2) AVAILABILITY.—

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

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

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

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

(a) Special Import Quota.—

(1) Definition of special import quota.—In this subsection, the term “special import quota” means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(2) Establishment.—

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

(B) Program requirements.—Whenever the Secretary determines and announces that for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as
quoted for Middling (M) 1 3/32-inch cotton, delivered to a definable and significant international market, as determined by the Secretary, exceeds the prevailing world market price, there shall immediately be in effect a special import quota.

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

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

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

(6) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—
(A) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));
(B) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);
(C) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and
(D) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of 10 week’s consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the 3 months immediately preceding the first special import quota established in any marketing year.

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

(1) DEFINITIONS.—In this subsection:
(A) SUPPLY.—The term “supply” means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—
(i) the carry-over of upland cotton at the beginning of the marketing year (ad-
justed to 480-pound bales) in which the
quota is established;

(ii) production of the current crop;

and

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

(B) DEMAND.—The term “demand” means—

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

(ii) the larger of—

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

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

(C) LIMITED GLOBAL IMPORT QUOTA.—
The term “limited global import quota” means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.
(2) PROGRAM.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of the quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available or as estimated by the Secretary.

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

(C) Preferential Tariff Treatment.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

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

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

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

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

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

(3) No Overlap.—Notwithstanding paragraph (2), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (a).
(c) Economic Adjustment Assistance to Users of Upland Cotton.—

(1) In general.—Subject to paragraph (2), the Secretary shall, on a monthly basis, provide economic adjustment assistance to domestic users of upland cotton in the form of payments for all documented use of that upland cotton during the previous monthly period regardless of the origin of the upland cotton.

(2) Value of assistance.—

(A) Beginning period.—During the period beginning on August 1, 2008, and ending on June 30, 2013, the value of the assistance provided under paragraph (1) shall be 4 cents per pound.

(B) Subsequent period.—Effective beginning on July 1, 2013, the value of the assistance provided under paragraph (1) shall be 0 cents per pound.

(3) Allowable purposes.—Economic adjustment assistance under this subsection shall be made available only to domestic users of upland cotton that certify that the assistance shall be used only to acquire, construct, install, modernize, develop, con-
vert, or expand land, plant, buildings, equipment, fa-
cilities, or machinery.

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

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

(A) liable to repay the assistance to the
Secretary, plus interest, as determined by the
Secretary; and

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

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

(a) COMPETITIVENESS PROGRAM.—Notwithstanding
any other provision of law, during the period beginning
on the date of the enactment of this Act through July 31,
2013, the Secretary shall carry out a program—
(1) to maintain and expand the domestic use of extra long staple cotton produced in the United States;
(2) to increase exports of extra long staple cotton produced in the United States; and
(3) to ensure that extra long staple cotton produced in the United States remains competitive in world markets.

(b) PAYMENTS UNDER PROGRAM; TRIGGER.—Under the program, the Secretary shall make payments available under this section whenever—
(1) for a consecutive 4-week period, the world market price for the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is below the prevailing United States price for a competing growth of extra long staple cotton; and
(2) the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is less than 134 percent of the loan rate for extra long staple cotton.
(c) Eligible Recipients.—The Secretary shall make payments available under this section to domestic users of extra long staple cotton produced in the United States and exporters of extra long staple cotton produced in the United States that enter into an agreement with the Commodity Credit Corporation to participate in the program under this section.

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

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

(a) High Moisture Feed Grains.—

(1) Definition of high moisture state.—In this subsection, the term “high moisture state” means corn or grain sorghum having a moisture content in excess of Commodity Credit Corporation standards for marketing assistance loans made by the Secretary under section 1201.

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

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

(B) present—

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

(ii) field or other physical measurements of the standing or stored crop in regions of the United States, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

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

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

(3) ELIGIBILITY OF ACQUIRED FEED GRAINS.—

A loan under this subsection shall be made on a quantity of corn or grain sorghum of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

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

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

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

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

SEC. 1210. ADJUSTMENTS OF LOANS.

(a) Adjustment Authority.—Subject to subsections (e) and (f), the Secretary may make appropriate adjustments in the loan rates for any loan commodity (other than cotton) for differences in grade, type, quality, location, and other factors.

(b) Manner of Adjustment.—The adjustments under subsection (a) shall, to the maximum extent practicable, be made in such a manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined in accordance with this subtitle and subtitles B through E.

(e) Adjustment on County Basis.—

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

(2) Prohibition.—Adjustments under this subsection shall not result in an increase in the national average loan rate for any year.

(d) Adjustment in Loan Rate for Cotton.—

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

(2) Revisions to Quality Adjustments for Upland Cotton.—

(A) In general.—Not later than 180 days after the enactment of this Act and after consultation with the private sector in accordance with paragraph (3), the Secretary shall implement revisions in the administration of the marketing assistance loan program for upland cotton to more accurately and efficiently reflect market values for upland cotton.

(B) Mandatory revisions.—Revisions under subparagraph (A) shall include—

(i) the elimination of warehouse location differentials;
(ii) the establishment of differentials for the various quality factors and staple lengths of cotton based on a 3-year, weighted moving average of the weighted designated spot market regions, as determined by regional production;

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

(iv) a mechanism to ensure that no premium or discount is established that exceeds the premium or discount associated with a leaf grade that is 1 better than the applicable color grade.

(C) DISCRETIONARY REVISIONS.—Revisions under subparagraph (A) may include—

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

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

(iii) such other adjustments as the Secretary determines appropriate, after consultations conducted in accordance with paragraph (3).

(3) CONSULTATION WITH PRIVATE SECTOR.—

(A) PRIOR TO REVISION.—Prior to implementing any revisions to the administration of the marketing assistance loan program for upland cotton, the Secretary shall consult with a private sector committee that—

(i) is in existence as of the date of enactment of this Act;

(ii) has a membership that includes representatives of the production, ginning, warehousing, cooperative, and merchandising segments of the United States cotton industry; and

(iii) has developed recommendations concerning the revisions.

(B) REVIEW OF ADJUSTMENTS.—The Secretary shall consult with the committee described in subparagraph (A) when conducting a
review of adjustments in the operation of the
loan program for upland cotton in accordance
with paragraph (4).

(C) INAPPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory
Committee Act (5 U.S.C. App.) shall not apply
to consultations under this subsection.

(4) REVIEW OF ADJUSTMENTS.—The Secretary
may review the operation of the upland cotton qual-
ity adjustments implemented pursuant to this sub-
section and may make further revisions to the ad-
ministration of the loan program for upland cotton,
by—

(A) revoking or revising any actions taken
under paragraph (2)(B); or

(B) revoking or revising any actions taken
or authorized to be taken under paragraph
(2)(C).

(5) ADJUSTMENTS IN EFFECT PRIOR TO REV-
SION.—The quality differences (premiums and dis-
counts for quality factors) applicable to the loan pro-
gram for upland cotton (prior to any revisions in ac-
cordance with this subsection) shall be established
by the Secretary by giving equal weight to—
(A) loan differences for the preceding crop;

and

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

(c) CORN AND GRAIN SORGHUM.—In the case of corn
and grain sorghum, the Secretary shall establish—

(1) the corn loan rate in each county according
to subsections (a), (b), and (c); and

(2) the grain sorghum loan rate in each county
at a rate that is equal to paragraph (1).

(f) RICE.—The Secretary shall not make adjustments
in the loan rates for long grain rice and medium grain
rice, except for differences in grade and quality (including
milling yields).

PART III—PEANUTS

SEC. 1301. DEFINITIONS.

In this part:

(1) BASE ACRES FOR PEANUTS.—The term
“base acres for peanuts” means the number of acres
assigned to a farm pursuant to section 1302 of the
Farm Security and Rural Investment Act of 2002 (7
U.S.C. 7952), as in effect on the day before the date
of enactment of this Act, subject to any adjustment
under section 1302 of this Act.
(2) **COUNTER-CYCLICAL PAYMENT.**—The term “counter-cyclical payment” means a payment made to producers on a farm under section 1304.

(3) **DIRECT PAYMENT.**—The term “direct payment” means a direct payment made to producers on a farm under section 1303.

(4) **EFFECTIVE PRICE.**—The term “effective price” means the price calculated by the Secretary under section 1304 for peanuts to determine whether counter-cyclical payments are required to be made under that section for a crop year.

(5) **PAYMENT ACRES.**—The term “payment acres” means 85 percent of the base acres for peanuts.

(6) **PAYMENT YIELD.**—The term “payment yield” means the yield established for direct payments and counter-cyclical payments under section 1302 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7952), as in effect on the day before the date of enactment of this Act, for a farm for peanuts.

(7) **PRODUCER.**—

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

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

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

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

(8) STATE.—The term “State” means—

(A) a State;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico;

and

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

(9) TARGET PRICE.—The term “target price” means the price per ton of peanuts used to determine the payment rate for counter-cyclical payments.
(10) United States.—The term “United States”, when used in a geographical sense, means all of the States.

SEC. 1302. BASE ACRES FOR PEANUTS FOR A FARM.

(a) Adjustment of Base Acreage for Peanuts.—

(1) Treatment of Conservation Reserve Contract Acreage.—The Secretary shall provide for an adjustment, as appropriate, in the base acres for peanuts for a farm whenever either of the following circumstances occur:

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

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

(C) The producer has eligible pulse crop or camelina acreage.

(D) The producer has eligible oilseed acreage as the result of the Secretary designating additional oilseeds.

(2) Special Conservation Reserve Acreage Payment Rules.—For the crop year in which a
base acres for peanuts adjustment under paragraph (1) is first made, the owner of the farm shall elect to receive either direct payments and counter-cyclical payments with respect to the acreage added to the farm under this subsection or a prorated payment under the conservation reserve contract, but not both.

(b) Prevention of Excess Base Acres for Peanuts.—

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

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

(A) Any base acres for the farm for a covered commodity.

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

(C) Any other acreage on the farm enrolled
in a Federal conservation program for which
payments are made in exchange for not pro-
ducing an agricultural commodity on the acre-
age.

(D) Any eligible pulse crop or camelina
acreage, which shall be determined in the same
manner as eligible oilseed acreage under section
1101(a)(2) of the Farm Security and Rural In-
vestment Act of 2002 (7 U.S.C. 7911(a)(2)).

(E) If the Secretary designates additional
oilseeds, any eligible oilseed acreage, which shall
be determined in the same manner as eligible
oilseed acreage under section 1101(a)(2) of the
Farm Security and Rural Investment Act of
2002 (7 U.S.C. 7911(a)(2)).

(3) SELECTION OF ACRES.—The Secretary shall
give the owner of the farm the opportunity to select
the base acres for peanuts or the base acres for cov-
ered commodities against which the reduction re-
quired by paragraph (1) will be made.

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

(5) **COORDINATED APPLICATION OF REQUIREMENTS.**—The Secretary shall take into account section 1101(b) when applying the requirements of this subsection.

(c) **PERMANENT REDUCTION IN BASE ACRES FOR PEANUTS.**—

(1) **IN GENERAL.**—The owner of a farm may reduce, at any time, the base acres for peanuts assigned to the farm.

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

**SEC. 1303. AVAILABILITY OF DIRECT PAYMENTS FOR PEA- NUTS.**

(a) **PAYMENT REQUIRED.**—Except as provided in section 1401, for each of the 2008 through 2012 crop years for peanuts, the Secretary shall make direct payments to the producers on a farm to which a payment yield and base acres for peanuts are established.

(b) **PAYMENT RATE.**—The payment rate used to make direct payments with respect to peanuts for a crop year shall be equal to $36 per ton.
(c) Payment Amount.—The amount of the direct payment to be paid to the producers on a farm for the 2008 through 2012 crops of peanuts shall be equal to the product of the following:

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

(2) The payment acres on the farm.

(3) The payment yield for the farm.

(d) Time for Payment.—

(1) In General.—In the case of each of the 2008 through 2012 crop years, the Secretary shall make direct payments under this section not earlier than October 1 of the calendar year in which the crop is harvested.

(2) Advance Payments.—

(A) Option.—At the option of the producers on a farm, the Secretary shall pay in advance up to 22 percent of the direct payment for peanuts for any of the 2008 through 2011 crop years to the producers on a farm.

(B) Month.—

(i) Selection.—Subject to clauses (ii) and (iii), the producers on a farm shall select the month during which the advance payment for a crop year will be made.
(ii) Options.—The month selected may be any month during the period—

(I) beginning on December 1 of the calendar year before the calendar year in which the crop of peanuts is harvested; and

(II) ending during the month within which the direct payment would otherwise be made.

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

(3) Repayment of Advance Payments.—If a producer on a farm that receives an advance direct payment for a crop year ceases to be a producer on that farm, or the extent to which the producer shares in the risk of producing a crop changes, before the date the remainder of the direct payment is made, the producer shall be responsible for repaying the Secretary the applicable amount of the advance payment, as determined by the Secretary.
SEC. 1304. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.

(a) Payment Required.—Except as provided in section 1401, for each of the 2008 through 2012 crop years for peanuts, the Secretary shall make counter-cyclical payments to producers on farms for which payment yields and base acres for peanuts are established if the Secretary determines that the effective price for peanuts is less than the target price for peanuts.

(b) Effective Price.—For purposes of subsection (a), the effective price for peanuts is equal to the sum of the following:

(1) The higher of the following:

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

(B) The national average loan rate for a marketing assistance loan for peanuts in effect for the applicable period under this part.

(2) The payment rate in effect for peanuts under section 1303 for the purpose of making direct payments.

(c) Target Price.—For purposes of subsection (a), the target price for peanuts shall be equal to $495 per ton.
(d) Payment Rate.—The payment rate used to make counter-cyclical payments for a crop year shall be equal to the difference between—

(1) the target price; and

(2) the effective price determined under subsection (b).

(e) Payment Amount.—If counter-cyclical payments are required to be paid for any of the 2008 through 2012 crops of peanuts, the amount of the counter-cyclical payment to be paid to the producers on a farm for that crop year shall be equal to the product of the following:

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

(2) The payment acres on the farm.

(3) The payment yield for the farm.

(f) Time for Payments.—

(1) General Rule.—If the Secretary determines under subsection (a) that counter-cyclical payments are required to be made under this section for a crop year, the Secretary shall make the counter-cyclical payments for the crop year beginning on October 1 or as soon as practicable after the end of the marketing year.

(2) Availability of Partial Payments.—
(A) IN GENERAL.—If, before the end of
the 12-month marketing year, the Secretary es-
timates that counter-cyclical payments will be
required under this section for a crop year, the
Secretary shall give producers on a farm the
option to receive partial payments of the
counter-cyclical payment projected to be made
for the crop.

(B) ELECTION.—

(i) IN GENERAL.—The Secretary shall
allow participants to make an election to
receive partial payments under subpara-
graph (A) at any time but not later than
30 days prior to the end of the marketing
year for the crop.

(ii) DATE OF ISSUANCE.—The Sec-
retary shall issue the partial payment after
the date of an announcement by the Sec-
retary but not later than 30 days prior to
the end of the marketing year.

(3) TIME FOR PARTIAL PAYMENTS.—When the
Secretary makes partial payments available for any
of the 2008 through 2010 crop years—
(A) the first partial payment shall be made after completion of the first 180 days of the marketing year for that crop; and

(B) the final partial payment shall be made on October 1 of the fiscal year starting in the same calendar year as the end of the marketing year for that crop.

(4) AMOUNT OF PARTIAL PAYMENTS.—

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

(B) FINAL PAYMENT.—The final payment for a crop year shall be equal to the difference between—

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

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

(5) REPAYMENT.—The producers on a farm that receive a partial payment under this subsection

...
for a crop year shall repay to the Secretary the amount, if any, by which the total of the partial payments exceed the actual counter-cyclical payment to be made for that crop year.

SEC. 1305. PRODUCER AGREEMENT REQUIRED AS CONDITION ON PROVISION OF DIRECT PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.

(a) Compliance with Certain Requirements.—

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

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

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

(C) to comply with the planting flexibility requirements of section 1306;

(D) to use the land on the farm, in a quantity equal to the attributable base acres for
peanuts and any base acres for the farm under part I, for an agricultural or conserving use, and not for a nonagricultural commercial, industrial, or residential use (including land subdivided and developed into residential units or other nonfarming uses, or that is otherwise no longer intended to be used in conjunction with a farming operation), as determined by the Secretary; and

(E) to effectively control noxious weeds and otherwise maintain the land in accordance with sound agricultural practices, as determined by the Secretary, if the agricultural or conserving use involves the noncultivation of any portion of the land referred to in subparagraph (D).

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

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

(1) **Termination.**—

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

(B) **Effective Date.**—The termination shall take effect on the date determined by the Secretary.

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

(c) **Acreage Reports.**—

(1) **In General.**—As a condition on the receipt of any benefits under this part, the Secretary shall require producers on a farm to submit to the Sec-
retary annual acreage reports with respect to all cropland on the farm.

(2) **Penalties.**—No penalty with respect to benefits under this part shall be assessed against the producers on a farm for an inaccurate acreage report unless the producers on the farm knowingly and willfully falsified the acreage report.

(d) **Tenants and Sharecroppers.**—In carrying out this part, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

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

**SEC. 1306. PLANTING FLEXIBILITY.**

(a) **Permitted Crops.**—Subject to subsection (b), any commodity or crop may be planted on the base acres for peanuts on a farm.

(b) **Limitations Regarding Certain Commodities.**—

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

(2) Treatment of trees and other perennials.—The planting of an agricultural commodity specified in paragraph (3) that is produced on a tree or other perennial plant shall be prohibited on base acres for peanuts.

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

(A) Fruits.

(B) Vegetables (other than mung beans and pulse crops).

(C) Wild rice.

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

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

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

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

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

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

SEC. 1307. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.

(a) NONRECOourse LOANS AVAILABLE.—

(1) AVAILABILITY.—Except as provided in section 1401, for each of the 2008 through 2012 crops of peanuts, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for peanuts produced on the farm.
(2) Terms and Conditions.—The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b).

(3) Eligible Production.—The producers on a farm shall be eligible for a marketing assistance loan under this subsection for any quantity of peanuts produced on the farm.

(4) Treatment of Certain Commingled Commodities.—In carrying out this subsection, the Secretary shall make loans to producers on a farm that would be eligible to obtain a marketing assistance loan, but for the fact the peanuts owned by the producers on the farm are commingled with other peanuts in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producers obtaining the loan agree to immediately redeem the loan collateral in accordance with section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286).

(5) Options for Obtaining Loan.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may
be obtained at the option of the producers on a farm through—

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

(B) the Farm Service Agency.

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

(A) to provide such storage on a non-discriminatory basis; and

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

(7) STORAGE, HANDLING, AND ASSOCIATED COSTS.—

(A) IN GENERAL.—Beginning with the 2007 crop of peanuts, to ensure proper storage of peanuts for which a loan is made under this section or section 1307 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C.
7957), the Secretary shall use the funds of the Commodity Credit Corporation to pay handling and other associated costs (other than storage costs) incurred at the time at which the peanuts are placed under loan, as determined by the Secretary.

(B) Redemption and forfeiture.—The Secretary shall—

(i) require the repayment of handling and other associated costs paid under subparagraph (A) for all peanuts pledged as collateral for a loan that is redeemed under this section or section 1307 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7957); and

(ii) pay storage, handling, and other associated costs for all peanuts pledged as collateral that are forfeited under this section or section 1307 of that Act.

(8) Marketing.—A marketing association or cooperative may market peanuts for which a loan is made under this section in any manner that conforms to consumer needs, including the separation of peanuts by type and quality.
(b) **Loan Rate.**—The loan rate for a marketing assistance loan for peanuts under subsection (a) shall be equal to $355 per ton.

(c) **Term of Loan.**—

(1) **In General.**—A marketing assistance loan for peanuts under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(2) **Extensions Prohibited.**—The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a).

(d) **Repayment Rate.**—The Secretary shall permit producers on a farm to repay a marketing assistance loan for peanuts under subsection (a) at a rate that is the lesser of—

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

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of peanuts by the Federal Government;
(C) minimize the cost incurred by the Federal Government in storing peanuts; and

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

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to producers on a farm that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for loan deficiency payments under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the payment rate determined under paragraph (3) for peanuts; by

(B) the quantity of the peanuts produced by the producers, excluding any quantity for which the producers obtain a marketing assistance loan under subsection (a).

(3) PAYMENT RATE.—For purposes of this subsection, the payment rate shall be the amount by which—
(A) the loan rate established under subsection (b); exceeds

(B) the rate at which a loan may be repaid under subsection (d).

(4) EFFECTIVE DATE FOR PAYMENT RATE DETERMINATION.—The Secretary shall determine the amount of the loan deficiency payment to be made under this subsection to the producers on a farm with respect to a quantity of peanuts using the payment rate in effect under paragraph (3) as soon as practicable after the date on which the producers on the farm lose beneficial interest.

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

(g) REIMBURSABLE AGREEMENTS AND PAYMENT OF ADMINISTRATIVE EXPENSES.—The Secretary may implement any reimbursable agreements or provide for the payment of administrative expenses under this part only in
a manner that is consistent with such activities in regard to other commodities.

SEC. 1308. ADJUSTMENTS OF LOANS.

(a) ADJUSTMENT AUTHORITY.—The Secretary may make appropriate adjustments in the loan rates for peanuts for differences in grade, type, quality, location, and other factors.

(b) MANNER OF ADJUSTMENT.—The adjustments under subsection (a) shall, to the maximum extent practicable, be made in such a manner that the average loan level for peanuts will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined in accordance with this subtitle and subtitles B through E.

(c) ADJUSTMENT ON COUNTY BASIS.—

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

(2) PROHIBITION.—Adjustments under this subsection shall not result in an increase in the national average loan rate for any year.
Subtitle B—Average Crop Revenue Program

SEC. 1401. AVAILABILITY OF AVERAGE CROP REVENUE PAYMENTS.

(a) AVAILABILITY AND ELECTION OF ALTERNATIVE APPROACH.—

(1) AVAILABILITY OF AVERAGE CROP REVENUE PAYMENTS.—As an alternative to receiving payments or loans under subtitle A with respect to all covered commodities and peanuts on a farm (other than loans for graded and nongraded wool, mohair, and honey), the Secretary shall give the producers on the farm an opportunity to elect to instead receive average crop revenue payments under this section for each of the 2010 through 2012 crop years.

(2) ELECTION; TIME FOR ELECTION.—

(A) IN GENERAL.—The Secretary shall provide notice to producers regarding the opportunity to make the election described in paragraph (1).

(B) NOTICE REQUIREMENTS.—The notice shall include—

(i) notice of the opportunity of the producers on a farm to make the election; and
(ii) information regarding the manner in which the election must be made and the time periods and manner in which notice of the election must be submitted to the Secretary.

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

(4) EFFECT OF FAILURE TO MAKE ELECTION.—If the producers on a farm fail to make the election under paragraph (1) or fail to timely notify the Secretary of the election made, as required by paragraph (3), the producers shall be deemed to have made the election to receive payments and loans under subtitle A for all covered commodities and peanuts on the farm for the applicable crop year.

(b) PAYMENTS REQUIRED.—

(1) IN GENERAL.—In the case of producers on a farm who make the election under subsection (a) to receive average crop revenue payments, for any of the 2010 through 2012 crop years for all covered commodities and peanuts, the Secretary shall make
average crop revenue payments available to the producers on a farm in accordance with this subsection.

(2) **Fixed Payment Component.**—Subject to paragraph (3), in the case of producers on a farm described in paragraph (1), the Secretary shall make average crop revenue payments available to the producers on a farm for each crop year in an amount equal to not less than the product obtained by multiplying—

(A) $15 per acre; and

(B) the lesser of—

(i) the quantity of base acres on the farm for all covered commodities and peanuts (as adjusted in accordance with the terms and conditions of section 1101 or 1302, as determined by the Secretary); or

(ii) the average of the acreage planted on the farm to all covered commodities and peanuts during the 2002 through 2007 crop years.

(3) **Revenue Component.**—The Secretary shall increase the amount of the average crop revenue payments available to the producers on a farm in a State for a crop year if—
(A) the actual State revenue for the crop
year for the covered commodity or peanuts in
the State determined under subsection (c); is
less than

(B) the average crop revenue program
guarantee for the crop year for the covered
commodity or peanuts in the State determined
under subsection (d).

(4) Time for Payments.—In the case of each
of the 2010 through 2012 crop years, the Secretary
shall make average crop revenue payments beginning
October 1, or as soon as practicable thereafter, after
the end of the applicable marketing year for the cov-
ered commodity or peanuts.

(c) Actual State Revenue.—

(1) In General.—For purposes of subsection
(b)(3)(A), the amount of the actual State revenue
for a crop year of a covered commodity shall equal
the product obtained by multiplying—

(A) the actual State yield for each planted
acre for the crop year for the covered com-
modity or peanuts determined under paragraph
(2); and

(B) the average crop revenue program har-
vest price for the crop year for the covered com-
modity or peanuts determined under paragraph (3).

(2) Actual State Yield.—For purposes of paragraph (1)(A) and subsection (d)(1)(A), the actual State yield for each planted acre for a crop year for a covered commodity or peanuts in a State shall equal (as determined by the Secretary)—

(A) the quantity of the covered commodity or peanuts that is produced in the State during the crop year; divided by

(B) the number of acres that are planted to the covered commodity or peanuts in the State during the crop year.

(3) Average Crop Revenue Program Harvest Price.—

(A) In General.—For purposes of paragraph (1)(B), subject to subparagraph (B), the average crop revenue program harvest price for a crop year for a covered commodity or peanuts in a State shall equal the harvest price that is used to calculate revenue under revenue coverage plans that are offered for the crop year for the covered commodity or peanuts in the State under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).
(B) Assigned price.—If the Secretary cannot establish the harvest price for a crop year for a covered commodity or peanuts in a State in accordance with subparagraph (A), the Secretary shall assign a price for the covered commodity or peanuts in the State on the basis of comparable price data.

(d) Average Crop Revenue Program Guarantee.—

(1) In general.—The average crop revenue program guarantee for a crop year for a covered commodity or peanuts in a State shall equal 90 percent of the product obtained by multiplying—

(A) the expected State yield for each planted acre for the crop year for the covered commodity or peanuts in a State determined under paragraph (2); and

(B) the average crop revenue program pre-planting price for the crop year for the covered commodity or peanuts determined under paragraph (3).

(2) Expected state yield.—

(A) In general.—For purposes of paragraph (1)(A), subject to subparagraph (B), the expected State yield for each planted acre for a
crop year for a covered commodity or peanuts in a State shall equal the projected yield for the crop year for the covered commodity or peanuts in the State, based on a linear regression trend of the yield per acre planted to the covered commodity or peanuts in the State during the 1980 through 2006 period using National Agricultural Statistics Service data.

(B) Assigned Yield.—If the Secretary cannot establish the expected State yield for each planted acre for a crop year for a covered commodity or peanuts in a State in accordance with subparagraph (A) or if the linear regression trend of the yield per acre planted to the covered commodity or peanuts in the State (as determined under subparagraph (A)) is negative, the Secretary shall assign an expected State yield for each planted acre for the crop year for the covered commodity or peanuts in the State on the basis of expected State yields for planted acres for the crop year for the covered commodity or peanuts in similar States.

(3) Average Crop Revenue Program Pre-Planting Price.—
(A) IN GENERAL.—For purposes of paragraph (1)(B), subject to subparagraphs (B) and (C), the average crop revenue program pre-planting price for a crop year for a covered commodity or peanuts in a State shall equal the average price that is used to calculate revenue under revenue coverage plans that are offered for the covered commodity in the State under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) for the crop year and the preceding 2 crop years.

(B) ASSIGNED PRICE.—If the Secretary cannot establish the pre-planting price for a crop year for a covered commodity or peanuts in a State in accordance with subparagraph (A), the Secretary shall assign a price for the covered commodity or peanuts in the State on the basis of comparable price data.

(C) MINIMUM AND MAXIMUM PRICE.—In the case of each of the 2011 through 2012 crop years, the average crop revenue program pre-planting price for a crop year for a covered commodity or peanuts under subparagraph (A) shall not decrease or increase more than 15
percent from the pre-planting price for the preceding year.

(c) **PAYMENT AMOUNT.**—If average crop revenue payments are required to be paid for any of the 2010 through 2012 crop years of a covered commodity or peanuts under subsection (b)(3), in addition to the amount payable under subsection (b)(2), the amount of the average crop revenue payment to be paid to the producers on the farm for the crop year under this section shall be increased by an amount equal to the product obtained by multiplying—

(1) the difference between—

(A) the average crop revenue program guarantee for the crop year for the covered commodity or peanuts in the State determined under subsection (d); and

(B) the actual State revenue from the crop year for the covered commodity or peanuts in the State determined under subsection (c);

(2) the acreage planted or considered planted to the covered commodity or peanuts for harvest on the farm in the crop year;

(3) the quotient obtained by dividing—

(A)(i) the yield used to calculate crop insurance coverage for the commodity or peanuts
on the farm under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) (commonly referred to as “actual production history’’); or

(ii) if actual production history for the commodity or peanuts on the farm is not available, a comparable yield as determined by the Secretary; by

(B) the expected State yield for the crop year, as determined under subsection (d)(2); and

(4) 90 percent.

(f) RECOURSE LOANS.—For each of the 2010 through 2012 crops of a covered commodity or peanuts, the Secretary shall make available to producers on a farm who elect to receive payments under this section recourse loans, as determined by the Secretary, on any production of the covered commodity.

SEC. 1402. PRODUCER AGREEMENT AS CONDITION OF AVERAGE CROP REVENUE PAYMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

(1) REQUIREMENTS.—Before the producers on a farm may receive average crop revenue payments with respect to the farm, the producers shall agree, and in the case of subparagraph (C), the Farm Service Agency shall certify, during the crop year for
which the payments are made and in exchange for the payments—

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

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

(C) that the individuals or entities receiving payments are producers;

(D) to use the land on the farm, in a quantity equal to the attributable base acres for the farm and any base acres for peanuts for the farm under part III of subtitle A, for an agricultural or conserving use, and not for a non-agricultural commercial, industrial, or residential use (including land subdivided and developed into residential units or other nonfarming uses, or that is otherwise no longer intended to be used in conjunction with a farming operation), as determined by the Secretary; and

(E) to effectively control noxious weeds and otherwise maintain the land in accordance with sound agricultural practices, as determined
by the Secretary, if the agricultural or conserving use involves the noncultivation of any portion of the land referred to in subparagraph (D).

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

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

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

(1) TERMINATION.—

(A) IN GENERAL.—Except as provided in paragraph (2), a transfer of (or change in) the interest of the producers on a farm for which average crop revenue payments are made shall result in the termination of the payments, unless the transferee or owner of the farm agrees to assume all obligations under subsection (a).
(B) Effective Date.—The termination shall take effect on the date determined by the Secretary.

(2) Exception.—If a producer entitled to an average crop revenue payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with rules issued by the Secretary.

(e) Acreage Reports.—

(1) In general.—As a condition on the receipt of any benefits under this subtitle, the Secretary shall require producers on a farm to submit to the Secretary annual acreage reports with respect to all cropland on the farm.

(2) Penalties.—No penalty with respect to benefits under subtitle shall be assessed against the producers on a farm for an inaccurate acreage report unless the producers on the farm knowingly and willfully falsified the acreage report.

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

(e) Sharing of Payments.—The Secretary shall provide for the sharing of average crop revenue payments
among the producers on a farm on a fair and equitable basis.

(f) Audit and Report.—Each year, to ensure, to the maximum extent practicable, that payments are received only by producers, the Secretary shall—

(1) conduct an audit of average crop revenue payments; and

(2) submit to Congress a report that describes the results of that audit.

SEC. 1403. PLANTING FLEXIBILITY.

(a) Permitted Crops.—Subject to subsection (b), any commodity or crop may be planted on base acres on a farm for which the producers on a farm elect to receive average crop revenue payments (referred to in this section as “base acres”).

(b) Limitations Regarding Certain Commodities.—

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

(2) Treatment of trees and other perennials.—The planting of an agricultural commodity specified in paragraph (3) that is produced
on a tree or other perennial plant shall be prohibited
on base acres.

(3) Covered agricultural commodities.—
Paragraphs (1) and (2) apply to the following agricul-
tural commodities:

(A) Fruits.

(B) Vegetables (other than mung beans
and pulse crops).

(C) Wild rice.

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

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

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

(3) by the producers on a farm that the Sec-
retary determines has an established planting his-
tory of a specific agricultural commodity specified in subsection (b)(3), except that—

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

(B) average crop revenue payments shall be reduced by an acre for each acre planted to such agricultural commodity.

(d) PLANTING TRANSFERABILITY PILOT PROJECT.—Producers on a farm that elect to receive average crop revenue payments shall be eligible to participate in the pilot program established under section 1106(d) under the same terms and conditions as producers that receive direct payments and counter-cyclical payments.

SEC. 1404. IMPACT ON CROP INSURANCE PROGRAM.

(a) Rating.—

(1) IN GENERAL.—The Secretary, acting through the Administrator of the Risk Management Agency, shall identify and carry out such actions as are necessary to ensure, to the maximum extent practicable, that all policies and plans of insurance
under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) are properly rated to take into account a rebalancing of risk as a result of the enactment of this title and the amendments made by this title.

(2) IMPLEMENTATION.—Not later than 1 year after the date of enactment of this Act, the Secretary shall carry out the actions identified under paragraph (1).

(b) PREVENTION OF DUPLICATION.—

(1) IN GENERAL.—The Administrator of the Risk Management Agency and Administrator of the Farm Service Agency shall work together to ensure, to the maximum extent practicable, in implementing this title and the Federal crop insurance program authorized under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) that producers on a farm are not compensated through the average crop revenue program established under this subtitle and under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) for the same acreage.

(2) REDUCTION.—

(A) IN GENERAL.—If a payment is issued through the average crop revenue program established under this subtitle before a crop insurance indemnity is paid, the crop insurance
indemnity shall be reduced by the amount of the average crop revenue program payments for the covered commodity.

(B) PRIORITY.—If the producer on the farm has already received a crop insurance indemnity for the covered commodity, the average crop revenue payment shall first be used to reimburse the Federal Crop Insurance Corporation, to the maximum extent practicable, to offset the crop insurance indemnity.

(C) CROP YEARS.—This subsection applies beginning with the 2010 crop year.

Subtitle C—Sugar

SEC. 1501. SUGAR PROGRAM.

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

“(a) Sugarcane.—The Secretary shall make loans available to processors of domestically grown sugarcane at a rate equal to—

“(1) 18.00 cents per pound for raw cane sugar for the 2008 crop year;

“(2) 18.25 cents per pound for raw cane sugar for the 2009 crop year;
“(3) 18.50 cents per pound for raw cane sugar for the 2010 crop year;
“(4) 18.75 cents per pound for raw cane sugar for the 2011 crop year; and
“(5) 19.00 cents per pound for raw cane sugar for the 2012 crop year.
“(b) SUGAR BEETS.—The Secretary shall make loans available to processors of domestically grown sugar beets at a rate per pound for refined beet sugar that is equal to 128.5 percent of the loan rate per pound of raw cane sugar for the applicable crop year under subsection (a).
“(c) TERM OF LOANS.—
“(1) IN GENERAL.—A loan under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the earlier of—
“(A) the end of the 9-month period beginning on the first day of the first month after the month in which the loan is made; or
“(B) the end of the fiscal year in which the loan is made.
“(2) SUPPLEMENTAL LOANS.—In the case of a loan made under this section in the last 3 months of a fiscal year, the processor may repledge the
sugar as collateral for a second loan in the subsequent fiscal year, except that the second loan shall—

“(A) be made at the loan rate in effect at the time the second loan is made; and

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

“(d) Loan Type; Processor Assurances.—

“(1) Nonrecourse Loans.—The Secretary shall carry out this section through the use of non-recourse loans.

“(2) Processor Assurances.—

“(A) In General.—The Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate to ensure that the processor will provide payments to producers that are proportional to the value of the loan received by the processor for the sugar beets and sugarcane delivered by producers to the processor.

“(B) Minimum Payments.—

“(i) In General.—Subject to clause (ii), the Secretary may establish appropriate minimum payments for purposes of this paragraph.
“(ii) LIMITATION.—In the case of sugar beets, the minimum payment established under clause (i) shall not exceed the rate of payment provided for under the applicable contract between a sugar beet producer and a sugar beet processor.

“(3) ADMINISTRATION.—The Secretary may not impose or enforce any prenotification requirement, or similar administrative requirement not otherwise in effect on the date of enactment of the Food and Energy Security Act of 2007, that has the effect of preventing a processor from electing to forfeit the loan collateral (of an acceptable grade and quality) on the maturity of the loan.

“(e) LOANS FOR IN-PROCESS SUGAR.—

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

“(2) AVAILABILITY.—The Secretary shall make nonrecourse loans available to processors of a crop of domestically grown sugarcane and sugar beets for in-process sugars and syrups derived from the crop.
“(3) Loan rate.—The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar, as determined by the Secretary on the basis of the source material for the in-process sugars and syrups.

“(4) Further processing on forfeiture.—

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

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

“(C) Payment to processor.—On transfer of the sugar, the Secretary shall make a payment to the processor in an amount equal to the amount obtained by multiplying—
“(i) the difference between—

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

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

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

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

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

“(f) FEEDSTOCK FLEXIBILITY PROGRAM FOR BIO-ENERGY PRODUCERS.—
“(1) DEFINITIONS.—In this subsection:

“(A) BIOENERGY.—The term ‘bioenergy’ means fuel grade ethanol and other biofuel.

“(B) BIOENERGY PRODUCER.—The term ‘bioenergy producer’ means a producer of bioenergy that uses an eligible commodity to produce bioenergy under this subsection.

“(C) ELIGIBLE COMMODITY.—The term ‘eligible commodity’ means a form of raw or refined sugar or in-process sugar that is eligible—

“(i) to be marketed in the United States for human consumption; or

“(ii) to be used for the extraction of sugar for human consumption.

“(D) ELIGIBLE ENTITY.—The term ‘eligible entity’ means an entity located in the United States that markets an eligible commodity in the United States.

“(2) FEEDSTOCK FLEXIBILITY PROGRAM.—

“(A) PURCHASES AND SALES.—For each of fiscal years 2008 through 2012, the Secretary shall purchase eligible commodities from eligible entities and sell such commodities to bioenergy producers for the purpose of pro-
duce bioenergy in a manner that ensures that this section is operated at no cost to the Federal Government and avoids forfeitures to the Commodity Credit Corporation.

“(B) COMPETITIVE PROCEDURES.—In carrying out the purchases and sales required under subparagraph (A), the Secretary shall, to the maximum extent practicable, use competitive procedures, including the receiving, offering, and accepting of bids, when entering into contracts with eligible entities and bioenergy producers, provided that the procedures are consistent with the purposes of subparagraph (A).

“(C) LIMITATION.—The purchase and sale of eligible commodities under subparagraph (A) shall only be made for a fiscal year for which the purchases and sales are necessary to ensure that the program under this section is operated at no cost to the Federal Government by avoiding forfeitures to the Commodity Credit Corporation.

“(3) NOTICE.—

“(A) IN GENERAL.—As soon as practicable after the date of enactment of the Food and
Energy Security Act of 2007, and each September 1 thereafter through fiscal year 2012, the Secretary shall provide notice to eligible entities and bioenergy producers of the quantity of eligible commodities that shall be made available for purchase and sale for the subsequent fiscal year under this subsection.

“(B) Reestimates.—Not later than the first day of each of the second through fourth quarters of each of fiscal years 2008 through 2012, the Secretary shall reestimate the quantity of eligible commodities determined under subparagraph (A), and provide notice and make purchases and sales based on the reestimates.

“(4) Commodity Credit Corporation Inventory.—To the extent that an eligible commodity is owned and held in inventory by the Commodity Credit Corporation (accumulated pursuant to the program under this section), the Secretary shall sell the eligible commodity to bioenergy producers under this subsection.

“(5) Transfer Rule; Storage Fees.—

“(A) General transfer rule.—Except as provided in subparagraph (C), the Secretary shall ensure that bioenergy producers that pur-
chase eligible commodities pursuant to this subsection take possession of the eligible commodities not later than 30 calendar days after the date of the purchase from the Commodity Credit Corporation.

“(B) PAYMENT OF STORAGE FEES PROHIBITED.—

“(i) IN GENERAL.—The Secretary shall, to the maximum extent practicable, carry out this subsection in a manner that ensures no storage fees are paid by the Commodity Credit Corporation in the administration of this subsection.

“(ii) EXCEPTION.—Clause (i) shall not apply with respect to any commodities owned and held in inventory by the Commodity Credit Corporation (accumulated pursuant to the program under this section).

“(C) OPTION TO PREVENT STORAGE FEES.—

“(i) IN GENERAL.—The Secretary may enter into contracts with bioenergy producers to sell eligible commodities to the bioenergy producers prior in time to
entering into contracts with eligible entities
to purchase the eligible commodities to be
used to satisfy the contracts entered into
with the bioenergy producers.

“(ii) **SPECIAL TRANSFER RULE.**—If
the Secretary makes a sale and purchase
referred to in clause (i), the Secretary shall
ensure that the bioenergy producer that
purchased eligible commodities takes pos-
session of the eligible commodities not
later than 30 calendar days after the date
on which the Commodity Credit Corpora-
tion purchases the eligible commodities.

“(6) **RELATION TO OTHER LAWS.**—If sugar
that is subject to a marketing allotment under part
VII of subtitle B of title III of the Agricultural Ad-
justment Act of 1938 (7 U.S.C. 1359aa et seq.) is
the subject of a payment under this subsection, the
sugar shall be considered marketed and shall count
against the allocation of a processor of an allotment
under that part, as applicable.

“(7) **FUNDING.**—The Secretary shall use the
funds, facilities, and authorities of the Commodity
Credit Corporation, including the use of such sums
as are necessary, to carry out this subsection.
“(g) AVOIDING FORFEITURES; CORPORATION INVENTORY DISPOSITION.—

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

“(2) INVENTORY DISPOSITION.—

“(A) IN GENERAL.—To carry out paragraph (1), the Commodity Credit Corporation may accept bids to obtain raw cane sugar or refined beet sugar in the inventory of the Commodity Credit Corporation from (or otherwise make available such commodities, on appropriate terms and conditions, to) processors of sugarcane and processors of sugar beets (acting in conjunction with the producers of the sugarcane or sugar beets processed by the processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate.

“(B) BIOENERGY FEEDSTOCK.—Sugar beets or sugarcane planted on acreage diverted from production to achieve any reduction re-
quired under subparagraph (A) may not be used for any commercial purpose other than as a bioenergy feedstock.

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

“(h) INFORMATION REPORTING.—

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

“(2) DUTY OF PRODUCERS TO REPORT.—

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

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

“(3) DUTY OF IMPORTERS TO REPORT.—

“(A) IN GENERAL.—Except as provided in
subparagraph (B), the Secretary shall require
an importer of sugars, syrups, or molasses to be
used for human consumption or to be used for
the extraction of sugar for human consumption
to report, in the manner prescribed by the Sec-
retary, the quantities of the products imported
by the importer and the sugar content or equiv-
alent of the products.

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

“(4) INFORMATION ON MEXICO.—
“(A) COLLECTION.—The Secretary shall collect—

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

“(ii) publicly-available information on Mexican production, consumption, and trade of high fructose corn syrups to Mexico.

“(B) PUBLICATION.—The date collected under subparagraph (A) shall be published in each edition of the World Agricultural Supply and Demand Estimates.

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

“(6) MONTHLY REPORTS.—Taking into consideration the information received under this subsection, the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.
“(i) Substitution of Refined Sugar.—For purposes of Additional U.S. Note 6 to chapter 17 of the Harmonized Tariff Schedule of the United States and the re-export programs and polyhydric alcohol program administered by the Secretary, all refined sugars (whether derived from sugar beets or sugarcane) produced by cane sugar refineries and beet sugar processors shall be fully substitutable for the export of sugar and sugar-containing products under those programs.

“(j) Effective Period.—

“(1) In General.—This section shall be effective only for the 2008 through 2012 crops of sugar beets and sugarcane.

“(2) Transition.—The Secretary shall make loans for raw cane sugar and refined beet sugar available for the 2007 crop year on the terms and conditions provided in this section as in effect on the day before the date of enactment of the Food and Energy Security Act of 2007.”.

SEC. 1502. STORAGE FACILITY LOANS.

Section 1402(c) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7971(c)) is amended—

(1) in paragraph (1), by striking “and” at the end;
(2) by redesignating paragraph (2) as paragraph (3); 
(3) by inserting after paragraph (1) the following:

“(2) not include any penalty for prepayment”;

and

(4) in paragraph (3) (as redesignated by paragraph (2)), by inserting “other” after “on such”.

SEC. 1503. COMMODITY CREDIT CORPORATION STORAGE PAYMENTS.

Subtitle E of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7281 et seq.) is amended by adding at the end the following:

“SEC. 167. COMMODITY CREDIT CORPORATION STORAGE PAYMENTS.

“(a) INITIAL CROP YEARS.—Notwithstanding any other provision of law, for each of the 2008 through 2011 crop years, the Commodity Credit Corporation shall establish rates for the storage of forfeited sugar in an amount that is not less than—

“(1) in the case of refined sugar, 15 cents per hundredweight of refined sugar per month; and

“(2) in the case of raw cane sugar, 10 cents per hundredweight of raw cane sugar per month.
“(b) Subsequent Crop Years.—For each of the 2012 and subsequent crop years, the Commodity Credit Corporation shall establish rates for the storage of forfeited sugar in the same manner as was used on the day before the date of enactment of this section.”.

SEC. 1504. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.

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

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

(2) by inserting after paragraph (1) the following:

“(2) Market.—

“(A) In general.—The term ‘market’ means to sell or otherwise dispose of in commerce in the United States.

“(B) Inclusions.—The term ‘market’ includes—

“(i) the forfeiture of sugar under the loan program for sugar established under section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272); and
“(ii) with respect to any integrated processor and refiner, the movement of raw cane sugar into the refining process.

“(C) MARKETING YEAR.—Forfeited sugar described in subparagraph (B)(i) shall be considered to have been marketed during the crop year for which a loan is made under the loan program described in that subparagraph.”.

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

“SEC. 359. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.

“(a) IN GENERAL.—

“(1) IN GENERAL.—By the beginning of each crop year, the Secretary shall establish for that crop year appropriate allotments under section 359c for the marketing by processors of sugar processed from sugar cane, sugar beets, or in-process sugar (whether produced domestically or imported) at a level that is—

“(A) sufficient to maintain raw and refined sugar prices at a level that will result in no forfeitures of sugar to the Commodity Credit Corporation under the loan program for sugar es-
established under section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272); but

“(B) not less than 85 percent of the estimated quantity of sugar consumption for domestic food use for the crop year.

“(2) PRODUCTS.—The Secretary may include sugar products, the majority content of which is sucrose for human consumption, derived from sugar-cane, sugar beets, molasses, or sugar in the allotments under paragraph (1) if the Secretary determines it to be appropriate for purposes of this part.

“(b) COVERAGE OF ALLOTMENTS.—

“(1) IN GENERAL.—Marketing allotments under this part shall apply to the marketing by processors of sugar intended for domestic human food use that has been processed from sugar cane, sugar beets, or in-process sugar, whether produced domestically or imported.

“(2) EXCEPTIONS.—Marketing allotments under this part shall not apply to sugar sold—

“(A) to facilitate the exportation of the sugar to a foreign country;

“(B) to enable another processor to fulfill an allocation established for that processor; or
“(C) for uses other than domestic human food use.

“(3) REQUIREMENT.—The sale of sugar described in paragraph (2)(B) shall be—

“(A) made prior to May 1; and

“(B) reported to the Secretary.

“(c) PROHIBITIONS.—

“(1) IN GENERAL.—During all or part of any crop year for which marketing allotments have been established, no processor of sugar beets or sugarcane shall market for domestic human food use a quantity of sugar in excess of the allocation established for the processor, except—

“(A) to enable another processor to fulfill an allocation established for that other processor; or

“(B) to facilitate the exportation of the sugar.

“(2) CIVIL PENALTY.—Any processor who knowingly violates paragraph (1) shall be liable to the Commodity Credit Corporation for a civil penalty in an amount equal to 3 times the United States market value, at the time of the commission of the violation, of that quantity of sugar involved in the violation.”.
(c) Establishment of Flexible Marketing Al-
lotments.—Section 359c of the Agricultural Adjustment
Act of 1938 (7 U.S.C. 1359cc) is amended—

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

“(b) Overall Allotment Quantity.—

“(1) In general.—The Secretary shall estab-
lish the overall quantity of sugar to be allotted for
the crop year (referred to in this part as the ‘overall
allotment quantity’) at a level that is—

“(A) sufficient to maintain raw and refined
sugar prices above the level that will result in
no forfeiture of sugar to the Commodity Credit
Corporation; but

“(B) not less than a quantity equal to 85
percent of the estimated sugar consumption for
domestic food use for the crop year.

“(2) Adjustment.—Subject to paragraph (1),
the Secretary shall adjust the overall allotment
quantity to maintain—

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

“(B) adequate supplies of raw and refined
sugar in the domestic market.”; and
(2) by striking subsection (h).

(d) ALLOCATION OF MARKETING ALLOTMENTS.—

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

(1) in paragraph (1)—

(A) in subparagraph (B), by striking “subparagraphs (C) and (D)” and inserting “subparagraph (C)”;

(B) by striking subparagraph (C);

(C) by redesignating subparagraphs (D) through (F) as subparagraphs (C) through (E), respectively;

(D) in subparagraph (D) (as so redesignated)—

(i) in clause (i), by striking “subparagraphs (B) and (D)” and inserting “subparagraphs (B) and (C)”;

(ii) in clause (iii)(II), by striking “subparagraph (B) or (D)” as “subparagraph (B) or (C)”;

(E) in subparagraph (E) (as so redesignated), by striking “Except as otherwise provided in section 359f(e)(8), if” and inserting “If”; and
(2) in paragraph (2), by striking subparagraphs (H) and (I) and inserting the following:

“(H) New entrants starting production or reopening factories.—

“(i) Definition of new entrant.—

“(I) In general.—In this subparagraph, the term ‘new entrant’ means an individual, corporation, or other entity that—

“(aa) does not have an allocation of the beet sugar allotment under this part;

“(bb) is not affiliated with any other individual, corporation, or entity that has an allocation of beet sugar under this part (referred to in this clause as a ‘third party’); and

“(cc) will process sugar beets produced by sugar beet growers under contract with the new entrant for the production of sugar at the new or re-opened factory that is the basis for the new entrant allocation.
“(II) AFFILIATION.—For purposes of subclause (I)(bb), a new entrant and a third party shall be considered to be affiliated if—

“(aa) the third party has an ownership interest in the new entrant;

“(bb) the new entrant and the third party have owners in common;

“(cc) the third party has the ability to exercise control over the new entrant by organizational rights, contractual rights, or any other means;

“(dd) the third party has a contractual relationship with the new entrant by which the new entrant will make use of the facilities or assets of the third party; or

“(ee) there are any other similar circumstances by which the Secretary determines that the
new entrant and the third party are affiliated.

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

“(I) assign an allocation for beet sugar to the new entrant that provides a fair and equitable distribution of the allocations for beet sugar so as to enable the new entrant to achieve a factory utilization rate comparable to the factory utilization rates of other similarly-situated processors; and

“(II) reduce the allocations for beet sugar of all other processors on a pro rata basis to reflect the allocation to the new entrant.
“(iii) Allocation for a new entrant that has acquired an existing factory with a production history.—

“(I) In general.—If a new entrant acquires an existing factory that has processed sugar beets from the 1998 or subsequent crop year and has a production history, on the mutual agreement of the new entrant and the company currently holding the allocation associated with the factory, the Secretary shall transfer to the new entrant a portion of the allocation of the current allocation holder to reflect the historical contribution of the production of the acquired factory to the total allocation of the current allocation holder.

“(II) Prohibition.—In the absence of a mutual agreement described in subclause (I), the new entrant shall be ineligible for a beet sugar allocation.

“(iv) Appeals.—Any decision made under this subsection may be appealed to
the Secretary in accordance with section 359i.”.

(c) Reassignment of Deficits.—Section 359e(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is amended in paragraphs (1)(D) and (2)(C), by inserting “of raw cane sugar” after “imports” each place it appears.

(f) Provisions Applicable to Producers.—Section 359f(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ff(c)) is amended—

(1) by striking paragraph (8);

(2) by redesignating paragraphs (1) through (7) as paragraphs (2) through (8), respectively;

(3) by inserting before paragraph (2) (as so redesignated) the following:

“(1) Definition of seed.—

“(A) In general.—In this subsection, the term ‘seed’ means only those varieties of seed that are dedicated to the production of sugar-cane from which is produced sugar for human consumption.

“(B) Exclusion.—The term ‘seed’ does not include seed of a high-fiber cane variety dedicated to other uses, as determined by the Secretary”;}
(4) in paragraph (3) (as so redesignated)—

(A) in the first sentence—

(i) by striking “paragraph (1)” and

inserting “paragraph (2)”;

(ii) by inserting “sugar produced

from” after “quantity of”; and

(B) in the second sentence, by striking

“paragraph (7)” and inserting “paragraph

(8)”;

(5) in paragraph (8) (as so redesignated), by

inserting “sugar from” after “the amount of”.

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

(1) by striking subsection (a) and inserting the

following:

“(a) TRANSFER OF ACREAGE BASE HISTORY.—

“(1) IN GENERAL.—For the purpose of estab-
lishing proportionate shares for sugarcane farms
under section 359f(c), the Secretary, on application
of any producer, with the written consent of all own-
ers of a farm, may transfer the acreage base history
of the farm to any other parcels of land of the appli-
cant.

“(2) CONVERTED ACREAGE BASE.—
“(A) IN GENERAL.—Sugarcane base acreage established under section 359f(e) that has been or is converted to nonagricultural use on or after the date of the enactment of this paragraph may be transferred to other land suitable for the production of sugarcane that can be delivered to a processor in a proportionate share in accordance with this paragraph.

“(B) NOTIFICATION.—Not later than 90 days after the date of the enactment of this paragraph and at the subsequent conversion of any sugarcane base acreage to a non-agricultural use, the Administrator of the Farm Service Agency shall notify the 1 or more affected landowners of the transferability of the applicable sugarcane base acreage.

“(C) INITIAL TRANSFER PERIOD.—Not later than the end of the 90-day period beginning on the date of receipt of the notification under subparagraph (B), the owner of the base attributable to the acreage at the time of the conversion shall transfer the base to 1 or more farms owned by the owner.

“(D) GROWER OF RECORD.—If a transfer under subparagraph (C) cannot be accom-
plished during the period specified in that sub-
paragraph, the grower of record with regard to
the base acreage on the date on which the acre-
age was converted to nonagricultural use
shall—

“(i) be notified; and

“(ii) have 90 days from the date of
the receipt of the notification to transfer
the base to 1 or more farms operated by
the grower.

“(E) POOL DISTRIBUTION.—

“(i) In general.—If transfers under
subparagraphs (B) and (C) cannot be ac-
accomplished during the periods specified in
those subparagraphs, the county committee
of the Farm Service Agency for the appli-
cable county shall place the acreage base in
a pool for possible assignment to other
farms.

“(ii) Acceptance of requests.—
After providing reasonable notice to farm
owners, operators, and growers of record
in the county, the county committee shall
accept requests from owners, operators,
and growers of record in the county.
“(iii) ASSIGNMENT.—The county committee shall assign the base acreage to other farms in the county that are eligible and capable of accepting the base acreage, based on a random selection from among the requests received under clause (ii).

“(F) STATEWIDE REALLOCATION.—

“(i) IN GENERAL.—Any base acreage remaining unassigned after the transfers and processes described in subparagraphs (A) through (E) shall be made available to the State committee of the Farm Service Agency for allocation among the remaining county committees representing counties with farms eligible for assignment of the base, based on a random selection.

“(ii) ALLOCATION.—Any county committee receiving base acreage under this subparagraph shall allocate the base acreage to eligible farms using the process described in subparagraph (E).

“(G) STATUS OF REASSIGNED BASE.—

After base acreage has been reassigned in accordance with this subparagraph, the base acreage shall—
“(i) remain on the farm; and
“(ii) be subject to the transfer provisions of paragraph (1).”; and

(2) in subsection (d)—

(A) in paragraph (1)—

(i) by inserting “affected” before “crop-share owners” each place it appears; and

(ii) by striking “, and from the processing company holding the applicable allocation for such shares,”; and

(B) in paragraph (2), by striking “based on” and all that follows through the end of sub-paragraph (B) and inserting “based on—

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

“(B) the pro rata amount of allocation at the processing company holding the applicable allocation that equals the contribution of the grower to allocation of the processing company for the sugarcane base acreage being transferred.”.

(h) APPEALS.—Section 359i of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ii) is amended—
(1) in subsection (a), by inserting “or 359g(d)” after “359f”; and

(2) by striking subsection (c).

(i) REALLOCATING SUGAR QUOTA IMPORT SHORTFALLS.—Section 359k of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359kk) is repealed.

(j) ADMINISTRATION OF TARIFF RATE QUOTAS.—

Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa) (as amended by subsection (i)) is amended by adding at the end the following:

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

“(a) IN GENERAL.—Notwithstanding any other provision of law, at the beginning of the quota year, the Secretary shall establish the tariff-rate quotas for raw cane sugar and refined sugars (other than specialty sugar) at the minimum necessary to comply with obligations under international trade agreements that have been approved by Congress.

“(b) ADJUSTMENT.—

“(1) BEFORE APRIL 1.—Before April 1 of each fiscal year, if there is an emergency shortage of sugar in the United States market that is caused by a war, flood, hurricane, or other natural disaster, or other similar event as determined by the Secretary—
“(A) the Secretary shall take action to increase the supply of sugar in accordance with sections 359c(b)(2) and 359e(b); and

“(B) if there is still a shortage of sugar in the United States market, and marketing of domestic sugar has been maximized, the Secretary may increase the tariff-rate quota for refined sugars sufficient to accommodate the supply increase, if the further increase will not threaten to result in the forfeiture of sugar pledged as collateral for a loan under section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272).

“(2) ON OR AFTER APRIL 1.—On or after April 1 of each fiscal year—

“(A) the Secretary may take action to increase the supply of sugar in accordance with sections 359c(b)(2) and 359e(b); and

“(B) if there is still a shortage of sugar in the United States market, and marketing of domestic sugar has been maximized, the Secretary may increase the tariff-rate quota for raw cane sugar if the further increase will not threaten to result in the forfeiture of sugar pledged as collateral for a loan under section 156 of the Fed-
eral Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272).”.

(k) Period of Effectiveness.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa) (as amended by subsection (j)) is amended by adding at the end the following:

“SEC. 359l. Period of Effectiveness.

“(a) In General.—This part shall be effective only for the 2008 through 2012 crop years for sugar.

“(b) Transition.—The Secretary shall administer flexible marketing allotments for sugar for the 2007 crop year for sugar on the terms and conditions provided in this part as in effect on the day before the date of enactment of this section.”.

(l) United States Membership in the International Sugar Organization.—Not later than 1 year after the date of enactment of this Act, the Secretary shall work with the Secretary of State to restore, to the maximum extent practicable, United States membership in the International Sugar Organization.

SEC. 1505. Sense of the Senate Regarding NAFTA Sugar Coordination.

It is the sense of the Senate that in order to improve the operations of the North American Free Trade Agreement—
(1) the United States Government and the Government of Mexico should coordinate the operation of their respective sugar policies; and

(2) the United States Government should consult with the Government of Mexico on policies to avoid disruptions of the United States sugar market and the Mexican sugar market in order to maximize the benefits of sugar policies for growers, processors, and consumers of sugar in the United States and Mexico.

Subtitle D—Dairy

SEC. 1601. DAIRY PRODUCT PRICE SUPPORT PROGRAM.

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

(b) Purchase Price.—To carry out subsection (a), the Secretary shall purchase cheddar cheese, butter, and nonfat dry milk at prices that are equivalent to—

(1) in the case of cheddar cheese—

(A) in blocks, not less than $1.13 per pound;
(B) in barrels, not less than $1.10 per pound;

(2) in the case of butter, not less than $1.05 per pound; and

(3) in the case of nonfat dry milk, not less than $0.80 per pound.

(c) Uniform Purchase Price.—The prices that the Secretary pays for cheese, butter, or nonfat dry milk under this section shall be uniform for all regions of the United States.

(d) Sales From Inventories.—

(1) In General.—Except as provided in paragraph (2), in the case of each commodity specified in subsection (b) that is available for unrestricted use in inventories of the Commodity Credit Corporation, the Secretary may sell the commodity at the market prices prevailing for that commodity at the time of sale.

(2) Minimum Amount.—The sale price described in paragraph (1) may not be less than 110 percent of the minimum purchase price specified in subsection (b) for that commodity.

SEC. 1602. NATIONAL DAIRY MARKET LOSS PAYMENTS.

(a) Definitions.—In this section:
(1) **CLASS I MILK.**—The term “Class I milk” means milk (including milk components) classified as Class I milk under a Federal milk marketing order.

(2) **ELIGIBLE PRODUCTION.**—The term “eligible production” means milk produced by a producer in a participating State.

(3) **FEDERAL MILK MARKETING ORDER.**—The term “Federal milk marketing order” means an order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

(4) **PARTICIPATING STATE.**—The term “participating State” means each State.

(5) **PRODUCER.**—The term “producer” means an individual or entity that directly or indirectly (as determined by the Secretary) —

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

(B) makes contributions (including land, labor, management, equipment, or capital) to the dairy farming operation of the individual or entity that are at least commensurate with the
share of the individual or entity of the proceeds
of the operation.

(b) PAYMENTS.—The Secretary shall offer to enter
into contracts with producers on a dairy farm located in
a participating State under which the producers receive
payments on eligible production.

(c) AMOUNT.—Payments to a producer under this
section shall be calculated by multiplying (as determined
by the Secretary)—

(1) the payment quantity for the producer dur-
ing the applicable month established under sub-
section (d);

(2) the amount equal to—

(A) $16.94 per hundredweight; less

(B) the Class I milk price per hundred-
weight in Boston under the applicable Federal
milk marketing order; by

(3)(A) for the period beginning October 1,
2007, and ending September 30, 2008, 34 percent;
(B) for the period beginning October 1, 2008,
and ending August 31, 2012, 45 percent; and
(C) for the period beginning September 1,
2012, and thereafter, 34 percent.

(d) PAYMENT QUANTITY.—
(1) IN GENERAL.—Subject to paragraph (2), the payment quantity for a producer during the applicable month under this section shall be equal to the quantity of eligible production marketed by the producer during the month.

(2) LIMITATION.—

(A) IN GENERAL.—The payment quantity for all producers on a single dairy operation for which the producers receive payments under subsection (b) shall not exceed—

(i) for the period beginning October 1, 2007, and ending September 30, 2008, 2,400,000 pounds;

(ii) for the period beginning October 1, 2008, and ending August 31, 2012, 4,150,000 pounds; and

(iii) effective beginning September 1, 2012, 2,400,000 pounds.

(B) STANDARDS.—For purposes of determining whether producers are producers on separate dairy operations or a single dairy operation, the Secretary shall apply the same standards as were applied in implementing the dairy program under section 805 of the Agriculture, Rural Development, Food and Drug Adminis-

(3) RECONSTITUTION.—The Secretary shall ensure that a producer does not reconstitute a dairy operation for the sole purpose of receiving additional payments under this section.

(e) PAYMENTS.—A payment under a contract under this section shall be made on a monthly basis not later than 60 days after the last day of the month for which the payment is made.

(f) SIGNUP.—The Secretary shall offer to enter into contracts under this section during the period beginning on the date that is 90 days after the date of enactment of this Act and ending on September 30, 2012.

(g) DURATION OF CONTRACT.—

(1) IN GENERAL.—Except as provided in paragraph (2), any contract entered into by producers on a dairy farm under this section shall cover eligible production marketed by the producers on the dairy farm during the period starting with the first day of month the producers on the dairy farm enter into the contract and ending on September 30, 2012.

(2) VIOLATIONS.—If a producer violates the contract, the Secretary may—
(A) terminate the contract and allow the producer to retain any payments received under the contract; or

(B) allow the contract to remain in effect and require the producer to repay a portion of the payments received under the contract based on the severity of the violation.

SEC. 1603. DAIRY EXPORT INCENTIVE AND DAIRY INDEMNITY PROGRAMS.

(a) Dairy Export Incentive Program.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14(a)) is amended by striking “2007” and inserting “2012”.

(b) Dairy Indemnity Program.—Section 3 of Public Law 90–484 (7 U.S.C. 450l) is amended by striking “2007” and inserting “2012”.

SEC. 1604. FUNDING OF DAIRY PROMOTION AND RESEARCH PROGRAM.


SEC. 1605. REVISION OF FEDERAL MARKETING ORDER AMENDMENT PROCEDURES.

Section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricul-
tural Marketing Agreement Act of 1937, is amended by
striking subsection (17) and inserting the following:

“(17) Provisions applicable to amendments.—

“(A) Applicability to amendments.—
The provisions of this section and section 8d applicable to orders shall be applicable to amendments to orders.

“(B) Supplemental rules of practice.—

“(i) In general.—Not later than 60 days after the date of enactment of this subparagraph, the Secretary shall issue, using informal rulemaking, supplemental rules of practice to define guidelines and timeframes for the rulemaking process relating to amendments to orders.

“(ii) Issues.—At a minimum, the supplemental rules of practice shall establish—

“(I) proposal submission requirements;

“(II) pre-hearing information session specifications;
“(III) written testimony and data request requirements;

“(IV) public participation time-frames; and

“(V) electronic document submission standards.

“(iii) EFFECTIVE DATE.—The supplemental rules of practice shall take effect not later than 120 days after the date of enactment of this subparagraph, as determined by the Secretary.

“(C) HEARING TIMEFRAMES.—

“(i) IN GENERAL.—Not more than 30 days after the receipt of a proposal for an amendment hearing regarding a milk marketing order, the Secretary shall—

“(I) issue a notice providing an action plan and expected timeframes for completion of the hearing not more than 180 days after the date of the issuance of the notice;

“(II)(aa) issue a request for additional information to be used by the Secretary in making a determination regarding the proposal; and
“(bb) if the additional information is not provided to the Secretary within the timeframe requested by the Secretary, issue a denial of the request; or

“(III) issue a denial of the request.

“(ii) NOTICE.—A notice issued under clause (i)(I) shall be individualized for each proceeding and take into consideration—

“(I) the number of orders affected;

“(II) the complexity of issues involved; and

“(III) the extent of the analyses required by applicable Executive orders (including Executive orders relating to civil rights, regulatory flexibility, and economic impact).

“(iii) RECOMMENDED DECISIONS.—A recommended decision on a proposed amendment to an order shall be issued not later than 90 days after the deadline established after the hearing for the submission of post-hearing briefs, unless otherwise
provided in the initial notice issued under clause (i)(I).

“(iv) Final decisions.—A final decision on a proposed amendment to an order shall be issued not later than 60 days after the deadline for submission of comments and exceptions to the recommended decision issued under clause (ii), unless otherwise provided in the initial notice issued under clause (i)(I).

“(D) Industry assessments.—If the Secretary determines it is necessary to improve or expedite rulemaking under this subsection, the Secretary may impose an assessment on the affected industry to supplement appropriated funds for the procurement of service providers, such as court reporters.

“(E) Use of informal rulemaking.—The Secretary may use rulemaking under section 553 of title 5, United States Code, to amend orders, other than provisions of orders that directly affecting milk prices.”.

SEC. 1606. DAIRY FORWARD PRICING PROGRAM.

(a) In general.—Section 23 of the Agricultural Adjustment Act (7 U.S.C. 627), reenacted with amendments
by the Agricultural Marketing Agreement Act of 1937, is
amended—

(1) in the section heading, by striking “PILOT”; 

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

“(a) PROGRAM REQUIRED.—The Secretary of Agri-
culture shall establish a program under which milk pro-
ducers and cooperative associations of producers are au-
thorized to voluntarily enter into forward price contracts
with milk handlers.”;

(3) in subsection (c)—

(A) in the subsection heading, by striking “Pilot”; and

(B) in paragraph (1), by striking “pilot”; 

(4) by striking subsections (d) and (e); and 

(5) by adding at the end the following:

“(d) VOLUNTARY PROGRAM.—

“(1) IN GENERAL.—A milk handler may not re-
quire participation in a forward price contract as a
condition of the handler receiving milk from a pro-
ducer or cooperative association of producers.

“(2) EFFECT OF NONPARTICIPATION.—A pro-
ducer or cooperative association that does not enter
into a forward price contract may continue to have
milk priced under the minimum payment provisions of the applicable milk marketing order.

“(3) COMPLAINTS.—The Secretary shall—

“(A) investigate complaints made by producers or cooperative associations of coercion by handlers to enter into forward price contracts; and

“(B) if the Secretary finds evidence of coercion, take appropriate action.

“(e) DURATION.—No forward price contract under this section may—

“(1) be entered into after September 30, 2012; or

“(2) may extend beyond September 30, 2015.”.

(b) CONFORMING AMENDMENTS.—Section 23 of the Agricultural Adjustment Act (7 U.S.C. 627), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking “cooperatives” each place it appears in subsections (b) and (c)(2) and inserting “cooperative associations of producers”.

SEC. 1607. REPORT ON DEPARTMENT OF AGRICULTURE REPORTING PROCEDURES FOR NONFAT DRY MILK.

Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Com-
committee on Agriculture of the House of Representatives and
the Committee on Agriculture, Nutrition, and Forestry of
the Senate a report regarding Department of Agriculture
reporting procedures for nonfat dry milk and the impact
of the procedures on Federal milk marketing order min-
imum prices during the period beginning on July 1, 2006,
and ending on the date of the enactment of this Act.

SEC. 1608. FEDERAL MILK MARKETING ORDER REVIEW
COMMISSION.

(a) DEFINITION OF ASCARR INSTITUTION.—In this
section:

(1) IN GENERAL.—The term “ASCARR Insti-
tution” means a public college or university offering
a baccalaureate or higher degree in the study of ag-
riculture.

(2) EXCLUSIONS.—The term “ASCARR Insti-
tution” does not include an institution eligible to re-
ceive funds under—

(A) the Act of July 2, 1862 (commonly
known as the “First Morrill Act”) (7 U.S.C.
301 et seq.);

(B) the Act of August 30, 1890 (commonly
known as the “Second Morrill Act”) (7 U.S.C.
321 et seq.); or
(C) the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103–382; 7 U.S.C. 301 note).

(b) Establishment.—Subject to the availability of funds appropriated to carry out this section, the Secretary shall establish a commission to be known as the “Federal Milk Marketing Order Review Commission” (referred to in this section as the “Commission”), which shall conduct a comprehensive review and evaluation of—

(1) the Federal milk marketing order system in effect on the date of enactment of this Act; and

(2) non-Federal milk marketing order systems.

c) Elements of Review and Evaluation.—As part of the review and evaluation under subsection (b), the Commission shall consider legislative and regulatory options for—

(1) ensuring that the competitiveness of dairy products with other competing products in the marketplace is preserved and enhanced;

(2) enhancing the competitiveness of United States dairy producers in world markets;

(3) increasing the responsiveness of the Federal milk marketing order system to market forces;
(4) streamlining and expediting the process by which amendments to Federal milk market orders are adopted;

(5) simplifying the Federal milk marketing order system;

(6) evaluating whether the Federal milk marketing order system, established during the Great Depression, continues to serve the interests of the public, dairy processors, and dairy producers;

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

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

(9) evaluating the economic benefits to milk producers of establishing a 2-class system of classifying milk consisting of a fluid milk class and a manufacturing grade milk class, with the price of both classes determined using the component prices of butterfat, protein, and other solids.

(d) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall consist of 18 members.
(2) **Members.**—As soon as practicable after
the date on which funds are first made available to
carry out this section—

(A) 2 members of the Commission shall be
appointed by the Chairman of the Committee
on Agriculture of the House of Representatives,
in consultation with the ranking member of the
Committee on Agriculture of the House of Rep-
resentatives;

(B) 2 members of the Commission shall be
appointed by the Chairman of the Committee
on Agriculture, Nutrition, and Forestry of the
Senate, in consultation with the ranking mem-
ber of the Committee on Agriculture, Nutrition
and Forestry of the Senate; and

(C) 14 members of the Commission shall
be appointed by the Secretary.

(3) **Special Appointment Requirements.**—
In the case of members of the Commission appointed
under paragraph (2)(C), the Secretary shall ensure
that—

(A) at least 1 member represents a na-
tional consumer organization;

(B) at least 4 members represent land-
grant colleges or universities (as defined in sec-
tion 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)) or ASCARR institutions with accredited dairy economic programs, with at least 2 of those members being experts in the field of economics;

(C) at least 1 member represents the food and beverage retail sector; and

(D) 4 dairy producers and 4 dairy processors are appointed in a manner that will—

(i) balance geographical distribution of milk production and dairy processing;

(ii) reflect all segments of dairy processing; and

(iii) represent all regions of the United States equitably, including States that operate outside of a Federal milk marketing order.

(4) **Chair.**—The Commission shall elect 1 of the members of the Commission to serve as chairman for the duration of the proceedings of the Commission.

(5) **Vacancy.**—Any vacancy occurring before the termination of the Commission shall be filled in the same manner as the original appointment.
(6) COMPENSATION.—A member of the Commission shall serve without compensation, but shall be reimbursed by the Secretary from existing budget authority for necessary and reasonable expenses incurred in the performance of the duties of the Commission.

(e) REPORT.—

(1) IN GENERAL.—Not later than 2 years after the date of the first meeting of the Commission, the Commission shall submit to Congress and the Secretary a report describing the results of the review and evaluation conducted under this section, including such recommendations regarding the legislative and regulatory options considered under subsection (c) as the Commission considers to be appropriate.

(2) SUPPORT.—The report findings shall reflect, to the maximum extent practicable, a consensus opinion of the Commission members, but the report may include majority and minority findings regarding those matters for which consensus was not reached.

(f) ADVISORY NATURE.—The Commission is wholly advisory in nature and the recommendations of the Commission are nonbinding.
(g) No Effect on Existing Programs.—The Secretary shall not allow the existence of the Commission to impede, delay, or otherwise affect any decisionmaking process of the Department of Agriculture, including any rulemaking procedures planned, proposed, or near completion.

(h) Administrative Assistance.—The Secretary shall provide such administrative support to the Commission, and expend such funds as necessary from budget authority available to the Secretary, as is necessary to carry out this section.

(i) Authorization of Appropriations.—There are authorized to be appropriated such sums as are necessary to carry out this section.

(j) Termination of Effectiveness.—The authority provided by this section terminates effective on the date of the submission of the report under subsection (e).

Subtitle E—Administration

SEC. 1701. ADMINISTRATION GENERALLY.

(a) Use of Commodity Credit Corporation.—Except as otherwise provided in subtitles A through D and this subtitle, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out subtitles A through D and this subtitle.
(b) **Determinations by Secretary.**—A determination made by the Secretary under this title shall be final and conclusive.

(c) **Regulations.**—

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

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

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

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

(C) the notice and comment provisions of section 553 of title 5, United States Code.
(3) Congressional review of agency rulemaking.—In carrying out this subsection, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

(d) Adjustment authority related to trade agreements compliance.—

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

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

(c) Treatment of Advance Payment Option.—

Section 1601(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7991(d)) is amended—

(1) in paragraph (1), by striking “and” at the end;

(2) in paragraph (2), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(3) the advance payment of direct payments and counter-cyclical payments under title I of the Food and Energy Security Act of 2007.”.

SEC. 1702. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) Agricultural Adjustment Act of 1938.—

The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 2008 through 2012 crops of covered commodities and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act through December 31, 2012:

(1) Parts II through V of subtitle B of title III (7 U.S.C. 1326 et seq.).
(2) In the case of upland cotton, section 377 (7 U.S.C. 1377).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(12) Title VI (7 U.S.C. 1471 et seq.).
(c) Suspension of Certain Quota Provisions.—

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

SEC. 1703. PAYMENT LIMITATIONS.

(a) Extension of Limitations.—Sections 1001 and 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308, 1308-3(a)) are amended by striking “Farm Security and Rural Investment Act of 2002” each place it appears and inserting “Food and Energy Security Act of 2007”.

(b) Revision of Limitations.—

(1) Definitions.—Section 1001(a) of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(A) in the matter preceding paragraph (1), by inserting “and section 1001A” after “section”;

(B) by striking paragraph (2) and redesignating paragraph (3) as paragraph (5); and

(C) by inserting after paragraph (1) the following:
“(2) FAMILY MEMBER.—The term ‘family member’ means an individual to whom a member in the farming operation is related as lineal ancestor, lineal descendant, sibling, or spouse.

“(3) LEGAL ENTITY.—The term ‘legal entity’ means an entity that is created under Federal or State law and that—

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

“(B) produces an agricultural commodity.

“(4) PERSON.—The term ‘person’ means a natural person, and does not include a legal entity.”.

(2) LIMITATION ON DIRECT PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking subsections (b), (c) and (d) and inserting the following:

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

“(1) DIRECT PAYMENTS.—The total amount of direct payments received, directly or indirectly, by a person or legal entity (except a joint venture or a general partnership) for any crop year under part I of subtitle A of title I of the Food and Energy Secu-
Countryside Act of 2007 for 1 or more covered commodities (except for peanuts), or average crop revenue payments determined under section 1401(b)(2) of that Act, may not exceed $40,000.

“(2) COUNTER-CYCLICAL PAYMENTS.—The total amount of counter-cyclical payments received, directly or indirectly, by a person or legal entity (except a joint venture or a general partnership) for any crop year under part I of subtitle A of title I of the Food and Energy Security Act of 2007 for one or more covered commodities (except for peanuts) may not exceed $60,000.

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

“(1) DIRECT PAYMENTS.—The total amount of direct payments received, directly or indirectly, by a person or legal entity (except a joint venture or a general partnership) for any crop year under part III of subtitle A of title I of the Food and Energy Security Act of 2007 for peanuts, or average crop revenue payments determined under section 1401(b)(2) of that Act, may not exceed $40,000.

“(2) COUNTER-CYCLICAL PAYMENTS.—The total amount of counter-cyclical payments received, directly or indirectly, by a person or legal entity (ex-
cept a joint venture or a general partnership) for any crop year under part III of subtitle A of title I of the Food and Energy Security Act of 2007 for peanuts may not exceed $60,000.”.

“(d) LIMITATION ON APPLICABILITY.—Nothing in this section authorizes any limitation on any benefit associated with the marketing assistance loan program or the loan deficiency payment program under title I of the Food and Energy Security Act of 2007.”.

(3) DIRECT ATTRIBUTION.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking subsection (e) and redesignating subsections (f) and (g) as (g) and (h), respectively, and inserting the following:

“(e) ATTRIBUTION OF PAYMENTS.—

“(1) IN GENERAL.—In implementing subsections (b) and (c) and a program described in section 1001D(b)(2)(C), the Secretary shall issue such regulations as are necessary to ensure that the total amount of payments are attributed to a person by taking into account the direct and indirect ownership interests of the person in a legal entity that is eligible to receive the payments.

“(2) PAYMENTS TO A PERSON.—Each payment made directly to a person shall be combined with the
pro rata interest of the person in payments received
by a legal entity in which the person has a direct or
indirect ownership interest unless the payments of
the legal entity have been reduced by the pro rata
share of the person.

“(3) PAYMENTS TO A LEGAL ENTITY.—

“(A) IN GENERAL.—Each payment made
to a legal entity shall be attributed to those per-
sons who have a direct or indirect ownership in-
terest in the legal entity unless the payment to
the legal entity has been reduced by the pro
rata share of the person.

“(B) ATTRIBUTION OF PAYMENTS.—

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

“(ii) EXCEPTION FOR JOINT VEN-
TURES AND GENERAL PARTNERSHIPS.—
Payments made to a joint venture or a
general partnership shall not exceed, for
each payment specified in subsections (b)
and (c), the amount determined by multi-
plying the maximum payment amount
specified in subsections (b) and (c) by the
number of persons and legal entities (other than joint ventures and general partnerships) that comprise the ownership of the joint venture or general partnership.

“(iii) REDUCTION.—Payments made to a legal entity shall be reduced proportionately by an amount that represents the direct or indirect ownership in the legal entity by any individual or legal entity that has otherwise exceeded the applicable maximum payment limitation.

“(4) 4 LEVELS OF ATTRIBUTION FOR EMBEDDED LEGAL ENTITIES.—

“(A) IN GENERAL.—Attribution of payments made to legal entities shall be traced through 4 levels of ownership in legal entities.

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

“(C) SECOND LEVEL.—

“(i) IN GENERAL.—Any payments made to a first-tier legal entity that is
owned (in whole or in part) by another legal entity (a second-tier legal entity) shall be attributed to the second-tier legal entity in proportion to the ownership of the second-tier legal entity in the first-tier legal entity.

“(ii) Ownership by a Person.—If the second-tier legal entity is owned (in whole or in part) by a person, the amount of the payment made to the first-tier legal entity shall be attributed to the person in the amount that represents the indirect ownership in the first-tier legal entity by the person.

“(D) Third and Fourth Levels.—

“(i) In general.—Except as provided in clause (ii), the Secretary shall attribute payments at the third and fourth tiers of ownership in the same manner as specified in subparagraph (C).

“(ii) Fourth-tier Ownership.—If the fourth-tier of ownership is that of a fourth-tier legal entity and not that of a person, the Secretary shall reduce the amount of the payment to be made to the
first-tier legal entity in the amount that represents the indirect ownership in the first-tier legal entity by the fourth-tier legal entity.

“(f) SPECIAL RULES.—

“(1) MINOR CHILDREN.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), payments received by a child under the age of 18 shall be attributed to the parents of the child.

“(B) REGULATIONS.—The Secretary shall issue regulations specifying the conditions under which payments received by a child under the age of 18 will not be attributed to the parents of the child.

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

“(3) TRUSTS AND ESTATES.—

“(A) IN GENERAL.—With respect to irrevocable trusts and estates, the Secretary shall
administer this section through section 1001F
in such manner as the Secretary determines will
ensure the fair and equitable treatment of the
beneficiaries of the trusts and estates.

“(B) IRREVOCABLE TRUST.—

“(i) IN GENERAL.—In order for a
trust to be considered an irrevocable trust,
the terms of the trust agreement shall
not—

“(I) allow for modification or ter-
mination of the trust by the grantor;

“(II) allow for the grantor to
have any future, contingent, or re-
mainder interest in the corpus of the
trust; or

“(III) except as provided in
clause (ii), provide for the transfer of
the corpus of the trust to the remain-
der beneficiary in less than 20 years
beginning on the date the trust is es-

tablished.

“(ii) EXCEPTION.—Clause (i)(III)
shall not apply in a case in which the
transfer is—
“(I) contingent on the remainder beneficiary achieving at least the age of majority; or

“(II) is contingent on the death of the grantor or income beneficiary.

“(C) REVOCALE TRUST.—For the purposes of this section through section 1001F, a revocable trust shall be considered to be the same person as the grantor of the trust.

“(4) CASH RENT TENANTS.—

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

“(i) for cash; or

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

“(B) RESTRICTION.—A cash rent tenant who makes a significant contribution of active personal management, but not of personal labor, with respect to a farming operation shall be eligible to receive a payment described in subsection (b) or (c) only if the tenant makes a significant contribution of equipment to the farming operation.
“(5) FEDERAL AGENCIES.—

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

“(B) LAND RENTAL.—A lessee of land owned by a Federal agency may receive a payment described in subsection (b) or (c) if the lessee otherwise meets all applicable criteria.

“(6) STATE AND LOCAL GOVERNMENTS.—

“(A) IN GENERAL.—Except as provided in subsection (g), a State or local government, or political subdivision or agency of the government, shall not be eligible to receive a payment described in subsection (b) or (c).

“(B) TENANTS.—A lessee of land owned by a State or local government, or political subdivision or agency of the government, may receive payments described in subsections (b) and (c) if the lessee otherwise meet all applicable criteria.

“(7) CHANGES IN FARMING OPERATIONS.—

“(A) IN GENERAL.—In the administration of this section through section 1001F, the Secretary may not approve any change in a farming operation that otherwise will increase the
number of persons to which the limitations under this section are applied unless the Secretary determines that the change is bona fide and substantive.

“(B) FAMILY MEMBERS.—The addition of a family member to a farming operation under the criteria set out in section 1001A shall be considered a bona fide and substantive change in the farming operation.

“(8) DEATH OF OWNER.—

“(A) IN GENERAL.—If any ownership interest in land or a commodity is transferred as the result of the death of a program participant, the new owner of the land or commodity may, if the person is otherwise eligible to participate in the applicable program, succeed to the contract of the prior owner and receive payments subject to this section without regard to the amount of payments received by the new owner.

“(B) LIMITATIONS ON PRIOR OWNER.—Payments made under this paragraph shall not exceed the amount to which the previous owner was entitled to receive under the terms of the
contract at the time of the death of the prior owner.”.

(c) REPEAL OF 3-ENTITY RULE.—Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308-1) is amended—

(1) in the section heading, by striking “PRE-VENTION OF CREATION OF ENTITIES TO QUALIFY AS SEPARATE PERSONS” and inserting “NOTIFICATION OF INTERESTS”; and

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

“(a) NOTIFICATION OF INTERESTS.—To facilitate administration of section 1001 and this section, each person or legal entity receiving payments described in subsections (b) and (c) of section 1001 as a separate person or legal entity shall separately provide to the Secretary, at such times and in such manner as prescribed by the Secretary—

“(1) the name and social security number of each individual, or the name and taxpayer identification number of each legal entity, that holds or acquires an ownership interest in the separate person or legal entity; and

“(2) the name and social security number of each individual, or the name and taxpayer identification number of each legal entity, that holds or acquires an ownership interest in the separate person or legal entity; and
“(2) the name and taxpayer identification number of each legal entity in which the person or legal entity holds an ownership interest.”.

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

“(b) ACTIVELY ENGAGED.—

“(1) IN GENERAL.—To be eligible to receive a payment described in subsection (b) or (c) of section 1001, a person or legal entity shall be actively engaged in farming with respect to a farming operation as provided in this subsection or subsection (e).

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

“(A) a person (including a person participating in a farming operation as a partner in a general partnership, a participant in a joint venture, a grantor of a revocable trust, or a participant in a similar entity, as determined by the Secretary) shall be considered to be actively engaged in farming with respect to a farming operation if—
“(i) the person makes a significant contribution (based on the total value of the farming operation) to the farming operation of—

“(I) capital, equipment, or land;

and

“(II) personal labor or active personal management;

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

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

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

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

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

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

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

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

“(c) Special Classes Actively Engaged.—

“(1) Landowner.—A person or legal entity that is a landowner contributing the owned land to a farming operation shall be considered to be actively engaged in farming with respect to the farming operation if—

“(A) the landowner receives rent or income for the use of the land based on the production on the land or the operating results of the operation; and

“(B) the person or legal entity meets the standards provided in clauses (ii) and (iii) of subsection (b)(2)(A).

“(2) Adult Family Member.—If a majority of the participants in a farming operation are family members, an adult family member shall be consid-
ered to be actively engaged in farming with respect
to the farming operation if the person—

“(A) makes a significant contribution,
based on the total value of the farming oper-
ation, of active personal management or per-
sonal labor; and

“(B) with respect to such contribution,
meets the standards provided in clauses (ii) and
(iii) of subsection (b)(2)(A).

“(3) SHARECROPPER.—A sharecropper who
makes a significant contribution of personal labor to
a farming operation shall be considered to be ac-
tively engaged in farming with respect to the farm-
ing operation if the contribution meets the standards
provided in clauses (ii) and (iii) of subsection
(b)(2)(A).

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

“(5) CUSTOM FARMING SERVICES.—

“(A) IN GENERAL.—A person or legal enti-
ty receiving custom farming services shall be
considered separately eligible for payment limitation purposes if the person or legal entity is actively engaged in farming based on subsection (b)(2) or paragraphs (1) through (4) of this subsection.

“(B) Prohibition.—No other rules with respect to custom farming shall apply.

“(6) Spouse.—If 1 spouse (or estate of a deceased spouse) is determined to be actively engaged, the other spouse shall be determined to have met the requirements of subsection (b)(2)(A)(i)(II).

“(d) Classes Not Actively Engaged.—

“(1) Cash Rent Landlord.—A landlord contributing land to a farming operation shall not be considered to be actively engaged in farming with respect to the farming operation if the landlord receives cash rent, or a crop share guaranteed as to the amount of the commodity to be paid in rent, for the use of the land.

“(2) Other Persons and Legal Entities.—

Any other person or legal entity that the Secretary determines does not meet the standards described in subsections (b)(2) and (c) shall not be considered to be actively engaged in farming with respect to a farming operation.”.
(e) Denial of Program Benefits.—Section 1001B of the Food Security Act of 1985 (7 U.S.C. 1308–2) is amended to read as follows:

"Sec. 1001B. Denial of Program Benefits.

"(a) 2-Year Denial of Program Benefits.—A person or legal entity shall be ineligible to receive payments specified in subsections (b) and (c) of section 1001 for the crop year, and the succeeding crop year, in which the Secretary determines that the person or legal entity—

"(1) failed to comply with section 1001A(b) and adopted or participated in adopting a scheme or device to evade the application of section 1001, 1001A, or 1001C; or

"(2) intentionally concealed the interest of the person or legal entity in any farm or legal entity engaged in farming.

"(b) Extended Ineligibility.—If the Secretary determines that a person or legal entity, for the benefit of the person or legal entity or the benefit of any other person or legal entity, has knowingly engaged in, or aided in the creation of a fraudulent document, presented false information that was material and relevant to the administration of sections 1001 through 1001F, or committed other equally serious actions (as identified in regulations issued by the Secretary), the Secretary may for a period
1. not to exceed 5 crop years deny the issuance of payments
to the person or legal entity.

“(c) PRO RATA DENIAL.—

“(1) IN GENERAL.—Payments otherwise owed
to a person or legal entity described in subsections
(a) or (b) shall be denied in a pro rata manner
based on the ownership interest of the person or
legal entity in a farm.

“(2) CASH RENT TENANT.—Payments other-

wise payable to the person or legal entity described
in subsection (a) or (b) who is a cash rent tenant
on a farm owned or under the control of the person
or legal entity shall be denied.

“(d) JOINT AND SEVERAL LIABILITY.—Any member
of any legal entity (including partnerships and joint ven-
tures) determined to have knowingly participated in a
scheme or device to evade, or that has the purpose of evad-
ing, sections 1001, 1001A, or 1001C shall be jointly and
severally liable for any amounts that are payable to the
Secretary as the result of the scheme or device (including
amounts necessary to recover those amounts).

“(e) RELEASE.—The Secretary may partially or fully
release from liability any person or legal entity who co-
operates with the Secretary in enforcing sections 1001,
1001A, and 1001C, and this section.”.
(f) CONFORMING AMENDMENTS.—

(1) Section 1009(e) of the Food Security Act of 1985 (7 U.S.C. 1308a(e)) is amended in the second sentence by striking “of $50,000”.

(2) Section 609(b)(1) of the Emergency Livestock Feed Assistance Act of 1988 (7 U.S.C. 1471g(b)(1)) is amended by inserting “(before the amendment made by section 1703(a) of the Food and Energy Security Act of 2007)” after “1985”.

(3) Section 524(b)(3) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(3)) is amended by inserting “(before the amendment made by section 1703(a) of the Food and Energy Security Act of 2007)” after “1308(5))”.

(4) Section 196(i) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(i)) is amended in paragraphs (1)(A) and (5) by inserting “(before the amendment made by section 1703(a) of the Food and Energy Security Act of 2007)” after “1308)” each place it appears.

(5) Section 10204(c)(1) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8204(c)(1)) is amended by inserting “(before the amendment made by section 1703(a) of the Food and Energy Security Act of 2007)” after “1308)”.

(7) Section 291(2) of the Trade Act of 1974 (19 U.S.C. 2401(2)) is amended by inserting “(before the amendment made by section 1703(a) of the Food and Energy Security Act of 2007)” before the period at the end.

(g) TRANSITION.—Section 1001, 1001A, and 1001B of the Food Security Act of 1985 (7 U.S.C. 1308, 1308–1, 1308–2), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to the 2007 crop of any covered commodity or peanuts.

SEC. 1704. ADJUSTED GROSS INCOME LIMITATION.

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

(1) in subsection (b)(2), by striking “Farm Security and Rural Investment Act of 2002” each place it appears and inserting “Food and Energy Security Act of 2007”; and
(2) in subsection (e), by striking “2007” and inserting “2012”.

(b) ALLOCATION OF INCOME.—Section 1001D(a) of the Food Security Act of 1985 (7 U.S.C. 1308-3a(a)) is amended by adding at the end the following:

“(3) ALLOCATION OF INCOME.—On the request of any individual filing a joint tax return, the Secretary shall provide for the allocation of adjusted gross income among the individuals filing the return based on a certified statement provided by a certified public accountant or attorney specifying the manner in which the income would have been declared and reported if the individuals had filed 2 separate returns, if the Secretary determines that the calculation is consistent with the information supporting the filed joint return.”.

(c) MODIFICATION OF LIMITATION.—Section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308-3a) is amended by striking subsection (b) and inserting the following:

“(b) LIMITATION.—

“(1) CROP YEARS.—

“(A) 2009 CROP YEAR.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit
described in paragraph (2) during the 2009 crop year if the average adjusted gross income of the individual or entity exceeds $1,000,000, unless not less than 66.66 percent of the average adjusted gross income of the individual or entity is derived from farming, ranching, or forestry operations, as determined by the Secretary.

“(B) 2010 AND SUBSEQUENT CROP YEARS.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2) during any of the 2010 and subsequent crop years if the average adjusted gross income of the individual or entity exceeds $750,000, unless not less than 66.66 percent of the average adjusted gross income of the individual or entity is derived from farming, ranching, or forestry operations, as determined by the Secretary.

“(2) COVERED BENEFITS.—Paragraph (1) applies with respect to the following:

“(A) A direct payment or counter-cyclical payment under part I or III of subtitle A of

“(B) A marketing loan gain or loan deficiency payment under part II or III of subtitle A of title I of the Food and Energy Security Act of 2007.

“(C) A payment under any program under—

“(i) title XII of this Act;

“(ii) title II of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171; 116 Stat. 223); or


“(3) Income derived from farming, ranching or forestry operations.—In determining what portion of the average adjusted gross income of an individual or entity is derived from farming, ranching, or forestry operations, the Secretary shall include income derived from—

“(A) the production of crops, livestock, or unfinished raw forestry products;

“(B) the sale, including the sale of easements and development rights, of farm, ranch, or forestry land or water or hunting rights;
“(C) the sale of equipment to conduct farm, ranch, or forestry operations;

“(D) the rental or lease of land used for farming, ranching, or forestry operations, including water or hunting rights;

“(E) the provision of production inputs and services to farmers, ranchers, and foresters;

“(F) the processing (including packing), storing (including shedding), and transporting of farm, ranch, and forestry commodities;

“(G) the sale of land that has been used for agriculture; and

“(H) payments or other income attributable to benefits received under any program authorized under title I or II of the Food and Energy Security Act of 2007.”.

(d) TRANSITION.—Section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–3a), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to the 2007 and 2008 crops of any covered commodity or peanuts.

SEC. 1705. AVAILABILITY OF QUALITY INCENTIVE PAYMENTS FOR CERTAIN PRODUCERS.

(a) INCENTIVE PAYMENTS REQUIRED.—Subject to subsection (b), the Secretary shall use funds made avail-
able under subsection (f) to provide quality incentive pay-
ments for the production of oilseeds with specialized traits
that enhance human health, as determined by the Sec-
retary.

(b) COVERED OILSEEDS.—The Secretary shall make
payments under this section only for the production of an
oilseed variety that has, as determined by the Secretary—
(1) been demonstrated to improve the health
profile of the oilseed for use in human consumption
by—
(A) reducing or eliminating the need to
partially hydrogenate the oil derived from the
oilseed for use in human consumption; or
(B) adopting new technology traits; and
(2) 1 or more impediments to commercializa-
tion.

(c) REQUEST FOR PROPOSALS.—
(1) ISSUANCE.—If funds are made available to
carry out this section for a crop year, the Secretary
shall issue a request for proposals for payments
under this section.
(2) MULTIYEAR PROPOSALS.—An entity may
submit a multiyear proposal for payments under this
section.
(3) CONTENT OF PROPOSALS.—A proposal for payments under this section shall include a description of—

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

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

(C) a per bushel or hundredweight amount of incentive payments requested for each year under this section that does not exceed 1/3 of the total premium offered for any year;

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

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

(d) CONTRACTS FOR PRODUCTION.—

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

(2) TIMING OF PAYMENTS.—The Secretary
shall make payments to producers under this section
after the Secretary receives documentation that the
premium required under a contract has been made
to covered producers.

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

(f) PROPRIETARY INFORMATION.—The Secretary
shall protect proprietary information provided to the Sec-
retary for the purpose of administering this section.

(g) AUTHORIZATION OF APPROPRIATIONS.—There
are authorized to be appropriated to carry out this section
$400,000,000 for the period of fiscal years 2008 through
2012.

SEC. 1706. HARD WHITE WHEAT DEVELOPMENT PROGRAM.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE HARD WHITE WHEAT SEED.—The
term “eligible hard white wheat seed” means hard
white wheat seed that, as determined by the Sec-
retary, is—
(A) certified;

(B) of a variety that is suitable for the State in which the seed will be planted;

(C) rated at least superior with respect to quality; and

(D) specifically approved under a seed establishment program established by the State Department of Agriculture and the State Wheat Commission of the 1 or more States in which the seed will be planted.

(2) PROGRAM.—The term “program” means the hard white wheat development program established under subsection (b)(1).

(3) SECRETARY.—The term “Secretary” means the Secretary of Agriculture, in consultation with the State Departments of Agriculture and the State Wheat Commissions of the States in regions in which hard white wheat is produced, as determined by the Secretary.

(b) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary shall establish a hard white wheat development program in accordance with paragraph (2) to promote the establishment of hard white wheat as a viable market class of wheat in the United States by encouraging pro-
duction of at least 240,000,000 bushels of hard white wheat by 2012.

(2) Payments.—

(A) In General.—Subject to subparagraphs (B) and (C) and subsection (e), the Secretary shall make available incentive payments to producers of each of the 2008 through 2012 crops of hard white wheat.

(B) Acreage Limitation.—The Secretary shall carry out subparagraph (A) subject to a regional limitation determined by the Secretary on the number of acres for which payments may be received that takes into account planting history and potential planting, but does not exceed a total of 2,900,000 acres or the equivalent volume of production based on a yield of 50 bushels per acre.

(C) Payment Limitations.—Payments to producers on a farm described in subparagraph (A) shall be—

(i) in an amount that is not less than $0.20 per bushel; and

(ii) in an amount that is not less than $2.00 per acre for planting eligible hard white wheat seed.
(c) Funding.—The Secretary shall make available $35,000,000 of funds of the Commodity Credit Corporation during the period of crop years 2008 through 2012 to provide incentive payments to producers of hard white wheat under this section.

SEC. 1707. DURUM WHEAT QUALITY PROGRAM.

(a) In General.—Subject to the availability of funds under subsection (c), the Secretary shall provide compensation to producers of durum wheat in an amount not to exceed 50 percent of the actual cost of fungicides applied to a crop of durum wheat of the producers to control Fusarium head blight (wheat scab) on acres certified to have been planted to Durum wheat in a crop year.

(b) Insufficient Funds.—If the total amount of funds appropriated for a fiscal year under subsection (c) are insufficient to fulfill all eligible requests for compensation under this section, the Secretary shall prorate the compensation payments in a manner determined by the Secretary to be equitable.

(e) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2008 through 2012.

SEC. 1708. STORAGE FACILITY LOANS.

(a) In General.—As soon as practicable after the date of enactment of this Act, the Secretary shall establish
a storage facility loan program to provide funds for producers of grains, oilseeds, pulse crops, hay, renewable biomass, and other storable commodities (other than sugar), as determined by the Secretary, to construct or upgrade storage and handling facilities for the commodities.

(b) Eligible Producers.—A storage facility loan under this section shall be made available to any producer described in subsection (a) that, as determined by the Secretary—

(1) has a satisfactory credit history;

(2) has a need for increased storage capacity;

and

(3) demonstrates an ability to repay the loan.

(c) Term of Loans.—A storage facility loan under this section shall have a maximum term of 12 years.

(d) Loan Amount.—The maximum principal amount of a storage facility loan under this section shall be $500,000.

(e) Loan Disbursements.—The Secretary shall provide for partial disbursements of loan principal, as determined to be appropriate and subject to acceptable documentation, to facilitate the purchase and construction of eligible facilities.

(f) Loan Security.—Approval of a storage facility loan under this section shall—
(1) for loan amounts of less than $150,000, not require a lien on the real estate parcel on which the storage facility is locate;

(2) for loan amounts equal to or more than $150,000, not require a severance agreement from the holder of any prior lien on the real estate parcel on which the storage facility is located, if the borrower—

(A) agrees to increase the down payment on the storage facility loan by an amount determined appropriate by the Secretary; or

(B) provides other security acceptable to the Secretary; and

(3) allow a borrower, upon the approval of the Secretary, to define a subparcel of real estate as security for the storage facility loan if the subparcel is—

(A) of adequate size and value to adequately secure the loan; and

(B) not subject to any other liens or mortgages that are superior to the lien interest of the Commodity Credit Corporation.
SEC. 1709. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.


SEC. 1710. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.

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

SEC. 1711. ASSIGNMENT OF PAYMENTS.

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

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

SEC. 1712. COTTON CLASSIFICATION SERVICES.

Section 3a of the Act of March 3, 1927 (7 U.S.C. 473a), is amended to read as follows:

“SEC. 3a. COTTON CLASSIFICATION SERVICES.

“(a) In General.—The Secretary of Agriculture (referred to in this section as the ‘Secretary’) shall—

“(1) make cotton classification services available to producers of cotton; and

“(2) provide for the collection of classification fees from participating producers or agents that vol-

untarily agree to collect and remit the fees on behalf of producers.

“(b) Use of Fees.—Classification fees collected under subsection (a)(2) and the proceeds from the sales of samples submitted under this section shall, to the max-

imum extent practicable, be used to pay the cost of the services provided under this section, including administra-

tive and supervisory costs.

“(c) Consultation.—

“(1) In General.—In establishing the amount of fees under this section, the Secretary shall consult with representatives of the United States cotton in-

industry.
“(2) EXEMPTION.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to consultations with representatives of the United States cotton industry under this section.

“(d) CREDITING OF FEES.—Any fees collected under this section and under section 3d, late payment penalties, the proceeds from the sales of samples, and interest earned from the investment of such funds shall—

“(1) be credited to the current appropriation account that incurs the cost of services provided under this section and section 3d; and

“(2) remain available without fiscal year limitation to pay the expenses of the Secretary in providing those services.

“(e) INVESTMENT OF FUNDS.—Funds described in subsection (d) may be invested—

“(1) by the Secretary in insured or fully collateralized, interest-bearing accounts; or

“(2) at the discretion of the Secretary, by the Secretary of the Treasury in United States Government debt instruments.

“(f) LEASE AGREEMENTS.—Notwithstanding any other provision of law, the Secretary may enter into long-term lease agreements that exceed 5 years or may take title to property (including through purchase agreements)
for the purpose of obtaining offices to be used for the class-
ification of cotton in accordance with this Act, if the Sec-
retary determines that action would best effectuate the
purposes of this Act.

“(g) Authorization of Appropriations.—To the
extent that financing is not available from fees and the
proceeds from the sales of samples, there are authorized
to be appropriated such sums as are necessary to carry
out this section.”.

SEC. 1713. DESIGNATION OF STATES FOR COTTON RE-
SEARCH AND PROMOTION.

Section 17(f) of the Cotton Research and Promotion
Act (7 U.S.C. 2116(f)) is amended—

(1) by striking “(f) The term” and inserting
the following:

“(f) COTTON-PRODUCING STATE.—

“(1) In general.—The term”;

(2) by striking “more, and the term” and all
that follows through the end of the subsection and
inserting the following: “more.

“(2) Inclusions.—The term ‘cotton-producing
State’ includes—

“(A) any combination of States described
in paragraph (1); and
“(B) effective beginning with the 2008 crop of cotton, the States of Kansas, Virginia, and Florida.”.

SEC. 1714. GOVERNMENT PUBLICATION OF COTTON PRICE FORECASTS.

Section 15 of the Agricultural Marketing Act (12 U.S.C. 1141j) is amended—

(1) by striking subsection (d); and

(2) by redesignating subsections (e) through (g) as subsections (d) through (f), respectively.

SEC. 1715. STATE, COUNTY, AND AREA COMMITTEES.

Section 8(b)(5)(B)(ii) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)(B)(ii)) is amended—

(1) by redesignating subclauses (I) and (II) as items (aa) and (bb), respectively, and indenting appropriately;

(2) in the matter preceding item (aa) (as redesignated by paragraph (1)), by striking “A committee established” and inserting the following:

“(I) IN GENERAL.—Except as provided in subclause (II), a committee established”; and

(3) by adding at the end the following:
“(II) Combination or Consolidation of Areas.—A committee established by combining or consolidating 2 or more county or area committees shall consist of not fewer than 3 nor more than 11 members that—

“(aa) are fairly representative of the agricultural producers within the area covered by the county, area, or local committee; and

“(bb) are elected by the agricultural producers that participate or cooperate in programs administered within the area under the jurisdiction of the county, area, or local committee.

“(III) Representation of Socially Disadvantaged Farmers and Ranchers.—The Secretary shall ensure, to the extent practicable, that representation of socially disadvantaged farmers and ranchers is maintained on combined or consolidated committees.
“(IV) ELIGIBILITY FOR MEMBERSHIP.—Notwithstanding any other producer eligibility requirements for service on county or area committees, if a county or area is consolidated or combined, a producer shall be eligible to serve only as a member of the county or area committee that the producer elects to administer the farm records of the producer.”.

SEC. 1716. PROHIBITION ON CHARGING CERTAIN FEES.

Public Law 108–470 (7 U.S.C. 7416a) is amended—

(1) in subsection (a), by striking “may” and inserting “shall”; and

(2) by adding at the end the following:

“(c) PROHIBITION ON CHARGING CERTAIN FEES.—The Secretary may not charge any fees or related costs for the collection of commodity assessments pursuant to this Act.”.

SEC. 1717. SIGNATURE AUTHORITY.

In carrying out this title and title II and amendments made by those titles, if the Secretary approves a document containing signatures of program applicants, the Secretary shall not subsequently determine the document is inadequate or invalid because of the lack of authority of
any applicant signing the document on behalf of the applicant or any other individual, entity, general partnership, or joint venture, or the documents relied upon were determined inadequate or invalid, unless the applicant knowingly and willfully falsified the evidence of signature authority or a signature.

SEC. 1718. MODERNIZATION OF FARM SERVICE AGENCY.

The Secretary shall modernize the Farm Service Agency information technology and communication systems to ensure timely and efficient program delivery at national, State, and County offices.

SEC. 1719. GEOSPATIAL SYSTEMS.

(a) In General.—The Secretary shall ensure that all agencies of the Department of Agriculture consolidate the geospatial systems of the agencies into a single enterprise system that ensures that geospatial data is shareable, portable, and standardized.

(b) Requirements.—In carrying out subsection (a), the Secretary shall—

(1) identify common datasets;

(2) give responsibility for managing each identified dataset to the agency best suited for collecting and maintaining that data, as determined by the Secretary; and
(3) make every effort to minimize the duplication of efforts.

(c) AVAILABILITY OF DATA.—The Secretary shall ensure, to the maximum extent practicable, that data is readily available to all agencies beginning not later than 2 years after the date of enactment of this Act.

SEC. 1720. LEASING OFFICE SPACE.

The Secretary may use the funds, facilities, and authorities of the Commodity Credit Corporation to lease space for use by agencies of the Department of Agriculture in cases in which office space would be jointly occupied by the agencies.

SEC. 1721. REPEALS.

(a) COMMISSION ON APPLICATION OF PAYMENT LIMITATIONS.—Section 1605 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7993) is repealed.

(b) RENEWED AVAILABILITY OF MARKET LOSS ASSISTANCE AND CERTAIN EMERGENCY ASSISTANCE TO PERSONS THAT FAILED TO RECEIVE ASSISTANCE UNDER EARLIER AUTHORITIES.—Section 1617 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8000) is repealed.
Subtitle F—Specialty Crop Programs

SEC. 1801. DEFINITIONS.

In this subtitle:

(1) SPECIALTY CROP.—The term “specialty crop” means fruits, vegetables, tree nuts, dried fruits, nursery crops, floriculture, and horticulture, including turfgrass sod.

(2) STATE.—The term “State” means each of the several States of the United States.

(3) STATE DEPARTMENT OF AGRICULTURE.—The term “State department of agriculture” means the agency, commission, or department of a State government responsible for protecting and promoting agriculture in the State.

PART I—MARKETING, INFORMATION, AND EDUCATION

SEC. 1811. FRUIT AND VEGETABLE MARKET NEWS ALLOCATION.

(a) IN GENERAL.—The Secretary, acting through the Administrator of the Agricultural Marketing Service, shall carry out market news activities to provide timely price information of United States fruits and vegetables in the United States.
(b) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $9,000,000 for each of fiscal years 2008 through 2012, to remain available until expended.

SEC. 1812. Farmers’ Market Promotion Program.

Section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005) is amended—

(1) in subsection (a), by inserting “and to promote direct producer-to-consumer marketing” before the period at the end;

(2) in subsection (b)(1)(B), by striking “infrastructure” and inserting “marketing opportunities”;

(3) in subsection (c)(1), by inserting “or a producer network or association” after “cooperative”;

and

(4) by striking subsection (e) and inserting the following:

“(e) Funding.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section—

“(1) $5,000,000 for each of fiscal years 2008 through 2011; and

“(2) $10,000,000 for fiscal year 2012.”.
SEC. 1813. FOOD SAFETY INITIATIVES.

(a) INITIATIVE AUTHORIZED.—The Secretary may carry out a food safety education program to educate the public and persons in the fresh produce industry about—

(1) scientifically proven practices for reducing microbial pathogens on fresh produce; and

(2) methods of reducing the threat of cross-contamination of fresh produce through unsanitary handling practices.

(b) COOPERATION.—The Secretary may carry out the education program in cooperation with public and private partners.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section $1,000,000.

SEC. 1814. CENSUS OF SPECIALTY CROPS.

(a) ESTABLISHMENT.—Not later than September 30, 2008, and each 5 years thereafter, the Secretary shall conduct a census of specialty crops to assist in the regularly development and dissemination of information relative to specialty crops.

(b) RELATION TO OTHER CENSUS.—The Secretary may include the census of specialty crops in the census on agriculture.
PART II—ORGANIC PRODUCTION

SEC. 1821. ORGANIC DATA COLLECTION AND PRICE REPORTING.

Section 2104 of the Organic Foods Production Act of 1990 (7 U.S.C. 6503) is amended by adding at the end the following:

“(e) DATA COLLECTION AND PRICE REPORTING.—

Of the funds of the Commodity Credit Corporation, the Secretary shall use $5,000,000 for the period of fiscal years 2008 through 2012—

“(1) to collect data relating to organic agriculture;

“(2) to identify and publish organic production and market data initiatives and surveys;

“(3) to expand, collect, and publish organic census data analyses;

“(4) to fund comprehensive reporting of prices relating to organically-produced agricultural products;

“(5) to conduct analysis relating to organic production, handling, distribution, retail, and trend studies;

“(6) to study and perform periodic updates on the effects of organic standards on consumer behavior; and
“(7) to conduct analyses for organic agriculture using the national crop table.”.

SEC. 1822. EXEMPTION OF CERTIFIED ORGANIC PRODUCTS FROM ASSESSMENTS.

Section 501(e) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401(e)) is amended by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—Notwithstanding any provision of a commodity promotion law, a person that produces and markets organic products shall be exempt from the payment of an assessment under a commodity promotion law with respect to that portion of agricultural commodities that the person—

“(A) produces on a certified organic farm (as defined in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502)); and

“(B) produces or markets as organically produced (as so defined).”.

SEC. 1823. NATIONAL ORGANIC CERTIFICATION COST SHARE PROGRAM.

Section 10606 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523) is amended to read as follows:
“SEC. 10606. NATIONAL ORGANIC CERTIFICATION COST-SHARE PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) PROGRAM.—The term ‘program’ means the national certification cost-share program established under subsection (b).

“(2) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture, acting through the Agricultural Marketing Service.

“(b) ESTABLISHMENT.—The Secretary shall use amounts made available under subsection (f) to establish a national organic certification cost-share program under which the Secretary shall make payments to States to assist producers and handlers of agricultural products in obtaining certification under the national organic production program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

“(c) FEDERAL SHARE.—

“(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall pay under this section not more than 75 percent of the costs incurred by a producer or handler in obtaining certification under the national organic production program, as certified to and approved by the Secretary.
“(2) Maximum Amount.—The maximum amount of a payment made to a producer or handler under this section shall be $750.

“(d) Recordkeeping Requirements.—

“(1) In general.—The Secretary shall—

“(A) keep accurate, up-to-date records of requests and disbursements from the program; and

“(B) require accurate and consistent recordkeeping from each State and entity that receives program payments.

“(2) Federal Requirements.—Not later than 30 days after the last day on which a State may request funding under the program, the Secretary shall—

“(A) determine the number of States requesting funding and the amount of each request; and

“(B) distribute the funding to the States.

“(3) State Requirements.—An annual funding request from a State shall include data from the program during the preceding year, including—

“(A) a description of—

“(i) the entities that requested reimbursement;
“(ii) the amount of each reimbursement request; and

“(iii) any discrepancies between the amount requested and the amount provided;

“(B) data to support increases in requests expected in the coming year, including information from certifiers or other data showing growth projections; and

“(C) an explanation of any case in which an annual request is lower than the request of the preceding year.

“(e) REPORTING.—Not later than March 1 of each year, the Secretary shall submit to Congress a report that describes the expenditures for each State under the program during the previous fiscal year, including the number of producers and handlers served by the program in the previous fiscal year.

“(f) FUNDING.—

“(1) IN GENERAL.—Not later than 30 days after the date of enactment of the Food and Energy Security Act of 2007, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agri-
culture to carry out this section $22,000,000, to remain available until expended.

“(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.”.

SEC. 1824. NATIONAL ORGANIC PROGRAM.

Section 2123 of the Organic Foods Production Act of 1990 (7 U.S.C. 6522) is amended—

(1) by striking “There are” and inserting the following:

“(a) IN GENERAL.—There are”; and

(2) by adding at the end the following:

“(b) NATIONAL ORGANIC PROGRAM.—Notwithstanding any other provision of law, in order to carry out the activities of the Agricultural Marketing Service under the national organic program established under this title, there are authorized to be appropriated—

“(1) $5,000,000 for fiscal year 2008;

“(2) $6,500,000 for fiscal year 2009;

“(3) $8,000,000 for fiscal year 2010;

“(4) $9,500,000 for fiscal year 2011; and

“(5) $11,000,000 for fiscal year 2012.”.
PART III—INTERNATIONAL TRADE

SEC. 1831. FOREIGN MARKET ACCESS STUDY AND STRATEGY PLAN.

(a) DEFINITION OF URUGUAY ROUND AGREEMENTS.—In this section, the term “Uruguay Round Agreements” includes any agreement described in section 101(d) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)).

(b) STUDY.—The Comptroller General of the United States shall study—

(1) the extent to which United States specialty crops have or have not benefitted from any reductions of foreign trade barriers, as provided for in the Uruguay Round Agreements; and

(2) the reasons why United States specialty crops have or have not benefitted from such trade-barrier reductions.

(c) STRATEGY PLAN.—The Secretary shall prepare a foreign market access strategy plan based on the study in subsection (b), to increase exports of specialty crops, including an assessment of the foreign trade barriers that are incompatible with the Uruguay Round Agreements and a strategy for removing those barriers.

(d) REPORT.—Not later than 18 months after the date of enactment of this Act—
(1) the Comptroller General shall submit to Congress a report that contains the results of the study; and

(2) the Secretary shall submit to Congress the strategy plan.

SEC. 1832. MARKET ACCESS PROGRAM.

Section 211(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)) is amended by adding at the end the following:

“(3) MINIMUM ALLOCATION FOR SALE AND EXPORT PROPOSAL.—

“(A) IN GENERAL.—In providing funds under paragraph (2), to the maximum extent practicable, the Secretary shall use not less than 50 percent of any of the funds made available in excess of $200,000,000 to carry out the market access program each fiscal year to provide assistance for proposals submitted by eligible trade organizations to promote the sale and export of specialty crops.

“(B) UNALLOCATED FUNDS.—If, by March 31 of any fiscal year, the Secretary determines that the total amount of funds made available to carry out the market access program are in excess of the amounts necessary to
promote the sale and export of specialty crops during the fiscal year, the Secretary may use the excess funds to provide assistance for any other proposals submitted by eligible trade organizations consistent with the priorities described in paragraph (2).”.

SEC. 1833. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.

Section 3205 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5680) is amended by striking subsection (d) and inserting the following:

“(d) PETITION.—A participant in the program may petition the Secretary for an extension of a project carried out under this section that exceeds, or will exceed, applicable time restrictions.

“(e) FUNDING.—

“(1) IN GENERAL.—The Secretary shall make available to carry out the program under this section—

“(A) $6,800,000 of funds of, or an equal value of commodities owned by, the Commodity Credit Corporation for each of fiscal years 2008 through 2011; and

“(B) $2,000,000 of funds of, or an equal value of commodities owned by, the Commodity Credit Corporation for each of fiscal years 2008 through 2011; and
Credit Corporation for fiscal year 2012 and each subsequent fiscal year.

“(2) Carryover of unobligated funds.—In a case in which the total amount of funds or commodities made available under paragraph (1) for a fiscal year is not obligated in that fiscal year, the Secretary shall make available in the subsequent fiscal year an amount equal to—

“(A) the amount made available for the fiscal year under paragraph (1); plus

“(B) the amount not obligated in the previous fiscal year.”

SEC. 1834. CONSULTATIONS ON SANITARY AND PHYTOSANITARY RESTRICTIONS FOR FRUITS AND VEGETABLES.

(a) Consultations on sanitary and phytosanitary restrictions for fruits and vegetables.—To the maximum extent practicable, the Secretary shall consult with interested persons, and conduct annual briefings, on sanitary and phytosanitary trade issues, including—

(1) the development of a strategic risk management framework; and

(2) as appropriate, implementation of peer review for risk analysis.

1. by striking “whether the products so identified” and inserting “whether—
2. “(aa) the products so identified”; and
3. (2) by adding at the end the following:
4. “(bb) any fruits or vegetables so identified are subject to or likely to be subject to unjustified sanitary or phytosanitary restrictions, including restrictions not based on scientific principles in contravention of the Uruguay Round Agreements, as determined by the United States Trade Representative Technical Advisory Committee for Trade in Fruits and Vegetables of the Department of Agriculture; and”.

(e) Effective Date.—The amendments made by subsection (b) apply with respect to the initiation of negotiations to enter into any trade agreement that is subject
to section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002 (19 U.S.C. 3803(b)) on or after the date of the enactment of this Act.

PART IV—SPECIALTY CROPS COMPETITIVENESS

SEC. 1841. SPECIALTY CROP BLOCK GRANTS.

(a) Extension of Program.—Section 101(a) of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108–465) is amended by striking “2009” and inserting “2012”.

(b) Availability of Funds.—Section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108–465) is amended by striking subsection (i) and inserting the following:

“(i) Funding.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make grants under this section, using—

“(1) $60,000,000 for fiscal year 2008;
“(2) $65,000,000 for fiscal year 2009;
“(3) $70,000,000 for fiscal year 2010;
“(4) $75,000,000 for fiscal year 2011; and
“(5) $0 for fiscal year 2012.”.

(c) Conforming Amendments.—Section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108–465) is amended—
(1) in subsection (a), by striking “Subject to the appropriation of funds to carry out this section” and inserting “Using the funds made available under subsection (i)”;

(2) in subsection (b), by striking “appropriated pursuant to the authorization of appropriations in” and inserting “made available under”;

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

“(c) MINIMUM GRANT AMOUNT.—Notwithstanding subsection (b), each State shall receive a grant under this section for each fiscal year in an amount that is at least 1⁄2 of 1 percent of the total amount of funding made available to carry out this section for the fiscal year.”;

(4) by redesignating subsection (i) as subsection (j); and

(5) by inserting after subsection (h) the following:

“(i) REALLOCATION.—The Secretary may reallocate to other States any amounts made available under this section that are not obligated or expended by a date determined by the Secretary.”.

(d) DEFINITION OF SPECIALTY CROP.—Section 3(1) of the Specialty Crops Competitiveness Act of 2004 (7
U.S.C. 1621 note; Public Law 108–465) is amended by inserting “horticulture and” before “nursery”.

(e) DEFINITION OF STATE.—Section 3(2) of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108–465) is amended by striking “and the Commonwealth of Puerto Rico” and inserting “the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands”.

SEC. 1842. GRANT PROGRAM TO IMPROVE MOVEMENT OF SPECIALTY CROPS.

Title II of the Specialty Crops Competitiveness Act of 2004 (Public Law 108–465; 118 Stat. 3884) is amended by adding at the end the following:

“SEC. 204. GRANT PROGRAM TO IMPROVE MOVEMENT OF SPECIALTY CROPS.

“(a) IN GENERAL.—The Secretary of Agriculture may make grants under this section to an eligible entity described in subsection (b)—

“(1) to improve the cost-effective movement of specialty crops to local, regional, national, and international markets; and

“(2) to address regional intermodal transportation deficiencies that adversely affect the move-
ment of specialty crops to markets inside or outside
the United States.

“(b) ELIGIBLE ENTITIES.—Grants may be made
under this section to—

“(1) a State or local government;
“(2) a grower cooperative;
“(3) a State or regional producer or shipper or-
ganization;
“(4) a combination of entities described in
paragraphs (1) through (3); or
“(5) other entities, as determined by the Sec-
retary.

“(c) MATCHING FUNDS.—As a condition of the re-
ceipt of a grant under this section, the recipient of a grant
under this section shall contribute an amount of non-Fed-
eral funds toward the project for which the grant is pro-
vided that is at least equal to the amount of grant funds
received by the recipient under this section.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There
are authorized to be appropriated such sums as are nec-
essary to carry out this section for each of fiscal years
2008 through 2012.”.
Title II of the Specialty Crops Competitiveness Act of 2004 (Public Law 108–465; 118 Stat. 3884) (as amended by section 1842) is amended by adding at the end the following:

"SEC. 205. HEALTHY FOOD ENTERPRISE DEVELOPMENT CENTER.

“(a) DEFINITIONS.—In this section:

“(1) CENTER.—The term ‘Center’ means the healthy food enterprise development center established under subsection (b).

“(2) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

“(A) a nonprofit organization;

“(B) a cooperative;

“(C) a business;

“(D) an agricultural producer;

“(E) an academic institution;

“(F) an individual; and

“(G) such other entities as the Secretary may designate.

“(3) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.

“(4) UNDERSERVED COMMUNITY.—The term ‘underserved community’ means a community (in-
including an urban or rural community and an Indian tribal community) that, as determined by the Secretary, has—

“(A) limited access to affordable, healthy foods, including fresh fruits and vegetables;

“(B) a high incidence of a diet-related disease (including obesity) as compared to the national average;

“(C) a high rate of hunger or food insecurity; or

“(D) severe or persistent poverty.

“(b) CENTER.—The Secretary, acting through the Agricultural Marketing Service, shall offer to enter into a contract with a nonprofit organization to establish and support a healthy food enterprise development center to increase access to healthy, affordable foods, such as fresh fruit and vegetables, particularly for school-aged children and individuals in low-income communities.

“(c) ACTIVITIES.—

“(1) PURPOSE.—The purpose of the Center is to increase access to healthy affordable foods, including locally produced agricultural products, to underserved communities.

“(2) TECHNICAL ASSISTANCE AND INFORMATION.—The Center shall collect, develop, and pro-
provide technical assistance and information to small and mid-sized agricultural producers, food wholesalers and retailers, schools, and other individuals and entities regarding best practices and the availability of assistance for aggregating, storing, processing, and marketing locally produced agricultural products and increasing the availability of the products in underserved communities.

“(d) Authority to Subgrant.—The Center may provide subgrants to eligible entities to carry out feasibility studies to establish businesses to carry out the purposes of this section.

“(e) Priority.—In providing technical assistance and grants under subsections (c)(2) and (d), the Center shall give priority to applications that have components that will—

“(1) benefit underserved communities; and

“(2) develop market opportunities for small and mid-sized farm and ranch operations.

“(f) Report.—For each fiscal year for which the nonprofit organization described in subsection (b) receives funds, the organization shall submit to the Secretary a report describing the activities carried out in the previous fiscal year, including—
“(1) a description of technical assistance provided;

“(2) the total number and a description of the subgrants provided under subsection (d);

“(3) a complete listing of cases in which the activities of the Center have resulted in increased access to healthy, affordable foods, such as fresh fruit and vegetables, particularly for school-aged children and individuals in low-income communities; and

“(4) a determination of whether the activities identified in paragraph (3) are sustained in the years following the initial provision of technical assistance and subgrants under this section.

“(g) COMPETITIVE AWARD PROCESS.—The Secretary shall use a competitive process to award funds to establish the Center.

“(h) FUNDING.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section—

“(1) $1,000,000 for fiscal year 2009; and

“(2) $2,000,000 for each of fiscal years 2010 through 2012.”.
PART V—MISCELLANEOUS

SEC. 1851. CLEAN PLANT NETWORK.

(a) In General.—The Secretary shall establish a program to be known as the “National Clean Plant Network” (referred to in this section as the “Program”).

(b) Requirements.—Under the Program, the Secretary shall establish a network of clean plant centers for diagnostic and pathogen elimination services to—

(1) produce clean propagative plant material; and

(2) maintain blocks of pathogen-tested plant material in sites located throughout the United States.

(c) Availability of Clean Plant Source Material.—Clean plant source material may be made available to—

(1) a State for a certified plant program of the State; and

(2) private nurseries and producers.

(d) Consultation and Collaboration.—In carrying out the Program, the Secretary shall—

(1) consult with State departments of agriculture and land grant universities; and

(2) to the extent practicable and with input from the appropriate State officials and industry...
representatives, use existing Federal or State facilities to serve as clean plant centers.

(e) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out the Program $4,000,000 for each of fiscal years 2008 through 2012.

SEC. 1852. MARKET LOSS ASSISTANCE FOR ASPARAGUS PRODUCERS.

(a) In General.—As soon as practicable after the date of enactment of this Act, the Secretary shall make payments to producers of the 2007 crop of asparagus for market loss resulting from imports during the 2004 through 2007 crop years.

(b) Payment Rate.—The payment rate for a payment under this section shall be based on the reduction in revenue received by asparagus producers associated with imports during the 2004 through 2007 crop years.

(c) Payment Quantity.—The payment quantity for asparagus for which the producers on a farm are eligible for payments under this section shall be equal to the average quantity of the 2003 crop of asparagus produced by producers on the farm.

(d) Funding.—

(1) In General.—Subject to paragraph (2), the Secretary shall make available $15,000,000 of
the funds of the Commodity Credit Corporation to carry out a program to provide market loss payments to producers of asparagus under this section.

(2) ALLOCATION.—Of the amount made available under paragraph (1), the Secretary shall use—

(A) $7,500,000 to make payments to producers of asparagus for the fresh market; and

(B) $7,500,000 to make payments to producers of asparagus for the processed or frozen market.

SEC. 1853. MUSHROOM PROMOTION, RESEARCH, AND CONSUMER INFORMATION.

(a) REGIONS AND MEMBERS.—Section 1925(b)(2) of the Mushroom Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C. 6104(b)(2)) is amended—

(1) in subparagraph (B), by striking “4 regions” and inserting “3 regions”; and

(2) in subparagraph (D), by striking “35,000,000 pounds” and inserting “50,000,000 pounds”; and

(3) by striking subparagraph (E), and inserting the following:

“(E) ADDITIONAL MEMBERS.—In addition to the members appointed pursuant to paragraph (1), and subject to the 9-member limita-
tion on members on the Council provided in that paragraph, the Secretary shall appoint additional members to the Council from a region that attains additional pounds of production of mushrooms as follows:

“(i) If the annual production of the region is greater than 110,000,000 pounds, but not more than 180,000,000 pounds, the region shall be represented by 1 additional member.

“(ii) If the annual production of the region is greater than 180,000,000 pounds, but not more than 260,000,000 pounds, the region shall be represented by 2 additional members.

“(iii) If the annual production of the region is greater than 260,000,000 pounds, the region shall be represented by 3 additional members.”.

(b) POWERS AND DUTIES OF COUNCIL.—Section 1925(c) of the Mushroom Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C. 6104(c)) is amended—

(1) by redesignating paragraphs (6), (7), and (8) as paragraphs (7), (8), and (9), respectively; and
(2) by inserting after paragraph (5) the follow-
ing:

“(6) to develop food safety programs, including
good agricultural practices and good handling prac-
tices or related activities for mushrooms;”.

SEC. 1854. NATIONAL HONEY BOARD.

Section 7(e) of the Honey Research, Promotion, and
Consumer Information Act (7 U.S.C. 4606(c)) is amended
by adding at the end the following:

“(12) REFERENDUM REQUIREMENT.—

“(A) IN GENERAL.—Notwithstanding any
other provision of law, subject to subparagraph
(B), the order providing for the establishment
and operation of the Honey Board in effect on
the date of enactment of this paragraph shall
continue in force, and the Secretary shall not
schedule or conduct any referendum on the con-
tinuation or termination of the order, until the
Secretary first conducts, at the earliest prac-
ticable date, concurrent referenda among all eli-
gible producers, importers, packers, and han-
dlers of honey for the purpose of ascertaining
whether eligible producers, importers, packers,
and handlers of honey approve of 1 or more or-
ders to establish successor marketing boards for
honey.

“(B) REQUIREMENTS.—In conducting con-
current referenda under subparagraph (A), the
Secretary shall ensure that—

“(i) a referendum of United States
honey producers for the establishment of a
marketing board solely for United States
honey producers is included in the process;

and

“(ii) the rights and interests of honey
producers, importers, packers, and han-
dlers of honey are protected in the transi-
tion to any new marketing board.”.

SEC. 1855. IDENTIFICATION OF HONEY.

Section 203(h) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622(h)) is amended—

(1) by designating the first through sixth sen-
tences as paragraphs (1), (2)(A), (2)(B), (3), (4),
and (5), respectively; and

(2) by adding at the end the following:

“(6) IDENTIFICATION OF HONEY.—The use of
a label or advertising material on, or in conjunction
with, packaged honey that bears any official certifi-
cate of quality, grade mark or statement, continuous
inspection mark or statement, sampling mark or statement, or any combination of the certificates, marks, or statements of the Department of Agriculture shall be considered a deceptive practice that is prohibited under this Act unless there appears legibly and permanently in close proximity to the certificate, mark, or statement, and in at least a comparable size, the 1 or more names of the 1 or more countries of origin of the lot or container of honey, preceded by ‘Product of’ or other words of similar meaning.”.

SEC. 1856. EXPEDITED MARKETING ORDER FOR HASS AVOCADOS FOR GRADES AND STANDARDS AND OTHER PURPOSES.

(a) IN GENERAL.—The Secretary shall initiate procedures under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to determine whether it would be appropriate to establish a Federal marketing order for Hass avocados relating to grades and standards and for other purposes under that Act.

(b) EXPEDITED PROCEDURES.—

(1) PROPOSAL FOR AN ORDER.—An organization of domestic avocado producers in existence on the date of enactment of this Act may request the
issuance of, and submit to the Secretary a proposal for, an order described in subsection (a).

(2) **Publication of Proposal.**—Not later than 60 days after the date on which the Secretary receives a proposed order under paragraph (1), the Secretary shall initiate procedures described in subsection (a) to determine whether the proposed order should proceed.

(e) **Effective Date.**—Any order issued under this section shall become effective not later than 15 months after the date on which the Secretary initiates procedures under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

**Subtitle G—Risk Management**

**SEC. 1901. Definition of Organic Crop.**

Section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)) is amended—

(1) by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively; and

(2) by inserting after paragraph (6) the following:

“(7) **Organic Crop.**—The term ‘organic crop’ means an agricultural commodity that is organically produced consistent with section 2103 of the Or-
ganic Foods Production Act of 1990 (7 U.S.C. 6502).”.

SEC. 1902. GENERAL POWERS.

(a) In General.—Section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506) is amended—

(1) in the first sentence of subsection (d), by striking “The Corporation” and inserting “Subject to section 508(j)(2)(A), the Corporation”; and

(2) by striking subsection (n).

(b) Conforming Amendments.—

(1) Section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506) is amended by redesignating subsections (o), (p), and (q) as subsections (m), (n), and (o), respectively.

(2) Section 521 of the Federal Crop Insurance Act (7 U.S.C. 1521) is amended by striking the last sentence.

SEC. 1903. REDUCTION IN LOSS RATIO.

(a) Projected Loss Ratio.—Subsection (o)(2) of section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506) (as redesignated by section 1902(b)(1)) is amended—

(1) in the paragraph heading, by striking “AS OF OCTOBER 1, 1998”;
(2) by striking “, on and after October 1, 1998,”; and

(3) by striking “1.075” and inserting “1.0”.

(b) PREMIUMS REQUIRED.—Section 508(d)(1) of the Federal Crop Insurance Act (7 U.S.C. 1508(d)(1)) is amended by striking “not greater than” and all that follows and inserting “not greater than—

“(A) 1.1 through September 30, 1998;

“(B) 1.075 for the period beginning October 1, 1998, and ending on the date of enactment of the Food and Energy Security Act of 2007; and

“(C) 1.0 on and after the date of enactment of that Act.”.

SEC. 1904. CONTROLLED BUSINESS INSURANCE.

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

“(9) COMMISSIONS.—

“(A) DEFINITION OF IMMEDIATE FAMILY.—In this paragraph, the term ‘immediate family’ means a person’s father, mother, stepfather, stepmother, brother, sister, stepbrother, stepsister, son, daughter, stepson, stepdaughter, grandparent, grandson, granddaughter, father-
in-law, mother-in-law, brother-in-law, sister-in-
law, son-in-law, daughter-in-law, the spouse of
the foregoing, and the person’s spouse.

“(B) PROHIBITION.—No person may re-
ceive a commission or share of a commission for
any policy or plan of insurance offered under
this Act in which the person has a substantial
beneficial interest or in which a member of the
person’s immediate family has a substantial
beneficial interest if, in a calendar year, the ag-
gregate of the commissions exceeds 30 percent
of the aggregate of all commissions received by
the person for any policy or plan of insurance
offered under this Act.

“(C) REPORTING.—On the completion of
the reinsurance year, any person that received
a commission or share of a commission for any
policy or plan of insurance offered under this
Act in the prior calendar year shall certify to
applicable approved insurance providers that
the person received the commissions in compli-
ance with this paragraph.

“(D) SANCTIONS.—The requirements and
sanctions prescribed in section 515(h) shall
apply to the prosecution of a violation of this paragraph.

“(E) APPLICABILITY.—

“(i) IN GENERAL.—Sanctions for violations under this paragraph shall only apply to the person directly responsible for the certification required under subparagraph (C) or the failure to comply with the requirements of this paragraph.

“(ii) PROHIBITION.—No sanctions shall apply with respect to the policy or plans of insurance upon which commissions are received, including the reinsurance for those policies or plans.”.

SEC. 1905. ADMINISTRATIVE FEE.

Section 508(b)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(5)) is amended—

(1) in subparagraph (A), by striking “$100” and inserting “$200”; and

(2) in subparagraph (B)—

(A) by striking “PAYMENT ON BEHALF OF PRODUCERS” and inserting “PAYMENT OF CATASTROPHIC RISK PROTECTION FEE ON BEHALF OF PRODUCERS”;

(B) in clause (i)—
(i) by striking “or other payment”;

and

(ii) by striking “with catastrophic risk protection or additional coverage” and inserting “through the payment of catastrophic risk protection administrative fees”;

(C) by striking clauses (ii) and (vi);

(D) by redesignating clauses (iii), (iv), and (v) as clauses (ii), (iii), and (iv), respectively;

(E) in clause (iii) (as so redesignated), by striking “A policy or plan of insurance” and inserting “Catastrophic risk protection coverage”;

and

(F) in clause (iv) (as so redesignated)—

(i) by striking “or other arrangement under this subparagraph”; and

(ii) by striking “additional”.

SEC. 1906. TIME FOR PAYMENT.

Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) in subsection (d), by adding at the end the following:

“(4) TIME FOR PAYMENT.—Effective beginning with the 2012 reinsurance year, a producer that ob-
tains a policy or plan of insurance under this title
shall submit the required premium not later than
September 30 of the year for which the plan or pol-
icy of insurance was obtained.”; and

(2) in subsection (k)(4), by adding at the end
the following:

“(D) TIME FOR REIMBURSEMENT.—Effective
beginning with the 2012 reinsurance year,
the Corporation shall reimburse approved insur-
ance providers and agents for the allowable ad-
ministrative and operating costs of the pro-
viders and agents as soon as practicable after
October 1 (but not later than October 31) of
the reinsurance year for which reimbursements
are earned.”.

SEC. 1907. SURCHARGE PROHIBITION.

Section 508(d) of the Federal Crop Insurance Act (7
U.S.C. 1508(d)) (as amended by section 1906(1)) is
amended by adding at the end the following:

“(5) SURCHARGE PROHIBITION.—

“(A) IN GENERAL.—Except as provided in
subparagraph (B), the Corporation may not re-
quire producers to pay a premium surcharge for
using scientifically-sound sustainable and or-
ganic farming practices and systems.
“(B) Exception.—

“(i) In general.—A surcharge may be required for individual organic crops on the basis of significant, consistent, and systemic increased risk factors (including loss history) demonstrated by published cropping system research (as applied to crop types and regions) and other relevant sources of information.

“(ii) Consultation.—The Corporation shall evaluate the reliability of information described in clause (i) in consultation with independent experts in the field.”.

SEC. 1908. PREMIUM REDUCTION PLAN.

Section 508(e) of Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended by striking paragraph (3) and inserting the following:

“(3) Discount study.—

“(A) In general.—The Secretary shall commission an entity independent of the crop insurance industry (with expertise that includes traditional crop insurance) to study the feasibility of permitting approved insurance providers to provide discounts to producers pur-
chasing crop insurance coverage without under-
mining the viability of the Federal crop insur-
ance program.

“(B) COMPONENTS.—The study should in-
clude—

“(i) an evaluation of the operation of
a premium reduction plan that examines—

“(I) the clarity, efficiency, and
effectiveness of the statutory language
and related regulations;

“(II) whether the regulations
frustrated the goal of offering pro-
ducers upfront, predictable, and reli-
able premium discount payments; and

“(III) whether the regulations
provided for reasonable, cost-effective
oversight by the Corporation of pre-
mium discounts offered by approved
insurance providers, including—

“(aa) whether the savings
were generated from verifiable
cost efficiencies adequate to off-
set the cost of discounts paid;
“(bb) whether appropriate control was exercised to prevent approved insurance providers from preferentially offering the discount to producers of certain agricultural commodities, in certain regions, or in specific size categories;

“(ii) examination of the impact on producers, the crop insurance industry, and profitability from offering discounted crop insurance to producers;

“(iii) examination of implications for industry concentration from offering discounted crop insurance to producers;

“(iv) an examination of the desirability and feasibility of allowing other forms of price competition in the Federal crop insurance program;

“(v) a review of the history of commissions paid by crop insurance providers; and

“(vi) recommendations on—

“(I) potential changes to this title that would address the defi-
ciencies in past efforts to provide discounted crop insurance to producers,

“(II) whether approved insurance providers should be allowed to draw on both administrative and operating reimbursement and underwriting gains to provide discounted crop insurance to producers; and

“(III) any other action that could increase competition in the crop insurance industry that will benefit producers but not undermine the viability of the Federal crop insurance program.

“(C) Request for proposals.—In developing the request for proposals for the study, the Secretary shall consult with parties in the crop insurance industry (including producers and approved insurance providers and agents, including providers and agents with experience selling discount crop insurance products).

“(D) Review of study.—The independent entity selected by Secretary under subparagraph (A) shall seek comments from inter-
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ested stakeholders before finalizing the report
of the entity.

“(E) REPORT.—Not later than 18 months
after the date of enactment of the Food and
Energy Security Act of 2007, the Secretary
shall submit to the Committee on Agriculture of
the House of Representatives and the Com-
mittee on Agriculture, Nutrition, and Forestry
of the Senate a report that describes the results
and recommendations of the study.”.

SEC. 1909. DENIAL OF CLAIMS.

Section 508(j)(2)(A) of the Federal Crop Insurance
Act (7 U.S.C. 1508(j)(2)(A)) is amended by inserting “on
behalf of the Corporation” after “approved provider”.

SEC. 1910. MEASUREMENT OF FARM-STORED COMMOD-
ITIES.

Section 508(j) of the Federal Crop Insurance Act (7
U.S.C. 1508(j)) is amended by adding at the end the fol-
lowing:

“(5) MEASUREMENT OF FARM-STORED COM-
MODITIES.—Beginning with the 2009 crop year, for
the purpose of determining the amount of any in-
sured production loss sustained by a producer and
the amount of any indemnity to be paid under a
plan of insurance—
“(A) a producer may elect, at the expense of the producer, to have the Farm Service Agency measure the quantity of the commodity; and

“(B) the results of the measurement shall be used as the evidence of the quantity of the commodity that was produced.”.

SEC. 1911. REIMBURSEMENT RATE.

Section 508(k)(4) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)) is amended—

(1) in subparagraph (A), by striking “Except as provided in subparagraph (B)” and inserting “Except as otherwise provided in this paragraph”; and

(2) by adding at the end the following:

“(D) REIMBURSEMENT RATE FOR AREA POLICIES AND PLANS OF INSURANCE.—Notwithstanding subparagraphs (A) through (D), for each of the 2009 and subsequent reinsurance years, the reimbursement rate for area policies and plans of insurance shall be 17 percent of the premium used to define loss ratio for that reinsurance year.”.
Section 508(k) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)) is amended by adding at the end the following:

“(8) Renegotiation of standard reinsurance agreement.—

“(A) In general.—Notwithstanding section 536 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 1506 note; Public Law 105-185) and section 148 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1506 note; Public Law 106-224), the Corporation may renegotiate the financial terms and conditions of each Standard Reinsurance Agreement—

“(i) following the reinsurance year ending June 30, 2012;

“(ii) once during each period of 5 reinsurance years thereafter; and

“(iii) subject to subparagraph (B), in any case in which the approved insurance providers, as a whole, experience unexpected adverse circumstances, as determined by the Secretary.
“(B) Notification Requirement.—If the Corporation renegotiates a Standard Reinsurance Agreement under subparagraph (A)(iii), the Corporation shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the renegotiation.

“(C) Consultation.—The approved insurance providers may confer with each other and collectively with the Corporation during any renegotiation under subparagraph (A).”.

SEC. 1913. CHANGE IN DUE DATE FOR CORPORATION PAYMENTS FOR UNDERWRITING GAINS.

Section 508(k) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)) (as amended by section 1912) is amended by adding at the end the following:

“(9) Due date for payment of underwriting gains.—Effective beginning with the 2011 reinsurance year, the Corporation shall make payments for underwriting gains under this title on—

“(A) for the 2011 reinsurance year, October 1, 2012; and

“(B) for each reinsurance year thereafter, October 1 of the following calendar year.”.
SEC. 1914. ACCESS TO DATA MINING INFORMATION.

(a) IN GENERAL.—Section 515(j)(2) of the Federal Crop Insurance Act (7 U.S.C. 1515(j)(2)) is amended—

(1) by striking “The Secretary” and inserting the following:

“(A) IN GENERAL.—The Secretary”; and

(2) by adding at the end the following:

“(B) ACCESS TO DATA MINING INFORMATION.—

“(i) IN GENERAL.—The Secretary shall establish a fee-for-access program under which approved insurance providers pay to the Secretary a user fee in exchange for access to the data mining system established under subparagraph (A) for the purpose of assisting in fraud and abuse detection.

“(ii) PROHIBITION.—

“(I) IN GENERAL.—Except as provided in subclause (II), the Corporation shall not impose a requirement on approved insurance providers to access the data mining system established under subparagraph (A).

“(II) ACCESS WITHOUT FEE.—If the Corporation requires approved in-
insurance providers to access the data mining system established under subparagraph (A), access will be provided without charge to the extent necessary to fulfill the requirements.

“(iii) ACCESS LIMITATION.—In establishing the program under clause (i), the Secretary shall ensure that an approved insurance provider has access only to information relating to the policies or plans of insurance for which the approved insurance provider provides insurance coverage, including any information relating to—

“(I) information of agents and adjusters relating to policies for which the approved insurance provider provides coverage;

“(II) the other policies or plans of an insured that are insured through another approved insurance providers; and

“(III) the policies or plans of an insured for prior crop insurance years.”.
(b) INSURANCE FUND.—Section 516 of the Federal Crop Insurance Act (7 U.S.C. 1516) is amended—

(1) in subsection (b), by adding at the end the following:

“(3) DATA MINING SYSTEM.—The Corporation shall use amounts deposited in the insurance fund established under subsection (c) from fees collected under section 515(j)(2)(B) to administer and carry out improvements to the data mining system under that section.”; and

(2) in subsection (c)(1)—

(A) by striking “and civil” and inserting “civil”; and

(B) by inserting “and fees collected under section 515(j)(2)(B)(i),” after “section 515(h),”.

SEC. 1915. PRODUCER ELIGIBILITY.

Section 520(2) of the Federal Crop Insurance Act (7 U.S.C. 1520(2)) is amended by inserting “or is a person who raises livestock owned by other persons (that is not covered by insurance under this title by another person)” after “sharecropper”.

SEC. 1916. CONTRACTS FOR ADDITIONAL CROP POLICIES.

Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522) is amended—
(1) by redesignating paragraph (10) as paragraph (14); and

(2) by inserting after paragraph (9) the following:

“(10) ENERGY CROP INSURANCE POLICY.—

“(A) DEFINITION OF DEDICATED ENERGY CROP.—In this subsection, the term ‘dedicated energy crop’ means an annual or perennial crop that—

“(i) is grown expressly for the purpose of producing a feedstock for renewable biofuel, renewable electricity, or bio-based products; and

“(ii) is not typically used for food, feed, or fiber.

“(B) AUTHORITY.—The Corporation shall offer to enter into 1 or more contracts with qualified entities to carry out research and development regarding a policy to insure dedicated energy crops.

“(C) RESEARCH AND DEVELOPMENT.—Research and development described in subparagraph (B) shall evaluate the effectiveness of risk management tools for the production of
dedicated energy crops, including policies and

plans of insurance that—

“(i) are based on market prices and

yields;

“(ii) to the extent that insufficient

data exist to develop a policy based on

market prices and yields, evaluate the poli-
cies and plans of insurance based on the

use of weather or rainfall indices to protect

the interests of crop producers; and

“(iii) provide protection for production

or revenue losses, or both.

“(11) AQUACULTURE INSURANCE POLICY.—

“(A) DEFINITION OF AQUACULTURE.—In

this subsection, the term ‘aquaculture’ has the

meaning given the term in section 321(d) of the

Consolidated Farm and Rural Development Act

(7 U.S.C. 1961(d)).

“(B) AUTHORITY.—The Corporation shall

offer to enter into 1 or more contracts with

qualified entities to carry out research and de-
development regarding a policy to insure aqua-
culture operations.

“(C) RESEARCH AND DEVELOPMENT.—Re-

search and development described in subpara-
graph (B) shall evaluate the effectiveness of
risk management tools for the production of
fish and other seafood in aquaculture oper-
ations, including policies and plans of insurance
that—

“(i) are based on market prices and
yields;

“(ii) to the extent that insufficient
data exist to develop a policy based on
market prices and yields, evaluate how best
to incorporate insuring of aquaculture op-
erations into existing policies covering ad-
justed gross revenue; and

“(iii) provide protection for production
or revenue losses, or both.

“(12) ORGANIC CROP PRODUCTION COVERAGE
IMPROVEMENTS.—

“(A) IN GENERAL.—Not later than 180
days after the date of enactment of this para-
graph, the Corporation shall offer to enter into
1 or more contracts with qualified entities for
the development of improvements in Federal
crop insurance policies covering organic crops.

“(B) PRICE ELECTION.—
“(i) IN GENERAL.—The contracts under subparagraph (A) shall include the development of procedures (including any associated changes in policy terms or materials required for implementation of the procedures) to offer producers of organic crops a price election that would reflect the actual retail or wholesale prices, as appropriate, received by producers for organic crops, as established using data collected and maintained by the Agricultural Marketing Service.

“(ii) DEADLINE.—The development of the procedures required under clause (i) shall be completed not later than the date necessary to allow the Corporation to offer the price election—

“(I) beginning in the 2009 reinsurance year for organic crops with adequate data available; and

“(II) subsequently for additional organic crops as data collection for those organic crops is sufficient, as determined by the Corporation.

“(13) SKIPROW CROPPING PRACTICES.—
“(A) IN GENERAL.—The Corporation shall offer to enter into a contract with a qualified entity to carry out research into needed modifications of policies to insure corn and sorghum produced in the Central Great Plains (as determined by the Agricultural Research Service) through use of skiprow cropping practices.

“(B) RESEARCH.—Research described in subparagraph (A) shall—

“(i) review existing research on skiprow cropping practices and actual production history of producers using skiprow cropping practices; and

“(ii) evaluate the effectiveness of risk management tools for producers using skiprow cropping practices, including—

“(I) the appropriateness of rules in existence as of the date of enactment of this paragraph relating to the determination of acreage planted in skiprow patterns; and

“(II) whether policies for crops produced through skiprow cropping practices reflect actual production capabilities.”.
SEC. 1917. RESEARCH AND DEVELOPMENT.

(a) Reimbursement Authorized.—Section 522(b) of the Federal Crop Insurance Act (7 U.S.C. 1522(b)) is amended by striking paragraph (1) and inserting the following:

“(1) Research and development reimbursement.—The Corporation shall provide a payment to reimburse an applicant for research and development costs directly related to a policy that—

“(A) is submitted to, and approved by, the Board pursuant to a FCIC reimbursement grant under paragraph (7); or

“(B) is—

“(i) submitted to the Board and approved by the Board under section 508(h) for reinsurance; and

“(ii) if applicable, offered for sale to producers.”.

(b) FCIC Reimbursement Grants.—Section 522(b) of the Federal Crop Insurance Act (7 U.S.C. 1522(b)) is amended by adding at the end the following:

“(7) FCIC Reimbursement Grants.—

“(A) Grants Authorized.—The Corporation shall provide FCIC reimbursement grants to persons (referred to in this paragraph as ‘submitters’) proposing to prepare for sub-
mission to the Board crop insurance policies and provisions under subparagraphs (A) and (B) of section 508(h)(1), that apply and are approved for the FCIC reimbursement grants under this paragraph.

“(B) SUBMISSION OF APPLICATION.—

“(i) IN GENERAL.—The Board shall receive and consider applications for FCIC reimbursement grants at least once each year.

“(ii) REQUIREMENTS.—An application to receive a FCIC reimbursement grant from the Corporation shall consist of such materials as the Board may require, including—

“(I) a concept paper that describes the proposal in sufficient detail for the Board to determine whether the proposal satisfies the requirements of subparagraph (C); and

“(II) a description of —

“(aa) the need for the product, including an assessment of marketability and expected demand among affected producers;
“(bb) support from producers, producer organizations, lenders, or other interested parties; and

“(cc) the impact the product would have on producers and on the crop insurance delivery system; and

“(III) a statement that no products are offered by the private sector that provide the same benefits and risk management services as the proposal;

“(IV) a summary of data sources available that demonstrate that the product can reasonably be developed and properly rated; and

“(V) an identification of the risks the proposed product will cover and an explanation of how the identified risks are insurable under this title.

“(C) APPROVAL CONDITIONS.—

“(i) IN GENERAL.—A majority vote of the Board shall be required to approve an
application for a FCIC reimbursement grant.

“(ii) **REQUIRED FINDINGS.**—The Board shall approve the application if the Board finds that—

“(I) the proposal contained in the application—

“(aa) provides coverage to a crop or region not traditionally served by the Federal crop insurance program;

“(bb) provides crop insurance coverage in a significantly improved form;

“(cc) addresses a recognized flaw or problem in the Federal crop insurance program or an existing product;

“(dd) introduces a significant new concept or innovation to the Federal crop insurance program; or

“(ee) provides coverage or benefits not available from the private sector;
“(II) the submitter demonstrates the necessary qualifications to complete the project successfully in a timely manner with high quality;

“(III) the proposal is in the interests of producers and can reasonably be expected to be actuarially appropriate and function as intended;

“(IV) the Board determines that the Corporation has sufficient available funding to award the FCIC reimbursement grant; and

“(V) the proposed budget and timetable are reasonable.

“(D) PARTICIPATION.—

“(i) IN GENERAL.—In reviewing proposals under this paragraph, the Board may use the services of persons that the Board determines appropriate to carry out expert review in accordance with section 508(h).

“(ii) CONFIDENTIALITY.—All proposals submitted under this paragraph shall be treated as confidential in accordance with section 508(h)(4).
“(E) ENTERING INTO AGREEMENT.—Upon approval of an application, the Board shall offer to enter into an agreement with the submitter for the development of a formal submission that meets the requirements for a complete submission established by the Board under section 508(h).

“(F) FEASIBILITY STUDIES.—

“(i) IN GENERAL.—In appropriate cases, the Corporation may structure the FCIC reimbursement grant to require, as an initial step within the overall process, the submitter to complete a feasibility study, and report the results of the study to the Corporation, prior to proceeding with further development.

“(ii) MONITORING.—The Corporation may require such other reports as the Corporation determines necessary to monitor the development efforts.

“(G) RATES.—Payment for work performed by the submitter under this paragraph shall be based on rates determined by the Corporation for products—
“(i) submitted under section 508(h); or

“(ii) contracted by the Corporation under subsection (c).

“(H) TERMINATION.—

“(i) IN GENERAL.—The Corporation or the submitter may terminate any FCIC reimbursement grant at any time for just cause.

“(ii) REIMBURSEMENT.—If the Corporation or the submitter terminates the FCIC reimbursement grant before final approval of the product covered by the grant, the submitter shall be entitled to—

“(I) reimbursement of all eligible costs incurred to that point; or

“(II) in the case of a fixed rate agreement, payment of an appropriate percentage, as determined by the Corporation.

“(iii) DENIAL.—If the submitter terminates development without just cause, the Corporation may deny reimbursement or recover any reimbursement already made.
“(I) CONSIDERATION OF PRODUCTS.—The Board shall consider any product developed under this paragraph and submitted to the Board under the rules the Board has established for products submitted under section 508(h).”.

(e) CONFORMING AMENDMENTS.—Section 523(b)(10) of the Federal Crop Insurance Act (7 U.S.C. 1523(b)(10)) is amended by striking “(other than research and development costs covered by section 522)”.

SEC. 1918. FUNDING FROM INSURANCE FUND.

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

(1) in paragraph (1), by striking “$10,000,000” and all that follows through the end of the paragraph and inserting “$7,500,000 for fiscal year 2008 and each subsequent fiscal year”;

(2) in paragraph (2)(A), by striking “$20,000,000 for” and all that follows through “year 2004” and inserting “$12,500,000 for fiscal year 2008”; and

(3) in paragraph (3), by striking “the Corporation may use” and all that follows through the end of the paragraph and inserting “the Corporation may use—
“(A) not more than $5,000,000 for each fiscal year to improve program integrity, including by—

“(i) increasing compliance-related training;

“(ii) improving analysis tools and technology regarding compliance;

“(iii) use of information technology, as determined by the Corporation;

“(iv) identifying and using innovative compliance strategies; and

“(B) any excess amounts to carry out other activities authorized under this section.”.

SEC. 1919. CAMELINA PILOT PROGRAM.

(a) IN GENERAL.—Section 523 of the Federal Crop Insurance Act (7 U.S.C. 1523) is amended by adding at the end the following:

“(f) CAMELINA PILOT PROGRAM.—

“(1) IN GENERAL.—Beginning with the 2008 crop year, the Corporation shall establish a pilot program under which producers or processors of camelina may propose for approval by the Board policies or plans of insurance for camelina, in accordance with section 508(h).
“(2) Determination by Board.—The Board shall approve a policy or plan of insurance proposed under paragraph (1) if, as determined by the Board, the policy or plan of insurance—

“(A) protects the interests of producers;

“(B) is actuarially sound; and

“(C) meets the requirements of this title.”.

(b) Noninsured Crop Assistance Program.—
Section 196(a)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(a)(2)) is amended by adding at the end the following:

“(D) Camelina.—

“(i) In general.—For each of crop years 2008 through 2011, the Secretary shall consider camelina to be an eligible crop for purposes of the noninsured crop disaster assistance program under this section.

“(ii) Limitation.—Producers that are eligible to purchase camelina crop insurance, including camelina crop insurance under a pilot program, shall not be eligible for assistance under this section.”.
Section 275 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6995) is amended—

(1) by striking “If an officer” and inserting the following:

“(a) IN GENERAL.—If an officer”;

(2) by striking “With respect to” and inserting the following:

“(b) FARM SERVICE AGENCY.—With respect to”;

(3) by striking “If a mediation”; and inserting the following:

“(c) MEDIATION.—If a mediation”; and

(4) in subsection (c) (as so designated)—

(A) by striking “participant shall be offered” and inserting “participant shall—

“(1) be offered”; and

(B) by striking the period at the end and inserting the following: “; and

“(2) to the maximum extent practicable, be allowed to use both informal agency review and mediation to resolve disputes under that title.”.
SEC. 1921. DROUGHT COVERAGE FOR AQUACULTURE

UNDER NONINSURED CROP ASSISTANCE

PROGRAM.

Section 196(c)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(c)(2)) is amended—

(1) by striking “On making” and inserting the following:

“(A) IN GENERAL.—On making”;

and

(2) by adding at the end the following:

“(B) AQUACULTURE PRODUCERS.—On making a determination described in subsection (a)(3) for aquaculture producers, the Secretary shall provide assistance under this section to aquaculture producers from all losses related to drought.”.

SEC. 1922. INCREASE IN SERVICE FEES FOR NONINSURED CROP ASSISTANCE PROGRAM.

Section 196(k)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(k)(1)) is amended—

(1) in subparagraph (A), by striking “$100” and inserting “$200”; and

(2) in subparagraph (B)—

(A) by striking “$300” and inserting “$600”; and
(B) by striking “$900” and inserting “$1,500”.

SEC. 1923. DETERMINATION OF CERTAIN SWEET POTATO PRODUCTION.

Section 9001(d) of the U.S. Troop Readiness, Veterans’ Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (Public Law 110–28; 121 Stat. 211) is amended—

(1) by redesignating paragraph (8) as paragraph (9); and

(2) by inserting after paragraph (7) the following:

“(8) SWEET POTATOES.—

“(A) DATA.—In the case of sweet potatoes, any data obtained under a pilot program carried out by the Risk Management Agency shall not be considered for the purpose of determining the quantity of production under the crop disaster assistance program established under this section.

“(B) EXTENSION OF DEADLINE.—If this paragraph is not implemented before the sign-up deadline for the crop disaster assistance program established under this section, the Secretary shall extend the deadline for producers of
sweet potatoes to permit sign-up for the program in accordance with this paragraph.”.

SEC. 1924. PERENNIAL CROP REPORT.

Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing details about activities and administrative options of the Federal Crop Insurance Corporation and Risk Management Agency that address issues relating to—

(1) declining yields on the actual production histories of producers; and

(2) declining and variable yields for perennial crops, including pecans.