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# Union Calendar No. 481

112TH CONGRESS
2D SESSION

# H. R. 6083

**[Report No. 112–669]**

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

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IN THE HOUSE OF REPRESENTATIVES

JULY 9, 2012

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

SEPTEMBER 13, 2012

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on July 9, 2012]

# A BILL

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

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

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

*(a) SHORT TITLE.—This Act may be cited as the "Federal Agriculture Reform and Risk Management Act of 2012".*

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

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

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

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

*Subtitle C—Sugar*

*Sec. 1301. Sugar program.*

*Subtitle D—Dairy*

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

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*Sec. 1412. Participation of dairy producers in margin protection program.*
*Sec. 1413. Production history of participating dairy producers.*
*Sec. 1414. Basic margin protection.*
*Sec. 1415. Supplemental margin protection.*
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*SUBPART B—DAIRY MARKET STABILIZATION PROGRAM*

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*Sec. 1432. Threshold for implementation and reduction in dairy producer payments.*
*Sec. 1433. Producer milk marketing information.*
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*Sec. 1435. Remitting monies to the Secretary and use of monies.*
*Sec. 1436. Suspension of reduced payment requirement.*
*Sec. 1437. Enforcement.*
*Sec. 1438. Audit requirements.*

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*SUBPART D—INITIATION AND DURATION*

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*Sec. 1462. Duration.*

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*Sec. 1482. Repeal of dairy export incentive program.*
*Sec. 1483. Extension of dairy forward pricing program.*
*Sec. 1484. Extension of dairy indemnity program.*
*Sec. 1485. Extension of dairy promotion and research program.*
*Sec. 1486. Repeal of Federal Milk Marketing Order Review Commission.*

*Part III—Effective Date*

*Sec. 1491. Effective date.*

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*Sec. 1501. Supplemental agricultural disaster assistance.*

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*Sec. 2002. Farmable wetland program.*
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*Sec. 2004. Duties of the Secretary.*
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*Sec. 2006. Contract requirements.*
*Sec. 2007. Conversion of land subject to contract to other conserving uses.*
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*Sec. 2101. Conservation stewardship program.*

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*Sec. 2207. Effective date.*

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*Sec. 2301. Agricultural conservation easement program.*

*Subtitle E—Regional Conservation Partnership Program*

*Sec. 2401. Regional conservation partnership program.*

*Subtitle F—Other Conservation Programs*

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*Sec. 10013. Consolidation of plant pest and disease management and disaster prevention programs.*
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*Sec. 10015. Report to Congress on regulation of biotechnology.*
*Sec. 10016. Pesticide Registration Improvement.*
*Sec. 10017. Modification, cancellation, or suspension on basis of a biological opinion.*
*Sec. 10018. Use and discharges of authorized pesticides.*
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*Sec. 10020. Effective date.*

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*Sec. 12309. Increased protection for agricultural interests in the Missouri River basin.*

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

2 *In this Act, the term "Secretary" means the Secretary*
3 *of Agriculture.*

4 # *TITLE I—COMMODITIES*

5 ## *Subtitle A—Repeals and Reforms*

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

7 *(a) REPEAL.—Sections 1103 and 1303 of the Food,*
8 *Conservation, and Energy Act of 2008 (7 U.S.C. 8713,*
9 *8753) are repealed.*

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

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

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

*(b) CONTINUED APPLICATION FOR 2012 CROP YEAR.—Sections 1104 and 1304 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8714, 8754), as in effect on the day before the date of enactment of this Act, shall continue to apply through the 2012 crop year with respect to all covered commodities (as defined in section 1001 of that Act (7 U.S.C. 8702)) and peanuts on a farm.*

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

*(a) REPEAL.—Section 1105 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8715) is repealed.*

*(b) CONTINUED APPLICATION FOR 2012 CROP YEAR.—Section 1105 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8715), as in effect on the day before the*

*date of enactment of this Act, shall continue to apply through the 2012 crop year with respect to all covered commodities (as defined in section 1001 of that Act (7 U.S.C. 8702)) and peanuts on a farm for which the irrevocable election under section 1105 of that Act was made before the date of enactment of this Act.*

***SEC. 1104. DEFINITIONS.***

*In this subtitle and subtitle B:*

*(1) ACTUAL COUNTY REVENUE.—The term "actual county revenue", with respect to a covered commodity for a crop year, means the amount determined by the Secretary under section 1107(c)(4) to determine whether revenue loss coverage payments are required to be provided for that crop year.*

*(2) BASE ACRES.—The term "base acres", with respect to a covered commodity and cotton on a farm, means the number of acres established under section 1101 and 1302 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7911, 7952) or section 1101 and 1302 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8711, 8752), as in effect on September 30, 2012, subject to any adjustment under section 1105 of this Act.*

*(3) COUNTY REVENUE LOSS COVERAGE TRIGGER.—The term "county revenue loss coverage trig-*

*ger", with respect to a covered commodity for a crop year, means the amount determined by the Secretary under section 1107(c)(5) to determine whether revenue loss coverage payments are required to be provided for that crop year.*

*(4) COVERED COMMODITY.—The term "covered commodity" means wheat, oats, and barley (including wheat, oats, and barley used for haying and grazing), corn, grain sorghum, long grain rice, medium grain rice, pulse crops, soybeans, other oilseeds, and peanuts.*

*(5) 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 1107(b)(2) to determine whether price loss coverage payments are required to be provided for that crop year.*

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

*(A) is produced from pure strain varieties of the 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 suit-*

*able and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and*

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

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

*(8) MEDIUM GRAIN RICE.—The term "medium grain rice" includes short grain rice.*

*(9) MIDSEASON PRICE.—The term "midseason price" means the applicable national average market price received by producers for the first 5 months of the applicable marketing year, as determined by the Secretary.*

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

*(11) PAYMENT ACRES.—*

*(A) IN GENERAL.—Except as provided in subparagraphs (B) through (D), the term "payment acres", with respect to the provision of price loss coverage payments and revenue loss coverage payments, means—*

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

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

*(B) MAXIMUM.—The total quantity of payment acres determined under subparagraph (A) shall not exceed the farm base acres.*

*(C) REDUCTION.—If the sum of all payment acres for a farm exceeds the limits established under subparagraph (B), the Secretary shall reduce the payment acres applicable to each crop proportionately.*

*(D) EXCLUSION.—The term "payment acres" does not include any crop subsequently planted during the same crop year on the same land for which the first crop is eligible for payments under this subtitle, unless the crop was*

*approved for double cropping in the county, as determined by the Secretary.*

*(12) PAYMENT YIELD.—The term "payment yield" means the yield established for counter-cyclical payments under section 1102 or 1302 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7912, 7952), section 1102 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8712), as in effect on September 30, 2012, or under section 1106 of this Act, for a farm for a covered commodity.*

*(13) PRICE LOSS COVERAGE.—The term "price loss coverage" means coverage provided under section 1107(b).*

*(14) PRODUCER.—*

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

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

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

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

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

*(16) REFERENCE PRICE.—The term "reference price", with respect to a covered commodity for a crop year, means the following:*

*(A) Wheat, $5.50 per bushel.*

*(B) Corn, $3.70 per bushel.*

*(C) Grain sorghum, $3.95 per bushel.*

*(D) Barley, $4.95 per bushel.*

*(E) Oats, $2.40 per bushel.*

*(F) Long grain rice, $14.00 per hundredweight.*

*(G) Medium grain rice, $14.00 per hundredweight.*

*(H) Soybeans, $8.40 per bushel.*

*(I) Other oilseeds, $20.15 per hundredweight.*

*(J) Peanuts $535.00 per ton.*

*(K) Dry peas, $11.00 per hundredweight.*

*(L) Lentils, $19.97 per hundredweight.*

*(M) Small chickpeas, $19.04 per hundredweight.*

*(N) Large chickpeas, $21.54 per hundredweight.*

*(17) REVENUE LOSS COVERAGE.—The term "revenue loss coverage" means coverage provided under section 1107(c).*

*(18) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.*

*(19) 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.*

*(20) TRANSITIONAL YIELD.—The term "transitional yield" has the meaning given the term in section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)).*

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

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

*States loan schedule premiums for Strict Middling (SM) 1 1/8-inch upland cotton and for Middling (M) 1 3/32-inch upland cotton exceeds the difference in the applicable premiums for comparable international qualities.*

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

*(a) ADJUSTMENT OF BASE ACRES.—*

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

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

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

*(C) The producer has eligible oilseed acreage as the result of the Secretary designating additional oilseeds, which shall be determined in the same manner as eligible oilseed acreage under section 1101(a)(1)(D) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8711(a)(1)(D)).*

*(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 price loss coverage or revenue loss coverage with respect to the acreage added to the farm under this subsection or a prorated payment under the conservation reserve contract, but not both.*

*(b) PREVENTION OF EXCESS BASE ACRES.—*

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

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

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

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

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

*(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 cotton 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.*

*(c) REDUCTION IN BASE ACRES.—*

*(1) REDUCTION AT OPTION OF OWNER.—*

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

*(B) EFFECT OF REDUCTION.—A reduction under subparagraph (A) shall be permanent and made in a manner prescribed by the Secretary.*

*(2) REQUIRED ACTION BY SECRETARY.—*

*(A) IN GENERAL.—The Secretary shall proportionately reduce base acres on a farm for covered commodities and cotton for land that has been subdivided and developed for multiple residential units or other nonfarming uses if the size of the tracts and the density of the subdivision is such that the land is unlikely to return to the previous agricultural use, unless the producers on the farm demonstrate that the land—*

*(i) remains devoted to commercial agricultural production; or*

*(ii) is likely to be returned to the previous agricultural use.*

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

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

*(a) ESTABLISHMENT AND PURPOSE.—For the purpose of making payments under this subtitle, the Secretary shall provide for the establishment of a yield for each farm for any designated oilseed for which a payment yield was not*

*established under section 1102 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8712) in accordance with this section.*

*(b) PAYMENT YIELDS FOR DESIGNATED OILSEEDS.—*

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

*(2) ADJUSTMENT FOR PAYMENT YIELD.—*

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

*(i) The average yield for the designated oilseed determined under paragraph (1).*

*(ii) The ratio resulting from dividing the national average yield for the designated oilseed for the 1981 through 1985 crops by the national average yield for the designated oilseed 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 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 COUNTY AVERAGE YIELD.—If the yield per planted acre for a crop of a designated oilseed 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, 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 oilseeds, 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, as determined to be fair and equitable by the Secretary.*

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

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

*(2) USE OF SIMILARLY SITUATED FARMS.—Notwithstanding any other provision of law, to establish an appropriate payment yield for a covered commodity on a farm as required by paragraph (1), the Secretary shall take into consideration the farm program payment yields applicable to that covered commodity for similarly situated farms.*

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

*(1) ELECTION TO UPDATE.—At the sole discretion of the owner of a farm, the owner of a farm shall have a 1-time opportunity to update the payment yields on a covered commodity-by-covered commodity basis that would otherwise be used in calculating any price loss coverage payment for covered commodities on the farm.*

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

*(3) METHOD OF UPDATING YIELDS.—If the owner of a farm elects to update yields under this subsection, the payment yield for a covered commodity on the farm, for the purpose of calculating price loss coverage payments only, shall be equal to*

*90 percent of the average of the yield per planted acre for the crop of the covered commodity on the farm for the 2008 through 2012 crop years, as determined by the Secretary, excluding any crop year in which the acreage planted to the crop of the covered commodity was zero.*

*(4) USE OF COUNTY AVERAGE YIELD.—If the yield per planted acre for a crop of the covered commodity for a farm for any of the 2008 through 2012 crop years was less than 75 percent of the average of the 2008 through 2012 county yield for that commodity, the Secretary shall assign a yield for that crop year equal to 75 percent of the average of the 2008 through 2012 county yield for the purposes of determining the average yield under paragraph (3).*

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

*(A) ESTABLISHMENT BY SECRETARY.—For purposes of this subsection, if no payment yield is otherwise established for a covered commodity on a farm, the Secretary shall establish an appropriate updated payment yield for the covered commodity on the farm under subparagraph (B).*

*(B) USE OF SIMILARLY SITUATED FARMS.—Notwithstanding any other provision of law, to establish an appropriate updated payment yield*

*for a covered commodity on a farm as required by subparagraph (A), the Secretary shall take into consideration the farm program payment yields applicable to that covered commodity for similarly situated farms, but before the yields for the similarly situated farms are updated as provided in this subsection.*

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

*(a) IN GENERAL.—*

*(1) PAYMENTS REQUIRED.—Except as provided in paragraph (2), if the Secretary determines that payments are required under subsection (b)(1) or (c)(2) for a covered commodity, the Secretary shall make payments for that covered commodity available under such subsection to producers on a farm pursuant to the terms and conditions of this section.*

*(2) PROHIBITION ON PAYMENTS; EXCEPTIONS.—Notwithstanding any other provision of this title, a producer on a farm may not receive price loss coverage payments or revenue loss coverage payments if the sum of the planted acres of covered commodities on the farm is 10 acres or less, as determined by the Secretary, unless the producer is—*

*(A) a socially disadvantaged farmer or rancher (as defined in section 355(e) of the Con-*

*solidated Farm and Rural Development Act (7 U.S.C. 2003(e))); or*

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

*(b) PRICE LOSS COVERAGE.—*

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

*(A) the effective price for the covered commodity for the crop year; is less than*

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

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

*(A) the midseason price; or*

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

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

*(A) the reference price for the covered commodity; and*

*(B) the effective price determined under paragraph (2) for the covered commodity.*

*(4) PAYMENT AMOUNT.—If price loss coverage payments are required to be provided under this subsection for any of the 2013 through 2017 crop years for a covered commodity, the amount of the price loss coverage payment to be paid to the producers on a farm for the crop year shall be equal to the product obtained by multiplying—*

*(A) the payment rate for the covered commodity under paragraph (3);*

*(B) the payment yield for the covered commodity; and*

*(C) the payment acres for the covered commodity.*

*(5) TIME FOR PAYMENTS.—If the Secretary determines under this subsection that price loss coverage payments are required to be provided for the covered commodity, the payments shall be made beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the covered commodity.*

*(6) SPECIAL RULE.—In determining the effective price for barley in paragraph (2), the Secretary shall use the all-barley price.*

*(c) REVENUE LOSS COVERAGE.—*

*(1) AVAILABLE AS AN ALTERNATIVE.—As an alternative to receiving price loss coverage payments under subsection (b) for a covered commodity, all of the owners of the farm may make a one-time, irrevocable election on a covered commodity-by-covered commodity basis to receive revenue loss coverage payments for each covered commodity in accordance with this subsection. If any of the owners of the farm make different elections on the same covered commodity on the farm, all of the owners of the farm shall be deemed to have not made the election available under this paragraph.*

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

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

*(B) the county revenue loss coverage trigger for the crop year for the covered commodity.*

*(3) TIME FOR PAYMENTS.—If the Secretary determines under this subsection that revenue loss cov-*

*erage payments are required to be provided for the covered commodity, payments 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) ACTUAL COUNTY REVENUE.—The amount of the actual county revenue for a crop year of a covered commodity shall be equal to the product obtained by multiplying—*

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

*(B) the higher of—*

*(i) the midseason price; or*

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

*(5) COUNTY REVENUE LOSS COVERAGE TRIGGER.—*

*(A) IN GENERAL.—The county revenue loss coverage trigger for a crop year for a covered commodity on a farm shall equal 85 percent of the benchmark county revenue.*

*(B) BENCHMARK COUNTY REVENUE.—*

*(i) IN GENERAL.—The benchmark county revenue shall be the product obtained by multiplying—*

*(I) subject to clause (ii), the average historical county yield as determined by the Secretary for the most recent 5 crop years, excluding each of the crop years with the highest and lowest yields; and*

*(II) subject to clause (iii), the average national marketing year average price for the most recent 5 crop years, excluding each of the crop years with the highest and lowest prices.*

*(ii) YIELD CONDITIONS.—If the historical county yield in clause (i)(I) for any of the 5 most recent crop years, as determined by the Secretary, is less than 70 percent of the transitional yield, as determined by the Secretary, the amounts used for any of those years in clause (i)(I) shall be 70 percent of the transitional yield.*

*(iii) REFERENCE PRICE.—If the national marketing year average price in clause (i)(II) for any of the 5 most recent*

*crop years is lower than the reference price for the covered commodity, the Secretary shall use the reference price for any of those years for the amounts in clause (i)(II).*

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

*(A) the difference between—*

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

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

*(B) 10 percent of the benchmark county revenue for the crop year for the covered commodity.*

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

*(A) the payment rate under paragraph (6); and*

*(B) the payment acres of the covered commodity on the farm.*

*(8) DUTIES OF THE SECRETARY.—In providing revenue loss coverage payments under this subsection, the Secretary—*

*(A) shall ensure that producers on a farm do not reconstitute the farm of the producers to void or change the election made under paragraph (1);*

*(B) to the maximum extent practicable, shall use all available information and analysis, including data mining, to check for anomalies in the provision of revenue loss coverage payments;*

*(C) to the maximum extent practicable, shall calculate a separate county revenue loss coverage trigger for irrigated and nonirrigated covered commodities and a separate actual county revenue for irrigated and nonirrigated covered commodities;*

*(D) shall assign a benchmark county yield for each planted acre for the crop year for the covered commodity on the basis of the yield history of representative farms in the State, region, or crop reporting district, as determined by the Secretary, if—*

*(i) the Secretary cannot establish the benchmark county yield for each planted*

*acre for a crop year for a covered commodity in the county in accordance with paragraph (5); or*

*(ii) the yield determined under paragraph (5) is an unrepresentative average yield for the county (as determined by the Secretary); and*

*(E) to the maximum extent practicable, shall ensure that in order to be eligible for a payment under this subsection, the producers on the farm suffered an actual loss on the covered commodity for the crop year for which payment is sought.*

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

*(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—*

*(1) REQUIREMENTS.—Before the producers on a farm may receive price loss coverage payments or revenue loss coverage 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.); and*

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

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

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

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

*(1) TERMINATION.—*

*(A) IN GENERAL.—Except as provided in paragraph (2), a transfer of (or change in) the interest of the producers on a farm for which price loss coverage payments or revenue loss coverage payments are provided shall result in the termination of the price loss coverage and revenue loss coverage, 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 price loss coverage payment or revenue loss coverage payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment in accordance with rules issued by the Secretary.*

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

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

*(e) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of price loss coverage payments and revenue loss coverage payments among the producers on a farm on a fair and equitable basis.*

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

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

## *Subtitle B—Marketing Loans*

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

*(a) DEFINITION OF LOAN COMMODITY.—In this subtitle, the term "loan commodity" means wheat, corn, grain sorghum, barley, oats, upland cotton, extra long staple cotton, long grain rice, medium grain rice, peanuts, soybeans, other oilseeds, graded wool, nongraded wool, mohair, honey, dry peas, lentils, small chickpeas, and large chickpeas.*

*(b) NONRECOURSE LOANS AVAILABLE.—*

*(1) IN GENERAL.—For each of the 2013 through 2017 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.*

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

*(d) COMPLIANCE WITH CONSERVATION AND WETLANDS REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (b), 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.*

*(e) SPECIAL RULES FOR PEANUTS.—*

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

*(2) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this section, and loan deficiency payments under section 1205, 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.*

*(3) STORAGE OF LOAN PEANUTS.—As a condition on the approval by the Secretary 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 the storage on a nondiscriminatory basis; and*

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

*(4) STORAGE, HANDLING, AND ASSOCIATED COSTS.—*

*(A) IN GENERAL.—To ensure proper storage of peanuts for which a loan is made under this section, the Secretary shall 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 sub-*

*paragraph (A) for all peanuts pledged as collateral for a loan that is redeemed under this section; and*

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

*(5) 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.*

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

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

*(a) IN GENERAL.—For purposes of each of the 2013 through 2017 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 base quality of upland cotton, for the 2013 and each subsequent crop year, the simple average of the adjusted prevailing world price for the 2 immediately preceding marketing years, as determined by the Secretary and announced October 1 preceding the next domestic plantings, but in no case less than $0.47 per pound or more than $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 for each of the following kinds of oilseeds:*

*(A) Sunflower seed.*

*(B) Rapeseed.*

*(C) Canola.*

*(D) Safflower.*

*(E) Flaxseed.*

*(F) Mustard seed.*

*(G) Crambe.*

*(H) Sesame seed.*

*(I) Other oilseeds designated by the Secretary.*

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

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

*(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, $1.15 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, $0.69 per pound.*

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

*(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)(11).*

***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, peanuts 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));*

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

*(A) is calculated based on average market prices for the loan commodity during the preceding 30-day period; and*

*(B) will minimize discrepancies in marketing loan benefits across State boundaries and across county boundaries; or*

*(3) a rate that the Secretary may develop using alternative methods for calculating a repayment rate for a loan commodity 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, as determined and adjusted by the Secretary in accordance with this section.*

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

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

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

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

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

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

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

*(A) shall be adjusted to United States quality and location, with the adjustment to include—*

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

*(ii) the average costs to market the commodity, including average transportation costs, as determined by the Secretary; and*

*(B) may be further adjusted, during the period beginning on the date of enactment of this*

*Act and ending on July 31, 2018, if the Secretary determines the adjustment is necessary—*

*(i) to minimize potential loan forfeitures;*

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

*(iii) to ensure that upland cotton produced in the United States can be marketed freely and competitively, both domestically and internationally; and*

*(iv) 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.*

*(3) GUIDELINES FOR ADDITIONAL ADJUSTMENTS.—In making adjustments under this subsection, 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 accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or*

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

*(g) PAYMENT OF COTTON STORAGE COSTS.—Effective for each of the 2013 through 2017 crop years, the Secretary shall make cotton storage payments available in the same manner, and at the same rates as the Secretary provided storage payments for the 2006 crop of cotton, except that the rates shall be reduced by 10 percent.*

*(h) REPAYMENT RATE FOR PEANUTS.—The Secretary shall permit producers on a farm to repay a marketing as-*

*sistance 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.*

*(i) AUTHORITY TO TEMPORARILY ADJUST REPAYMENT RATES.—*

*(1) ADJUSTMENT AUTHORITY.—In the event of a severe disruption to marketing, transportation, or related infrastructure, the Secretary may modify the repayment rate otherwise applicable under this section for marketing assistance loans under section 1201 for a loan commodity.*

*(2) DURATION.—Any adjustment made under paragraph (1) in the repayment rate for marketing assistance loans for a loan commodity shall be in effect on a short-term and temporary basis, as determined by the Secretary.*

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

*(a) AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.—*

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

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

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

*(B) LOAN DEFICIENCY PAYMENT.—Effective for the 2013 through 2017 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 equal to the product obtained by multiplying—*

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

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

*(c) PAYMENT RATE.—*

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

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

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

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

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

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

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

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

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

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

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

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

*(a) ELIGIBLE PRODUCERS.—*

*(1) IN GENERAL.—Effective for the 2013 through 2017 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 2013 through 2017 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)(I) the payment yield in effect for the calculation of price loss coverage under subtitle A with respect to that loan commodity on the farm; or*

*(II) in the case of a farm without a payment yield for that loan commodity, an appropriate yield established by the Secretary in a manner consistent with section 1106(c) of this Act.*

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

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

*(B) the payment quantity determined by multiplying—*

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

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

*(II) 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 1106(c) of this Act.*

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

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

*(2) AVAILABILITY.—*

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

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

*(d) PROHIBITION ON CROP INSURANCE INDEMNITY OR NONINSURED CROP ASSISTANCE.—A 2013 through 2017 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 August 1, 2013, and ending on July 31, 2018, 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 the consumption during a 1-week period of cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which official data of the Department of Agriculture are available or, in the absence of sufficient data, as estimated by the Secretary.*

*(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) 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 official data of the Department of Agriculture are available or, in the absence of sufficient data, as estimated by the Secretary; 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.*

*(B) 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.*

*(C) SUPPLY.—The term "supply" means, using the latest official data of the Department of Agriculture—*

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

*(ii) production of the current crop; and*

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

*(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 con-*

*sumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which official data of the Department of Agriculture are available or, in the absence of sufficient data, 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, make economic adjustment assistance available 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.—Effective beginning on August 1, 2012, the value of the assistance provided under paragraph (1) shall be 3 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, convert, or expand land, plant, buildings, equipment, facilities, or machinery.*

*(4) REVIEW OR AUDIT.—The Secretary may conduct such review or audit of the records of a domestic user under this subsection as 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 adjustment assistance under this subsection was not used for the purposes specified in paragraph (3), the domestic user shall be—*

*(A) liable for the repayment of 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 enactment of this Act through July 31, 2018, 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 Sec-*

*retary, 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 RECOURSE LOANS FOR HIGH MOISTURE FEED GRAINS AND SEED COTTON.***

*(a) HIGH MOISTURE FEED GRAINS.—*

*(1) DEFINITION OF HIGH MOISTURE STATE.—In this subsection, the term "high moisture state" means corn or grain sorghum having a moisture content in excess of Commodity Credit Corporation standards for marketing assistance loans made by the Secretary under section 1201.*

*(2) RECOURSE LOANS AVAILABLE.—For each of the 2013 through 2017 crops of corn and grain sorghum, the Secretary shall make available recourse loans, as determined by the Secretary, to producers on a farm that—*

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

*(B) present—*

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

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

*(C) certify that the producers on the farm 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 farm of the producer; by*

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

*(b) RECOURSE LOANS AVAILABLE FOR SEED COTTON.—For each of the 2013 through 2017 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 subsection (e), 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 subtitle C.*

*(c) 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) TYPES OF ADJUSTMENTS.—Loan rate adjustments under paragraph (1) may include—*

*(A) 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;*

*(B) 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 artifi-*

*cial splits in the calculations of the premiums or discounts; and*

*(C) 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.—In making adjustments to the loan rate for cotton (including any review of the adjustments) as provided in this subsection, the Secretary shall consult with representatives of the United States cotton industry.*

*(B) 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 quality adjustments implemented pursuant to this subsection and may make further adjustments to the administration of the loan program for upland cotton, by revoking or revising any adjustment taken under paragraph (2).*

*(e) 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).*

## *Subtitle C—Sugar*

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

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

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

*(2) SUGAR BEETS.—Section 156(b)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(b)(2)) is amended by striking "2012" and inserting "2017".*

*(3) EFFECTIVE PERIOD.—Section 156(i) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(i)) is amended by striking "2012" and inserting "2017".*

*(b) FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.—*

*(1) SUGAR ESTIMATES.—Section 359b(a)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb(a)(1)) is amended by striking "2012" and inserting "2017".*

*(2) EFFECTIVE PERIOD.—Section 359l(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ll(a)) is amended by striking "2012" and inserting "2017".*

# *Subtitle D—Dairy*

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

### *SEC. 1401. DEFINITIONS.*

*In this part:*

*(1) ACTUAL DAIRY PRODUCER MARGIN.—The term "actual dairy producer margin" means the difference between the all-milk price and the average feed cost, as calculated under section 1402.*

*(2) ALL-MILK PRICE.—The term "all-milk price" means the average price received, per hundredweight of milk, by dairy producers for all milk sold to plants and dealers in the United States, as determined by the Secretary.*

*(3) ANNUAL PRODUCTION HISTORY.—The term "annual production history" means the production history determined for a participating dairy producer under section 1413(b) whenever the dairy producer purchases supplemental margin protection.*

*(4) AVERAGE FEED COST.—The term "average feed cost" means the average cost of feed used by a*

*dairy operation to produce a hundredweight of milk, determined under section 1402 using the sum of the following:*

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

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

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

*(5) BASIC PRODUCTION HISTORY.—The term "basic production history" means the production history determined for a participating dairy producer under section 1413(a) for provision of basic margin protection.*

*(6) CONSECUTIVE TWO-MONTH PERIOD.—The term "consecutive two-month period" refers to the two-month period consisting of the months of January and February, March and April, May and June, July and August, September and October, or November and December, respectively.*

*(7) DAIRY PRODUCER.—*

*(A) IN GENERAL.—Subject to subparagraph (B), the term "dairy producer" means an individual or entity that directly or indirectly (as determined by the Secretary)—*

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

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

*(B) ADDITIONAL OWNERSHIP STRUCTURES.—The Secretary shall determine additional ownership structures to be covered by the definition of dairy producer.*

*(8) HANDLER.—*

*(A) IN GENERAL.—The term "handler" means the initial individual or entity making payment to a dairy producer for milk produced in the United States and marketed for commercial use.*

*(B) PRODUCER-HANDLER.—The term includes a "producer-handler" when the producer satisfies the definition in subparagraph (A).*

*(9) MARGIN PROTECTION PROGRAM.—The term "margin protection program" means the dairy producer margin protection program required by subpart A.*

*(10) PARTICIPATING DAIRY PRODUCER.—The term "participating dairy producer" means a dairy producer that—*

*(A) signs up under section 1412 to participate in the margin protection program under subpart A; and*

*(B) as a result, also participates in the stabilization program under subpart B.*

*(11) STABILIZATION PROGRAM.—The term "stabilization program" means the dairy market stabilization program required by subpart B for all participating dairy producers.*

*(12) STABILIZATION PROGRAM BASE.—The term "stabilization program base", with respect to a participating dairy producer, means the stabilization program base calculated for the producer under section 1431(b).*

*(13) UNITED STATES.—The term "United States", in a geographical sense, means the 50 States, the District of Columbia, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, and any other territory or possession of the United States.*

***SEC. 1402. CALCULATION OF AVERAGE FEED COST AND ACTUAL DAIRY PRODUCER MARGINS.***

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

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

*(2) The price of soybean meal for a month shall be the central Illinois price for soybean meal, as reported in the Market News-Monthly Soybean Meal Price Report by the Secretary.*

*(3) The price of alfalfa hay for a month shall be the price received during that month by farmers in the United States for alfalfa hay, as reported in the monthly Agricultural Prices report by the Secretary.*

*(b) CALCULATION OF ACTUAL DAIRY PRODUCER MARGINS.—*

*(1) MARGIN PROTECTION PROGRAM.—For use in the margin protection program under subpart A, the Secretary shall calculate the actual dairy producer margin for each consecutive two-month period by subtracting—*

*(A) the average feed cost for that consecutive two-month period, determined in accordance with subsection (a); from*

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

*(2) STABILIZATION PROGRAM.—For use in the stabilization program under subpart B, the Secretary shall calculate each month the actual dairy producer margin for the preceding month by subtracting—*

*(A) the average feed cost for that preceding month, determined in accordance with subsection (a); from*

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

*(3) TIME FOR CALCULATIONS.—The calculations required by paragraphs (1) and (2) shall be made as soon as practicable each month using the full month price of the applicable reference month, but in no case shall the calculation be made later than the last business day of the month.*

## *Subpart A—Dairy Producer Margin Protection Program*

### *SEC. 1411. ESTABLISHMENT OF DAIRY PRODUCER MARGIN PROTECTION PROGRAM.*

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

*(1) basic margin protection payments when actual dairy producer margins are less than the threshold levels for such payments; and*

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

### *SEC. 1412. PARTICIPATION OF DAIRY PRODUCERS IN MARGIN PROTECTION PROGRAM.*

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

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

*(2) if the dairy producer purchases supplemental margin protection under section 1415, supplemental margin protection payments under such section.*

*(b) SIGN-UP PROCESS.—*

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

*(2) TREATMENT OF MULTI-PRODUCER OPERATIONS.—If a dairy operation consists of more than one dairy producer, all of the dairy producers of the operation shall be treated as a single dairy producer for purposes of—*

*(A) registration to receive basic margin protection and purchase supplemental margin protection;*

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

*(C) participation in the stabilization program under subpart B.*

*(3) TREATMENT OF PRODUCERS WITH MULTIPLE DAIRY OPERATIONS.—If a dairy producer operates two or more dairy operations, each dairy operation of the producer shall require a separate registration to receive basic margin protection and purchase supplemental margin protection. Only those dairy oper-*

*ations so registered shall be subject to the stabilization program.*

*(c) TIME FOR SIGN UP.—*

*(1) EXISTING DAIRY PRODUCERS.—During the one-year period beginning on the date of the initiation of the sign-up period for the margin protection program, a dairy producer that is actively engaged in a dairy operation as of such date may sign up with the Secretary—*

*(A) to receive basic margin protection; and*

*(B) if the producer elects, to purchase supplemental margin protection.*

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

*(A) to receive basic margin protection; and*

*(B) if the producer elects, to purchase supplemental margin protection.*

*(d) RETROACTIVITY PROVISION.—*

*(1) NOTICE OF AVAILABILITY OF RETROACTIVE PROTECTION.—Not later than 30 days after the effective date of this subtitle, the Secretary shall publish a notice in the Federal Register to inform dairy producers of the availability of retroactive basic margin protection and retroactive supplemental margin protection, subject to the condition that interested producers must file a notice of intent (in such form and manner as the Secretary specifies in the Federal Register notice)—*

*(A) to participate in the margin protection program and receive basic margin protection; and*

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

*(2) RETROACTIVE BASIC MARGIN PROTECTION.—*

*(A) AVAILABILITY.—If a dairy producer files a notice of intent under paragraph (1) to participate in the margin protection program before the initiation of the sign-up period for the margin protection program and subsequently signs up for the margin protection program, the producer shall receive basic margin protection retroactive to the effective date of this subtitle.*

*(B) DURATION.—Retroactive basic margin protection under this paragraph for a dairy producer shall apply from the effective date of this subtitle until the date on which the producer signs up for the margin protection program.*

*(3) RETROACTIVE SUPPLEMENTAL MARGIN PROTECTION.—*

*(A) AVAILABILITY.—Subject to subparagraphs (B) and (C), if a dairy producer files a notice of intent under paragraph (1) to participate in the margin protection program and obtain supplemental margin protection and subsequently signs up for the margin protection program, the producer shall receive supplemental margin protection, in addition to the basic margin protection under paragraph (2), retroactive to the effective date of this subtitle.*

*(B) DEADLINE FOR SUBMISSION.—A notice of intent to obtain retroactive supplemental margin protection must be filed with the Secretary no later than the earlier of the following:*

*(i) 150 days after the date on which the Secretary publishes the notice in the Federal Register required by paragraph (1).*

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

*(C) ELECTION OF COVERAGE LEVEL AND PERCENTAGE OF COVERAGE.—To be sufficient to obtain retroactive supplemental margin protection, the notice of intent to participate filed by a dairy producer must specify—*

*(i) a selected coverage level that is higher, in any increment of $0.50, than the payment threshold for basic margin protection specified in section 1414(b), but not to exceed $6.00; and*

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

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

*(i) October 1, 2013.*

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

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

*(e) ADMINISTRATIVE FEE.—*

*(1) ADMINISTRATIVE FEE REQUIRED.—A dairy producer shall pay an administrative fee under this subsection to sign up to participate in the margin protection program. The participating dairy producer shall pay the administrative fee annually thereafter to continue to participate in the margin protection program.*

*(2) FEE AMOUNT.—The administrative fee for a participating dairy producer for a calendar year is based on the pounds of milk (in millions) marketed by the dairy producer in the previous calendar year, as follows:*

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

1 *(3) DEPOSIT OF FEES.—All administrative fees*
2 *collected under this subsection shall be credited to the*
3 *fund or account used to cover the costs incurred to ad-*
4 *minister the margin protection program and the sta-*
5 *bilization program and shall be available to the Sec-*
6 *retary, without further appropriation and until ex-*
7 *pended, for use or transfer as provided in paragraph*
8 *(4).*
9 *(4) USE OF FEES.—The Secretary shall use ad-*
10 *ministrative fees collected under this subsection—*
11 *(A) to cover administrative costs of the*
12 *margin protection program and stabilization*
13 *program; and*
14 *(B) to the extent funds remain available*
15 *after operation of subparagraphs (A), to cover*
16 *costs of the Department of Agriculture relating to*
17 *reporting of dairy market news and to carry out*
18 *section 273 of the Agricultural Marketing Act of*
19 *1946 (7 U.S.C. 1637b).*
20 *(f) RECONSTITUTION.—The Secretary shall prohibit a*
21 *dairy producer from reconstituting a dairy operation for*
22 *the sole purpose of the dairy producer—*

*(1) receiving basic margin protection;*

*(2) purchasing supplemental margin protection; or*

*(3) avoiding participation in the stabilization program.*

*(g) PRIORITY CONSIDERATION.—A dairy operation that participates in the margin protection program shall be eligible to participate in the livestock gross margin for dairy program under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) only after operations that are not participating in the production margin protection program are enrolled.*

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

*(a) PRODUCTION HISTORY FOR BASIC MARGIN PROTECTION.—*

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

*(2) CALCULATION.—Except as provided in paragraph (3), the basic production history of a participating dairy producer for basic margin protection is equal to the highest annual milk marketings of the*

*dairy producer during any one of the three calendar years immediately preceding the calendar year in which the dairy producer first signed up to participate in the margin protection program.*

*(3) ELECTION BY NEW PRODUCERS.—If a participating dairy producer has been in operation for less than a year, the dairy producer shall elect one of the following methods for the Secretary to determine the basic production history of the dairy producer:*

*(A) The volume of the actual milk marketings for the months the dairy producer has been in operation extrapolated to a yearly amount.*

*(B) An estimate of the actual milk marketings of the dairy producer based on the herd size of the producer relative to the national rolling herd average data published by the Secretary.*

*(4) NO CHANGE IN PRODUCTION HISTORY FOR BASIC MARGIN PROTECTION.—Once the basic production history of a participating dairy producer is determined under paragraph (2) or (3), the basic production history shall not be subsequently changed for purposes of determining the amount of any basic*

*margin protection payments for the dairy producer made under section 1414.*

*(b) ANNUAL PRODUCTION HISTORY FOR SUPPLEMENTAL MARGIN PROTECTION.—*

*(1) DETERMINATION REQUIRED.—For purposes of providing supplemental margin protection for a participating dairy producer that purchases supplemental margin protection for a year under section 1415, the Secretary shall determine the annual production history of the dairy operation of the dairy producer under paragraph (2).*

*(2) CALCULATION.—The annual production history of a participating dairy producer for a year is equal to the actual milk marketings of the dairy producer during the preceding calendar year.*

*(3) NEW PRODUCERS.—Subsection (a)(3) shall apply with respect to determining the annual production history of a participating dairy producer that has been in operation for less than a year.*

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

*(1) the basic production history of the dairy operation of the dairy producer under subsection (a); and*

*(2) the production history of the dairy operation of the dairy producer whenever the producer purchases supplemental margin protection under section 1415.*

*(d) TRANSFER OF PRODUCTION HISTORIES.—*

*(1) TRANSFER BY SALE OR LEASE.—In promulgating the rules to initiate the margin protection program, the Secretary shall specify the conditions under which and the manner by which the production history of a dairy operation may be transferred by sale or lease.*

*(2) COVERAGE LEVEL.—*

*(A) BASIC MARGIN PROTECTION.—A purchaser or lessee to whom the Secretary transfers a basic production history under this subsection shall not obtain a different level of basic margin protection than the basic margin protection coverage held by the seller or lessor from whom the transfer was obtained.*

*(B) SUPPLEMENTAL MARGIN PROTECTION.—A purchaser or lessee to whom the Secretary transfers an annual production history under this subsection shall not obtain a different level of supplemental margin protection coverage than the supplemental margin protection cov-*

*erage in effect for the seller or lessor from whom the transfer was obtained for the calendar year in which the transfer was made.*

*(e) MOVEMENT AND TRANSFER OF PRODUCTION HISTORY.—*

*(1) MOVEMENT AND TRANSFER AUTHORIZED.—Subject to paragraph (2), if a dairy producer moves from one location to another location, the dairy producer may maintain the basic production history and annual production history associated with the operation.*

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

*(3) SUBSEQUENT OCCUPATION OF VACATED LOCATION.—A party subsequently occupying a dairy operation location vacated as described in paragraph (1) shall have no interest in the basic production history or annual production history previously associated with the operation at such location.*

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

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

*(b) PAYMENT THRESHOLD.—Participating dairy producers shall receive a basic margin protection payment whenever the average actual dairy producer margin for a consecutive two-month period is less than $4.00 per hundredweight of milk.*

*(c) BASIC MARGIN PROTECTION PAYMENT.—*

*(1) PAYMENT REQUIRED.—The Secretary shall make a basic margin protection payment to each participating dairy producer whenever such a payment is required by subsection (b).*

*(2) AMOUNT OF PAYMENT.—The basic margin protection payment for the dairy operation of a participating dairy producer for a consecutive two-month period shall be determined as follows:*

*(A) The Secretary shall calculate the difference between the average actual dairy producer margin for the consecutive two-month period and $4.00, except that, if the difference is more than $4.00, the Secretary shall use $4.00.*

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

*(i) 80 percent of the production history of the dairy producer, divided by six.*

*(ii) The actual amount of milk marketed by the dairy operation of the dairy producer during the consecutive two-month period.*

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

*(a) ELECTION OF SUPPLEMENTAL MARGIN PROTECTION.—Supplemental margin protection is available only on an annual basis. A participating dairy producer may annually purchase supplemental margin protection to protect, during the calendar year for which purchased, a higher level of the income of a participating dairy producer than the income level guaranteed by basic margin protection under section 1414.*

*(b) SELECTION OF PAYMENT THRESHOLD.—A participating dairy producer purchasing supplemental margin protection for a year shall elect a coverage level that is higher, in any increment of $0.50, than the payment threshold for basic margin protection specified in section 1414(b), but not to exceed $8.00.*

*(c) SELECTION OF COVERAGE PERCENTAGE.—A participating dairy producer purchasing supplemental margin protection for a year shall elect a percentage of coverage equal to not more than 90 percent, nor less than 25 percent, of the annual production history of the dairy operation of the participating dairy producer.*

*(d) PRODUCER PREMIUMS FOR SUPPLEMENTAL MARGIN PROTECTION.—*

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

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

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

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

*(2) PREMIUM PER HUNDREDWEIGHT FOR FIRST 4 MILLION POUNDS OF PRODUCTION.—For the first 4,000,000 pounds of milk marketings included in the annual production history of a participating dairy producer, the premium per hundredweight corresponding to each coverage level specified in the following table is as follows:*

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

*(3) PREMIUM PER HUNDREDWEIGHT FOR PRODUCTION IN EXCESS OF 4 MILLION POUNDS.—For milk marketings in excess of 4,000,000 pounds included in the annual production history of a participating dairy producer, the premium per hundredweight corresponding to each coverage level is as follows:*

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

*(4) TIME FOR PAYMENT.—In promulgating the rules to initiate the margin protection program, the Secretary shall provide more than one method by which a participating dairy producer that purchases supplemental margin protection for a calendar year may pay the premium under this subsection for that year that maximizes producer payment flexibility and program integrity.*

*(e) PRODUCER'S PREMIUM OBLIGATIONS.—*

*(1) PRO-RATION OF PREMIUM FOR NEW PRODUCERS.—A dairy producer described in section 1412(c)(2) that purchases supplemental margin protection for a calendar year after the start of the cal-*

*endar year shall pay a pro-rated premium for that calendar year based on the portion of the calendar year for which the producer purchases the coverage.*

*(2) LEGAL OBLIGATION.—A participating dairy producer that purchases supplemental margin protection for a calendar year shall be legally obligated to pay the applicable premium for that calendar year, except that, if the dairy producer retires, the producer may request that Secretary cancel the supplemental margin protection if the producer has terminated the dairy operation entirely and certifies under oath that the producer will not be actively engaged in any dairy operation for at least the next seven years.*

*(f) SUPPLEMENTAL PAYMENT THRESHOLD.—A participating dairy producer with supplemental margin protection shall receive a supplemental margin protection payment whenever the average actual dairy producer margin for a consecutive two-month period is less than the coverage level threshold selected by the dairy producer under subsection (b).*

*(g) SUPPLEMENTAL MARGIN PROTECTION PAYMENTS.—*

*(1) IN GENERAL.—The supplemental margin protection payment for a participating dairy pro-*

*ducer is in addition to the basic margin protection payment.*

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

*(A) The Secretary shall calculate the difference between the coverage level threshold selected by the dairy producer under subsection (b) and the greater of—*

*(i) the average actual dairy producer margin for the consecutive two-month period; or*

*(ii) $4.00.*

*(B) The amount determined under subparagraph (A) shall be multiplied by the percentage selected by the participating dairy producer under subsection (c) and by the lesser of the following:*

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

*(ii) The actual amount of milk marketed by the dairy operation of the dairy*

*producer during the consecutive two-month period.*

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

*(a) LOSS OF BENEFITS.—A participating dairy producer that fails to pay the required administrative fee under section 1412 or is in arrears on premium payments for supplemental margin protection under section 1415—*

*(1) remains legally obligated to pay the administrative fee or premiums, as the case may be; and*

*(2) may not receive basic margin protection payments or supplemental margin protection payments until the fees or premiums are fully paid.*

*(b) ENFORCEMENT.—The Secretary may take such action as necessary to collect administrative fees and premium payments for supplemental margin protection.*

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

***SEC. 1431. ESTABLISHMENT OF DAIRY MARKET STABILIZATION PROGRAM.***

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

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

*(1) ELECTION.—When a dairy producer signs up under section 1412 to participate in the margin protection program, the dairy producer shall inform the Secretary of the method by which the stabilization program base for the dairy producer for fiscal year 2013 will be calculated under paragraph (3).*

*(2) CHANGE IN CALCULATION METHOD.—A participating dairy producer may change the stabilization program base calculation method to be used for a calendar year by notifying the Secretary of the change not later than a date determined by the Secretary.*

*(3) CALCULATION METHODS.—A participating dairy producer may elect either of the following methods for calculation of the stabilization program base for the producer:*

*(A) The volume of the average monthly milk marketings of the dairy producer for the three months immediately preceding the announcement by the Secretary that the stabilization program will become effective.*

*(B) The volume of the monthly milk marketings of the dairy producer for the same month*

*in the preceding year as the month for which the Secretary has announced the stabilization program will become effective.*

***SEC. 1432. THRESHOLD FOR IMPLEMENTATION AND REDUCTION IN DAIRY PRODUCER PAYMENTS.***

*(a) WHEN STABILIZATION PROGRAM REQUIRED.—Except as provided in subsection (b), the Secretary shall announce that the stabilization program is in effect and order reduced payments for any participating dairy producer that exceeds the applicable percentage of the producer's stabilization program base whenever—*

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

*(2) the actual dairy producer margin has been $4.00 or less per hundredweight of milk for the immediately preceding month.*

*(b) EXCEPTION.—The Secretary shall not make the announcement under subsection (a) to implement the stabilization program or order reduced payments if any of the conditions described in section 1436(b) have been met during the two months immediately preceding the month in which the announcement under subsection (a) would otherwise be made by the Secretary in the absence of this exception.*

*(c) EFFECTIVE DATE FOR IMPLEMENTATION OF PAYMENT REDUCTIONS.—Reductions in dairy producer payments shall commence beginning on the first day of the month immediately following the date of the announcement by the Secretary under subsection (a).*

***SEC. 1433. PRODUCER MILK MARKETING INFORMATION.***

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

*(b) REDUCE REGULATORY BURDEN.—When implementing the process under subsection (a), the Secretary shall minimize the regulatory burden on dairy producers and handlers.*

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

*(a) REDUCED PRODUCER PAYMENTS REQUIRED.—During any month in which payment reductions are in effect under the stabilization program, each handler shall reduce payments to each participating dairy producer from whom the handler receives milk.*

*(b) REDUCTIONS BASED ON ACTUAL DAIRY PRODUCER MARGIN.—*

*(1) REDUCTION REQUIREMENT 1.—Unless the reduction required by paragraph (2) or (3) applies, when the actual dairy producer margin has been $6.00 or less per hundredweight of milk for two consecutive months, the handler shall make payments to a participating dairy producer for a month based on the greater of the following:*

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

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

*(2) REDUCTION REQUIREMENT 2.—Unless the reduction required by paragraph (3) applies, when the actual dairy producer margin has been $5.00 or less per hundredweight of milk for two consecutive months, the handler shall make payments to a participating dairy producer for a month based on the greater of the following:*

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

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

*(3) REDUCTION REQUIREMENT 3.—When the actual dairy producer margin has been $4.00 or less for any one month, the handler shall make payments to*

*a participating dairy producer for a month based on the greater of the following:*

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

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

*(c) CONTINUATION OF REDUCTIONS.—The largest level of payment reduction required under paragraph (1), (2), or (3) of subsection (b) shall be continued for each month until the Secretary suspends the stabilization program and terminates payment reductions in accordance with section 1436.*

*(d) PAYMENT REDUCTION EXCEPTION.—Notwithstanding any preceding subsection of this section, a handler shall make no payment reductions for a dairy producer for a month if the producer's milk marketings for the month are equal to or less than the percentage of the stabilization program base applicable to the producer under paragraph (1), (2), or (3) of subsection (b).*

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

*(a) REMITTING MONIES.—As soon as practicable after the end of each month during which payment reductions are in effect under the stabilization program, each handler shall remit to the Secretary an amount equal to the amount*

*by which payments to participating dairy producers are reduced by the handler under section 1434.*

*(b) DEPOSIT OF MONIES.—All monies received under subsection (a) shall be available to the Secretary, without further appropriation and until expended, for use or transfer as provided in subsection (c).*

*(c) USE OF MONIES.—*

*(1) AVAILABILITY FOR CERTAIN COMMODITY DONATIONS.—Within three months of the receipt of monies under subsection (a), the Secretary shall obligate the monies for the purpose of—*

*(A) purchasing dairy products for donation to food banks and other programs that the Secretary determines appropriate; and*

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

*(2) NO DUPLICATION OF EFFORT.—The Secretary shall ensure that expenditures under paragraph (1) are compatible with, and do not duplicate, programs supported by the dairy research and promotion activities conducted under the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501 et seq.).*

*(3) ACCOUNTING.—The Secretary shall keep an accurate account of all monies obligated under paragraph (1).*

*(d) ANNUAL REPORT.—Not later than December 31 of each year that the stabilization program is in effect, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that provides an accurate accounting of—*

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

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

*(e) ENFORCEMENT.—If a participating dairy producer or handler fails to remit or collect the amounts by which payments to participating dairy producers are reduced under section 1434, the producer or handler responsible for the failure shall be liable to the Secretary for the amount that should have been remitted or collected, plus interest. In addition to the enforcement authorities available under section 1437, the Secretary may enforce this subsection in the courts of the United States.*

***SEC. 1436. SUSPENSION OF REDUCED PAYMENT REQUIREMENT.***

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

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

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

*(b) INITIAL SUSPENSION THRESHOLDS.—The Secretary shall announce that the stabilization program shall be suspended whenever the Secretary determines that—*

*(1) the actual dairy producer margin is greater than $6.00 per hundredweight of milk for two consecutive months;*

*(2) the dairy producer margin is equal to or less than $6.00 (but greater than $5.00) for two consecutive months, and during the same two consecutive months—*

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

*(B) the price in the United States for nonfat dry milk is equal to or greater than the world price of skim milk powder;*

*(3) the dairy producer margin is equal to or less than $5.00 (but greater than $4.00) for two consecutive months, and during the same two consecutive months—*

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

*(B) the price in the United States for nonfat dry milk is more than 5 percent above the world price of skim milk powder; or*

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

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

*(B) the price in the United States for nonfat dry milk is more than 7 percent above the world price of skim milk powder.*

*(c) ENHANCED SUSPENSION THRESHOLDS.—If the stabilization program is not suspended pursuant to subsection (b) for six consecutive months or more, the stabilization program shall be suspended whenever the Secretary determines that—*

*(1) the actual dairy producer margin is greater than $6.00 per hundredweight of milk for two consecutive months;*

*(2) the dairy producer margin is equal to or less than $6.00 (but greater than $5.00) for two consecu-*

*tive months, and during the same two consecutive months—*

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

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

*(3) the dairy producer margin is equal to or less than $5.00 (but greater than $4.00) for two consecutive months, and during the same two consecutive months—*

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

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

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

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

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

*(d) IMPLEMENTATION BY HANDLERS.—Effective on the day after the date of the announcement by the Secretary under subsection (b) or (c) of the suspension of the stabilization program, the handler shall cease reducing payments to participating dairy producers under the stabilization program.*

*(e) CONDITION ON RESUMPTION OF STABILIZATION PROGRAM.—Upon the announcement by the Secretary under subsection (b) or (c) that the stabilization program has been suspended, the stabilization program may not be implemented again until, at the earliest—*

*(1) two months have passed, beginning on the first day of the month immediately following the announcement by the Secretary; and*

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

***SEC. 1437. ENFORCEMENT.***

*(a) UNLAWFUL ACT.—It shall be unlawful and a violation of the this subpart for any person subject to the stabilization program to willfully fail or refuse to provide, or delay the timely reporting of, accurate information and re-*

*mittance of funds to the Secretary in accordance with this subpart.*

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

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

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

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

*(a) AUDITS OF PRODUCER AND HANDLER COMPLIANCE.—*

*(1) AUDITS AUTHORIZED.—If determined by the Secretary to be necessary to ensure compliance by participating dairy producers and handlers with the stabilization program, the Secretary may conduct periodic audits of participating dairy producers and handlers.*

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

*(b) SUBMISSION OF RESULTS.—The Secretary shall submit the results of any audit conducted under subsection (a) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate and include such recommendations as the Secretary considers appropriate regarding the stabilization program.*

***Subpart C—Commodity Credit Corporation***

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

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

### *Subpart D—Initiation and Duration*

**SEC. 1461. RULEMAKING.**

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

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

*(2) 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*

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

*(b) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out subsection (a), the Secretary shall use the authority provided under section 808 of title 5, United States Code.*

**SEC. 1462. DURATION.**

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

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

### *SEC. 1481. REPEAL OF DAIRY PRODUCT PRICE SUPPORT AND MILK INCOME LOSS CONTRACT PROGRAMS.*

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

*(b) REPEAL OF MILK INCOME LOSS CONTRACT PROGRAM.—Section 1506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8773) is repealed.*

### *SEC. 1482. REPEAL OF DAIRY EXPORT INCENTIVE PROGRAM.*

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

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

*(1) by striking subparagraph (D); and*

*(2) by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.*

### *SEC. 1483. EXTENSION OF DAIRY FORWARD PRICING PROGRAM.*

*Section 1502(e) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8772(e)) is amended—*

*(1) in paragraph (1), by striking "2012" and inserting "2017"; and*

*(2) in paragraph (2), by striking "2015" and inserting "2020".*

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

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

***SEC. 1485. EXTENSION OF DAIRY PROMOTION AND RESEARCH PROGRAM.***

*Section 113(e)(2) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(e)(2)) is amended by striking "2012" and inserting "2017".*

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

*Section 1509 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1726) is repealed.*

## *PART III—EFFECTIVE DATE*

***SEC. 1491. EFFECTIVE DATE.***

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

## *Subtitle E—Supplemental Agricultural Disaster Assistance Programs*

### *SEC. 1501. SUPPLEMENTAL AGRICULTURAL DISASTER ASSISTANCE.*

*(a) DEFINITIONS.—In this section:*

*(1) ELIGIBLE PRODUCER ON A FARM.—*

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

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

*(i) a citizen of the United States;*

*(ii) a resident alien;*

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

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

*(2) FARM-RAISED FISH.—The term "farm-raised fish" means any aquatic species that is propagated and reared in a controlled environment.*

*(3) LIVESTOCK.—The term "livestock" includes—*

*(A) cattle (including dairy cattle);*

*(B) bison;*

*(C) poultry;*

*(D) sheep;*

*(E) swine;*

*(F) horses; and*

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

*(4) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.*

*(b) LIVESTOCK INDEMNITY PAYMENTS.—*

*(1) PAYMENTS.—For each of the fiscal years 2012 through 2017, the Secretary shall use such sums as are necessary of the funds of the Commodity Credit Corporation to make livestock indemnity payments to eligible producers on farms that have incurred livestock death losses in excess of the normal mortality, as determined by the Secretary, due to—*

*(A) attacks by animals reintroduced into the wild by the Federal Government or protected by Federal law, including wolves and avian predators; or*

*(B) adverse weather, as determined by the Secretary, during the calendar year, including losses due to hurricanes, floods, blizzards, disease, wildfires, extreme heat, and extreme cold.*

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

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

*(c) LIVESTOCK FORAGE DISASTER PROGRAM.—*

*(1) DEFINITIONS.—In this subsection:*

*(A) COVERED LIVESTOCK.—*

*(i) IN GENERAL.—Except as provided in clause (ii), the term "covered livestock" means livestock of an eligible livestock producer that, during the 60 days prior to the beginning date of a qualifying drought or*

*fire condition, as determined by the Secretary, the eligible livestock producer—*

*(I) owned;*

*(II) leased;*

*(III) purchased;*

*(IV) entered into a contract to purchase;*

*(V) is a contract grower; or*

*(VI) sold or otherwise disposed of due to qualifying drought conditions during—*

*(aa) the current production year; or*

*(bb) subject to paragraph (3)(B)(ii), 1 or both of the 2 production years immediately preceding the current production year.*

*(ii) EXCLUSION.—The term "covered livestock" does not include livestock that were or would have been in a feedlot, on the beginning date of the qualifying drought or fire condition, as a part of the normal business operation of the eligible livestock producer, as determined by the Secretary.*

*(B) DROUGHT MONITOR.—The term "drought monitor" means a system for classifying drought severity according to a range of abnormally dry to exceptional drought, as defined by the Secretary.*

*(C) ELIGIBLE LIVESTOCK PRODUCER.—*

*(i) IN GENERAL.—The term "eligible livestock producer" means an eligible producer on a farm that—*

*(I) is an owner, cash or share lessee, or contract grower of covered livestock that provides the pastureland or grazing land, including cash-leased pastureland or grazing land, for the livestock;*

*(II) provides the pastureland or grazing land for covered livestock, including cash-leased pastureland or grazing land that is physically located in a county affected by drought;*

*(III) certifies grazing loss; and*

*(IV) meets all other eligibility requirements established under this subsection.*

*(ii) EXCLUSION.—The term "eligible livestock producer" does not include an owner, cash or share lessee, or contract grower of livestock that rents or leases pastureland or grazing land owned by another person on a rate-of-gain basis.*

*(D) NORMAL CARRYING CAPACITY.—The term "normal carrying capacity", with respect to each type of grazing land or pastureland in a county, means the normal carrying capacity, as determined under paragraph (3)(D)(i), that would be expected from the grazing land or pastureland for livestock during the normal grazing period, in the absence of a drought or fire that diminishes the production of the grazing land or pastureland.*

*(E) NORMAL GRAZING PERIOD.—The term "normal grazing period", with respect to a county, means the normal grazing period during the calendar year for the county, as determined under paragraph (3)(D)(i).*

*(2) PROGRAM.—For each of the fiscal years 2012 through 2017, the Secretary shall use such sums as are necessary of the funds of the Commodity Credit Corporation to provide compensation for losses to eli-*

*gible livestock producers due to grazing losses for covered livestock due to—*

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

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

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

*(A) ELIGIBLE LOSSES.—*

*(i) IN GENERAL.—An eligible livestock producer may receive assistance under this subsection only for grazing losses for covered livestock that occur on land that—*

*(I) is native or improved pastureland with permanent vegetative cover; or*

*(II) is planted to a crop planted specifically for the purpose of providing grazing for covered livestock.*

*(ii) EXCLUSIONS.—An eligible livestock producer may not receive assistance under this subsection for grazing losses that occur on land used for haying or grazing under the conservation reserve program established under subchapter B of chapter 1 of subtitle*

*D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).*

*(B) MONTHLY PAYMENT RATE.—*

*(i) IN GENERAL.—Except as provided in clause (ii), the payment rate for assistance under this paragraph for 1 month shall, in the case of drought, be equal to 60 percent of the lesser of—*

*(I) the monthly feed cost for all covered livestock owned or leased by the eligible livestock producer, as determined under subparagraph (C); or*

*(II) the monthly feed cost calculated by using the normal carrying capacity of the eligible grazing land of the eligible livestock producer.*

*(ii) PARTIAL COMPENSATION.—In the case of an eligible livestock producer that sold or otherwise disposed of covered livestock due to drought conditions in 1 or both of the 2 production years immediately preceding the current production year, as determined by the Secretary, the payment rate shall be 80 percent of the payment rate oth-*

*erwise calculated in accordance with clause (i).*

*(C) MONTHLY FEED COST.—*

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

*(I) 30 days;*

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

*(III) a payment rate that is equal to the corn price per pound, as determined under clause (iii).*

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

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

*(II) in the case of any other type of weight of livestock, an amount determined by the Secretary that represents the average number of pounds of corn per day necessary to feed the livestock.*

*(iii) CORN PRICE PER POUND.—For purposes of clause (i)(III), the corn price*

*per pound shall equal the quotient obtained by dividing—*

*(I) the higher of—*

*(aa) the national average corn price per bushel for the 12-month period immediately preceding March 1 of the year for which the disaster assistance is calculated; or*

*(bb) the national average corn price per bushel for the 24-month period immediately preceding that March 1; by*

*(II) 56.*

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

*(i) FSA COUNTY COMMITTEE DETERMINATIONS.—*

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

*(II) CHANGES.—No change to the normal carrying capacity or normal grazing period established for a county under subclause (I) shall be made unless the change is requested by the appropriate State and county Farm Service Agency committees.*

*(ii) DROUGHT INTENSITY.—*

*(I) D2.—An eligible livestock producer that owns or leases grazing land or pastureland that is physically located in a county that is rated by the U.S. Drought Monitor as having a D2 (severe drought) intensity in any area of the county for at least 8 consecutive weeks during the normal grazing period for the county, as determined by the Secretary, shall be eligible to receive assistance under this paragraph in an amount equal to 1 monthly payment using the monthly payment rate determined under subparagraph (B).*

*(II) D3.—An eligible livestock producer that owns or leases grazing land or pastureland that is physically*

*located in a county that is rated by the U.S. Drought Monitor as having at least a D3 (extreme drought) intensity in any area of the county at any time during the normal grazing period for the county, as determined by the Secretary, shall be eligible to receive assistance under this paragraph—*

*(aa) in an amount equal to 2 monthly payments using the monthly payment rate determined under subparagraph (B); or*

*(bb) if the county is rated as having a D3 (extreme drought) intensity in any area of the county for at least 4 weeks during the normal grazing period for the county, or is rated as having a D4 (exceptional drought) intensity in any area of the county at any time during the normal grazing period, in an amount equal to 3 monthly payments using the monthly payment rate determined under subparagraph (B).*

*(4) ASSISTANCE FOR LOSSES DUE TO FIRE ON PUBLIC MANAGED LAND.—*

*(A) IN GENERAL.—An eligible livestock producer may receive assistance under this paragraph only if—*

*(i) the grazing losses occur on rangeland that is managed by a Federal agency; and*

*(ii) the eligible livestock producer is prohibited by the Federal agency from grazing the normal permitted livestock on the managed rangeland due to a fire.*

*(B) PAYMENT RATE.—The payment rate for assistance under this paragraph shall be equal to 50 percent of the monthly feed cost for the total number of livestock covered by the Federal lease of the eligible livestock producer, as determined under paragraph (3)(C).*

*(C) PAYMENT DURATION.—*

*(i) IN GENERAL.—Subject to clause (ii), an eligible livestock producer shall be eligible to receive assistance under this paragraph for the period—*

*(I) beginning on the date on which the Federal agency excludes the*

*eligible livestock producer from using the managed rangeland for grazing; and*

*(II) ending on the last day of the Federal lease of the eligible livestock producer.*

*(ii) LIMITATION.—An eligible livestock producer may only receive assistance under this paragraph for losses that occur on not more than 180 days per year.*

*(5) NO DUPLICATIVE PAYMENTS.—An eligible livestock producer may elect to receive assistance for grazing or pasture feed losses due to drought conditions under paragraph (3) or fire under paragraph (4), but not both for the same loss, as determined by the Secretary.*

*(d) EMERGENCY ASSISTANCE FOR LIVESTOCK, HONEY BEES, AND FARM-RAISED FISH.—*

*(1) IN GENERAL.—For each of the fiscal years 2012 through 2017, the Secretary shall use not more than $20,000,000 of the funds of the Commodity Credit Corporation to provide emergency relief to eligible producers of livestock, honey bees, and farm-raised fish to aid in the reduction of losses due to disease (including cattle tick fever), adverse weather, or*

*other conditions, such as blizzards and wildfires, as determined by the Secretary, that are not covered under subsection (b) or (c).*

*(2) USE OF FUNDS.—Funds made available under this subsection shall be used to reduce losses caused by feed or water shortages, disease, or other factors as determined by the Secretary.*

*(3) AVAILABILITY OF FUNDS.—Any funds made available under this subsection shall remain available until expended.*

*(e) TREE ASSISTANCE PROGRAM.—*

*(1) DEFINITIONS.—In this subsection:*

*(A) ELIGIBLE ORCHARDIST.—The term "eligible orchardist" means a person that produces annual crops from trees for commercial purposes.*

*(B) NATURAL DISASTER.—The term "natural disaster" means plant disease, insect infestation, drought, fire, freeze, flood, earthquake, lightning, or other occurrence, as determined by the Secretary.*

*(C) NURSERY TREE GROWER.—The term "nursery tree grower" means a person who produces nursery, ornamental, fruit, nut, or Christmas trees for commercial sale, as determined by the Secretary.*

*(D) TREE.—The term "tree" includes a tree, bush, and vine.*

*(2) ELIGIBILITY.—*

*(A) LOSS.—Subject to subparagraph (B), for each of the fiscal years 2012 through 2017, the Secretary shall use such sums as are necessary of the funds of the Commodity Credit Corporation to provide assistance—*

*(i) under paragraph (3) to eligible orchardists and nursery tree growers that planted trees for commercial purposes but lost the trees as a result of a natural disaster, as determined by the Secretary; and*

*(ii) under paragraph (3)(B) to eligible orchardists and nursery tree growers that have a production history for commercial purposes on planted or existing trees but lost the trees as a result of a natural disaster, as determined by the Secretary.*

*(B) LIMITATION.—An eligible orchardist or nursery tree grower shall qualify for assistance under subparagraph (A) only if the tree mortality of the eligible orchardist or nursery tree grower, as a result of damaging weather or re-*

*lated condition, exceeds 15 percent (adjusted for normal mortality).*

*(3) ASSISTANCE.—Subject to paragraph (4), the assistance provided by the Secretary to eligible orchardists and nursery tree growers for losses described in paragraph (2) shall consist of—*

*(A)(i) reimbursement of 65 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or*

*(ii) at the option of the Secretary, sufficient seedlings to reestablish a stand; and*

*(B) reimbursement of 50 percent of the cost of pruning, removal, and other costs incurred by an eligible orchardist or nursery tree grower to salvage existing trees or, in the case of tree mortality, to prepare the land to replant trees as a result of damage or tree mortality due to a natural disaster, as determined by the Secretary, in excess of 15 percent damage or mortality (adjusted for normal tree damage and mortality).*

*(4) LIMITATIONS ON ASSISTANCE.—*

*(A) DEFINITIONS OF LEGAL ENTITY AND PERSON.—In this paragraph, the terms "legal*

*entity" and "person" have the meaning given those terms in section 1001(a) of the Food Security Act of 1985 (7 U.S.C. 1308(a)).*

*(B) AMOUNT.—The total amount of payments received, directly or indirectly, by a person or legal entity (excluding a joint venture or general partnership) under this subsection may not exceed $125,000 for any crop year, or an equivalent value in tree seedlings.*

*(C) ACRES.—The total quantity of acres planted to trees or tree seedlings for which a person or legal entity shall be entitled to receive payments under this subsection may not exceed 500 acres.*

*(f) PAYMENT LIMITATIONS.—*

*(1) DEFINITIONS OF LEGAL ENTITY AND PERSON.—In this subsection, the terms "legal entity" and "person" have the meaning given those terms in section 1001(a) of the Food Security Act of 1985 (7 U.S.C. 1308(a).*

*(2) AMOUNT.—The total amount of disaster assistance payments received, directly or indirectly, by a person or legal entity (excluding a joint venture or general partnership) under this section (excluding*

*payments received under subsection (e)) may not exceed $125,000 for any crop year.*

*(3) DIRECT ATTRIBUTION.—Subsections (e) and (f) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) or any successor provisions relating to direct attribution shall apply with respect to assistance provided under this section.*

## *Subtitle F—Administration*

***SEC. 1601. ADMINISTRATION GENERALLY.***

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

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

*(c) REGULATIONS.—*

*(1) IN GENERAL.—Except as otherwise provided in this subsection, not later than 90 days after the date of 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 and sections 11003 and 11016 of this Act shall be made without regard to—*

*(A) the notice and comment provisions of section 553 of title 5, United States Code;*

*(B) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act"); and*

*(C) 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.*

*(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 this title 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 the allowable levels for any applicable reporting period, the Secretary shall, to the maximum extent practicable, make adjustments in the amount of the expenditures during that period to ensure that the expenditures do not exceed the 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 and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the determination made under that paragraph and the extent of the adjustment to be made.*

***SEC. 1602. 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 2013 through 2017 crops of covered commodities (as defined in section 1104), cotton, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act through December 31, 2017:*

*(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 2013 through 2017 crops of covered commodities (as defined in section 1104), cotton, 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, 2017:*

*(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, 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 2013 through 2017.*

***SEC. 1603. PAYMENT LIMITATIONS.***

*(a) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking subsections (b) and (c) and inserting the following:*

*"(b) LIMITATION ON PAYMENTS FOR COVERED COMMODITIES (OTHER THAN PEANUTS).—The total amount of payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year under subtitle A of title I of the Federal Agriculture Reform and Risk Management Act of 2012 for 1 or more covered commodities (other than peanuts) may not exceed $125,000.*

*"(c) LIMITATION ON PAYMENTS FOR PEANUTS.—The total amount of payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year under subtitle A of title I*

*of the Federal Agriculture Reform and Risk Management Act of 2012 for peanuts may not exceed $125,000.".*

*(b) CONFORMING AMENDMENTS.—*

*(1) Section 1001(f) of the Food Security Act of 1985 (7 U.S.C. 1308(f)) is amended by striking "or title XII" each place it appears in paragraphs (5)(A) and (6)(A) and inserting ", title I of the Federal Agriculture Reform and Risk Management Act of 2012, or title XII".*

*(2) Section 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308–3(a)) is amended by inserting "title I of the Federal Agriculture Reform and Risk Management Act of 2012," after "2008,".*

*(c) APPLICATION.—The amendments made by this section shall apply beginning with the 2013 crop year.*

***SEC. 1604. ADJUSTED GROSS INCOME LIMITATION.***

*(a) LIMITATIONS AND COVERED BENEFITS.—Section 1001D(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(b)) is amended—*

*(1) in the subsection heading, by striking "LIMITATIONS" and inserting "LIMITATIONS ON COMMODITY AND CONSERVATION PROGRAMS";*

*(2) by striking paragraphs (1) and (2) and inserting the following new paragraphs:*

*"(1) LIMITATION.—Notwithstanding any other provision of law, a person or legal entity shall not be eligible to receive any benefit described in paragraph (2) during a crop, fiscal, or program year, as appropriate, if the average adjusted gross income of the person or legal entity exceeds $950,000.*

*"(2) COVERED BENEFITS.—Paragraph (1) applies with respect to a payment or benefit under section 1107, subtitle B or E of title I, or title II of the Federal Agriculture Reform and Risk Management Act of 2012, title II of the Farm Security and Rural Investment Act of 2002, title II of the Food, Conservation, and Energy Act of 2008, title XII of the Food Security Act of 1985, section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)), or section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333)."*.

*(b) ELIMINATION OF UNUSED DEFINITIONS.—Paragraph (1) of section 1001D(a) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(a)) is amended to read as follows:*

*"(1) AVERAGE ADJUSTED GROSS INCOME.—In this section, the term 'average adjusted gross income', with respect to a person or legal entity, means the average of the adjusted gross income or comparable measure of the person or legal entity over the 3 tax-*

*able years preceding the most immediately preceding complete taxable year, as determined by the Secretary.".*

*(c) INCOME DETERMINATION.—Section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–3a) is amended—*

*(1) by striking subsection (c); and*

*(2) by redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively.*

*(d) CONFORMING AMENDMENTS.—Section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–3a) is amended—*

*(1) in subsection (a)(2)—*

*(A) by striking "subparagraph (A) or (B) of"; and*

*(B) by striking ", the average adjusted gross farm income, and the average adjusted gross nonfarm income";*

*(2) in subsection (a)(3), by striking ", average adjusted gross farm income, and average adjusted gross nonfarm income" both places it appears;*

*(3) in subsection (c) (as redesignated by subsection (c)(2) of this section)—*

*(A) in paragraph (1), by striking ", average adjusted gross farm income, and average ad-*

*justed gross nonfarm income" both places it appears; and*

*(B) in paragraph (2), by striking "paragraphs (1)(C) and (2)(B) of subsection (b)" and inserting "subsection (b)(2)"; and*

*(4) in subsection (d) (as redesignated by subsection (c)(2) of this section)—*

*(A) by striking "paragraphs (1)(C) and (2)(B) of subsection (b)" and inserting "subsection (b)(2)"; and*

*(B) by striking ", average adjusted gross farm income, or average adjusted gross nonfarm income".*

*(e) EFFECTIVE PERIOD.—Subsection (e) of section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–3a), as redesignated by subsection (c)(2) of this section, is amended by striking "2009 through 2012" and inserting "2013 through 2017".*

*(f) LIMITATION ON APPLICABILITY.—Section 1001(d) of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by inserting before the period at the end the following: "or title I of the Federal Agriculture Reform and Risk Management Act of 2012".*

*(g) TRANSITION.—Section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308-3a), as in effect on the day be-*

*fore the date of the enactment of this Act, shall apply with respect to the 2012 crop, fiscal, or program year, as appropriate, for each program described in paragraphs (1)(C) and (2)(B) of subsection (b) of that section (as so in effect on that day).*

***SEC. 1605. GEOGRAPHICALLY DISADVANTAGED FARMERS AND RANCHERS.***

*Section 1621(d) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8792(d)) is amended by striking "2012" and inserting "2017".*

***SEC. 1606. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.***

*Section 164 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7284) is amended by striking "and title I of the Food, Conservation, and Energy Act of 2008" each place it appears and inserting "title I of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702 et seq.), and title I of the Federal Agriculture Reform and Risk Management Act of 2012".*

***SEC. 1607. PREVENTION OF DECEASED INDIVIDUALS RECEIVING PAYMENTS UNDER FARM COMMODITY PROGRAMS.***

*(a) RECONCILIATION.—At least twice each year, the Secretary shall reconcile social security numbers of all individuals who receive payments under this title, whether di-*

*rectly or indirectly, with the Commissioner of Social Security to determined if the individuals are alive.*

*(b) PRECLUSION.—The Secretary shall preclude the issuance of payments to, and on behalf of, deceased individuals that were not eligible for payments.*

***SEC. 1608. TECHNICAL CORRECTIONS.***

*(a) MISSING PUNCTUATION.—Section 359f(c)(1)(B) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ff(c)(1)(B)) is amended by adding a period at the end.*

*(b) ERRONEOUS CROSS REFERENCE.—*

*(1) AMENDMENT.—Section 1603(g) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1739) is amended in paragraphs (2) through (6) and the amendments made by those paragraphs by striking "1703(a)" each place it appears and inserting "1603(a)".*

*(2) EFFECTIVE DATE.—This subsection and the amendments made by this subsection take effect as if included in the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1651).*

*(c) CONTINUED APPLICABILITY OF APPROPRIATIONS GENERAL PROVISION.—Section 767 of division A of Public Law 108–7 (7 U.S.C. 7911 note; 117 Stat. 48) is amended—*

*(1) in subsection (a)—*

*(A) by striking "sections 1101 and 1102 of Public Law 107–171" and inserting "subtitle A of title I of the Federal Agriculture Reform and Risk Management Act of 2012"; and*

*(B) by striking "such section 1102" and inserting "such subtitle"; and*

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

*"(b) This section, as amended by section 1608(c) of the Federal Agriculture Reform and Risk Management Act of 2012, shall take effect beginning with the 2013 crop year.".*

***SEC. 1609. 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 this title.*

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

***SEC. 1610. TRACKING OF BENEFITS.***

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

***SEC. 1611. SIGNATURE AUTHORITY.***

*(a) IN GENERAL.—In carrying out this title and title II and amendments made by those titles, if the Secretary approves a document, the Secretary shall not subsequently determine the document is inadequate or invalid because of the lack of authority of any person 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 person signing the program document knowingly and willfully falsified the evidence of signature authority or a signature.*

*(b) AFFIRMATION.—*

*(1) IN GENERAL.—Nothing in this section prohibits the Secretary from asking a proper party to affirm any document that otherwise would be considered approved under subsection (a).*

*(2) NO RETROACTIVE EFFECT.—A denial of benefits based on a lack of affirmation under paragraph (1) shall not be retroactive with respect to third-party producers who were not the subject of the erroneous representation of authority, if the third-party producers—*

*(A) relied on the prior approval by the Secretary of the documents in good faith; and*

*(B) substantively complied with all program requirements.*

***SEC. 1612. IMPLEMENTATION.***

*(a) STREAMLINING.—In implementing this title, the Secretary shall, to the maximum extent practicable—*

*(1) seek to reduce administrative burdens and costs to producers by streamlining and reducing paperwork, forms, and other administrative requirements;*

*(2) improve coordination, information sharing, and administrative work with the Risk Management Agency and the Natural Resources Conservation Service; and*

*(3) take advantage of new technologies to enhance efficiency and effectiveness of program delivery to producers.*

*(b) MAINTENANCE OF BASE ACRES AND PAYMENT YIELDS.—*

*(1) IN GENERAL.—The Secretary shall maintain through September 30, 2017, for each covered commodity and upland cotton, base acres and payment yields on a farm established under—*

*(A)(i) in the case of covered commodities and upland cotton, sections 1101 and 1102 of the*

*Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7911, 7912); and*

*(ii) in the case of peanuts, section 1302 of that Act (7 U.S.C. 7952); and*

*(B)(i) in the case of covered commodities and upland cotton, sections 1101 and 1102 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8711, 8712); and*

*(ii) in the case of peanuts, section 1302 of that Act (7 U.S.C. 8752).*

*(2) SPECIAL RULE FOR LONG GRAIN AND MEDIUM GRAIN RICE.—*

*(A) IN GENERAL.—The Secretary shall maintain separate base acres for long grain rice and medium grain rice.*

*(B) LIMITATION.—In carrying out this paragraph, the Secretary shall use the same total base acres and payment yields established with respect to rice under sections 1108 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8718), as in effect on the day before the date of enactment of this Act, subject to any adjustment under section 1105.*

*(c) IMPLEMENTATION.—The Secretary shall make available to the Farm Service Agency to carry out this title $100,000,000.*

# *TITLE II—CONSERVATION*

## *Subtitle A—Conservation Reserve Program*

### *SEC. 2001. EXTENSION AND ENROLLMENT REQUIREMENTS OF CONSERVATION RESERVE PROGRAM.*

*(a) EXTENSION.—Section 1231(a) of the Food Security Act of 1985 (16 U.S.C. 3831(a)) is amended by striking "2012" and inserting "2017".*

*(b) ELIGIBLE LAND.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—*

*(1) in paragraph (1)(B), by striking "the date of enactment of the Food, Conservation, and Energy Act of 2008" and inserting "the date of the enactment of the Federal Agriculture Reform and Risk Management Act of 2012";*

*(2) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2);*

*(3) by inserting before paragraph (4) the following new paragraph:*

*"(3) grasslands that—*

*"(A) contain forbs or shrubland (including improved rangeland and pastureland) for which grazing is the predominant use;*

*"(B) are located in an area historically dominated by grasslands; and*

*"(C) could provide habitat for animal and plant populations of significant ecological value if the land is retained in its current use or restored to a natural condition;";*

*(4) in paragraph (4)(C), by striking "filterstrips devoted to trees or shrubs" and inserting "filterstrips or riparian buffers devoted to trees, shrubs, or grasses"; and*

*(5) by striking paragraph (5) and inserting the following new paragraph:*

*"(5) the portion of land in a field not enrolled in the conservation reserve in a case in which—*

*"(A) more than 50 percent of the land in the field is enrolled as a buffer or filterstrip, or more than 75 percent of the land in the field is enrolled as a conservation practice other than as a buffer or filterstrip; and*

*"(B) the remainder of the field is—*

*"(i) infeasible to farm; and*

*"(ii) enrolled at regular rental rates.".*

*(c) PLANTING STATUS OF CERTAIN LAND.—Section 1231(c) of the Food Security Act of 1985 (16 U.S.C. 3831(c)) is amended by striking "if" and all that follows through the period at the end and inserting "if, during the crop year, the land was devoted to a conserving use.".*

*(d) ENROLLMENT.—Subsection (d) of section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended to read as follows:*

*"(d) ENROLLMENT.—*

*"(1) MAXIMUM ACREAGE ENROLLED.—The Secretary may maintain in the conservation reserve at any one time during—*

*"(A) fiscal year 2012, no more than 32,000,000 acres;*

*"(B) fiscal year 2013, no more than 29,000,000 acres;*

*"(C) fiscal year 2014, no more than 26,000,000 acres;*

*"(D) fiscal year 2015, no more than 26,000,000 acres;*

*"(E) fiscal year 2016, no more than 25,500,000 acres; and*

*"(F) fiscal year 2017, no more than 25,000,000 acres.*

*"(2) GRASSLANDS.—*

*"(A) LIMITATION.—For purposes of applying the limitations in paragraph (1), no more than 2,000,000 acres of the land described in subsection (b)(3) may be enrolled in the program at any one time during the 2013 through 2017 fiscal years.*

*"(B) PRIORITY.—In enrolling acres under subparagraph (A), the Secretary may give priority to land with expiring conservation reserve program contracts.*

*"(C) METHOD OF ENROLLMENT.—In enrolling acres under subparagraph (A), the Secretary shall make the program available to owners or operators of eligible land on a continuous enrollment basis with one or more ranking periods.".*

*(e) DURATION OF CONTRACT.—Section 1231(e) of the Food Security Act of 1985 (16 U.S.C. 3831(e)) is amended by striking paragraphs (2) and (3) and inserting the following new paragraph:*

*"(2) SPECIAL RULE FOR CERTAIN LAND.—In the case of land devoted to hardwood trees, shelterbelts, windbreaks, or wildlife corridors under a contract entered into under this subchapter, the owner or operator of the land may, within the limitations pre-*

*scribed under paragraph (1), specify the duration of the contract.".*

*(f) CONSERVATION PRIORITY AREAS.—Section 1231(f) of the Food Security Act of 1985 (16 U.S.C. 3831(f)) is amended—*

*(1) in paragraph (1), by striking "watershed areas of the Chesapeake Bay Region, the Great Lakes Region, the Long Island Sound Region, and other";*

*(2) in paragraph (2), by striking "WATERSHEDS.—Watersheds" and inserting "AREAS.—Areas"; and*

*(3) in paragraph (3), by striking "a watershed's designation—" and all that follows through the period at the end and inserting "an area's designation if the Secretary finds that the area no longer contains actual and significant adverse water quality or habitat impacts related to agricultural production activities.".*

***SEC. 2002. FARMABLE WETLAND PROGRAM.***

*(a) EXTENSION.—Section 1231B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3831b(a)(1)) is amended—*

*(1) by striking "2012" and inserting "2017"; and*

*(2) by striking "a program" and inserting "a farmable wetland program".*

*(b) ELIGIBLE ACREAGE.—Section 1231B(b)(1)(B) of the Food Security Act of 1985 (16 U.S.C. 3831b(b)(1)(B)) is amended by striking "flow from a row crop agriculture drainage system" and inserting "surface and subsurface flow from row crop agricultural production".*

*(c) ACREAGE LIMITATION.—Section 1231B(c)(1)(B) of the Food Security Act of 1985 (16 U.S.C. 3831b(c)(1)(B)) is amended by striking "1,000,000" and inserting "750,000".*

*(d) CLERICAL AMENDMENT.—The heading of section 1231B of the Food Security Act of 1985 (16 U.S.C. 3831b) is amended to read as follows: "**FARMABLE WETLAND PROGRAM**".*

***SEC. 2003. DUTIES OF OWNERS AND OPERATORS.***

*(a) LIMITATION ON HARVESTING, GRAZING, OR COMMERCIAL USE OF FORAGE.—Section 1232(a)(8) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(8)) is amended by striking "except that" and all that follows through the semicolon at the end of the paragraph and inserting "except as provided in subsection (b) or (c) of section 1233;".*

*(b) CONSERVATION PLAN REQUIREMENTS.—Subsection (b) of section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended to read as follows:*

*"(b) CONSERVATION PLANS.—The plan referred to in subsection (a)(1) shall set forth—*

*"(1) the conservation measures and practices to be carried out by the owner or operator during the term of the contract; and*

*"(2) the commercial use, if any, to be permitted on the land during the term.".*

*(c) RENTAL PAYMENT REDUCTION.—Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended by striking subsection (d).*

***SEC. 2004. DUTIES OF THE SECRETARY.***

*Section 1233 of the Food Security Act of 1985 (16 U.S.C. 3833) is amended to read as follows:*

***"SEC. 1233. DUTIES OF THE SECRETARY.***

*"(a) COST-SHARE AND RENTAL PAYMENTS.—In return for a contract entered into by an owner or operator under the conservation reserve program, the Secretary shall—*

*"(1) share the cost of carrying out the conservation measures and practices set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest; and*

*"(2) for a period of years not in excess of the term of the contract, pay an annual rental payment in an amount necessary to compensate for—*

*"(A) the conversion of highly erodible cropland or other eligible lands normally devoted to*

*the production of an agricultural commodity on a farm or ranch to a less intensive use;*

*"(B) the retirement of any base history that the owner or operator agrees to retire permanently; and*

*"(C) the development and management of grasslands for multiple natural resource conservation benefits, including to soil, water, air, and wildlife.*

*"(b) SPECIFIED ACTIVITIES PERMITTED.—The Secretary shall permit certain activities or commercial uses of land that is subject to a contract under the conservation reserve program in a manner that is consistent with a plan approved by the Secretary, as follows:*

*"(1) Harvesting, grazing, or other commercial use of the forage in response to a drought or other emergency created by a natural disaster, without any reduction in the rental rate.*

*"(2) Consistent with the conservation of soil, water quality, and wildlife habitat (including habitat during nesting seasons for birds in the area), and in exchange for a reduction of not less than 25 percent in the annual rental rate for the acres covered by the authorized activity—*

*"(A) managed harvesting and other commercial use (including the managed harvesting of biomass), except that in permitting managed harvesting, the Secretary, in coordination with the State technical committee—*

*"(i) shall develop appropriate vegetation management requirements; and*

*"(ii) shall identify periods during which managed harvesting may be conducted, such that the frequency is not more than once every three years;*

*"(B) routine grazing or prescribed grazing for the control of invasive species, except that in permitting such routine grazing or prescribed grazing, the Secretary, in coordination with the State technical committee—*

*"(i) shall develop appropriate vegetation management requirements and stocking rates for the land that are suitable for continued routine grazing; and*

*"(ii) shall identify the periods during which routine grazing may be conducted, such that the frequency is not more than once every two years, taking into consideration regional differences such as—*

*"(I) climate, soil type, and natural resources;*

*"(II) the number of years that should be required between routine grazing activities; and*

*"(III) how often during a year in which routine grazing is permitted that routine grazing should be allowed to occur; and*

*"(C) the installation of wind turbines and associated access, except that in permitting the installation of wind turbines, the Secretary shall determine the number and location of wind turbines that may be installed, taking into account—*

*"(i) the location, size, and other physical characteristics of the land;*

*"(ii) the extent to which the land contains wildlife and wildlife habitat; and*

*"(iii) the purposes of the conservation reserve program under this subchapter.*

*"(3) The intermittent and seasonal use of vegetative buffer practices incidental to agricultural production on lands adjacent to the buffer such that the per-*

*mitted use does not destroy the permanent vegetative cover.*

*"(c) AUTHORIZED ACTIVITIES ON GRASSLANDS.—For eligible land described in section 1231(b)(3), the Secretary shall permit the following activities:*

*"(1) Common grazing practices, including maintenance and necessary cultural practices, on the land in a manner that is consistent with maintaining the viability of grassland, forb, and shrub species appropriate to that locality.*

*"(2) Haying, mowing, or harvesting for seed production, subject to appropriate restrictions during the nesting season for critical bird species in the area.*

*"(3) Fire presuppression, fire-related rehabilitation, and construction of fire breaks.*

*"(4) Grazing-related activities, such as fencing and livestock watering.*

*"(d) RESOURCE CONSERVING USE.—*

*"(1) IN GENERAL.—Beginning on the date that is 1 year before the date of termination of a contract under the program, the Secretary shall allow an owner or operator to make conservation and land improvements that facilitate maintaining protection of enrolled land after expiration of the contract.*

*"(2) CONSERVATION PLAN.—The Secretary shall require an owner or operator carrying out the activities described in paragraph (1) to develop and implement a conservation plan.*

*"(3) RE-ENROLLMENT PROHIBITED.—Land improved under paragraph (1) may not be re-enrolled in the conservation reserve program for 5 years after the date of termination of the contract.".*

***SEC. 2005. PAYMENTS.***

*(a) TREES, WINDBREAKS, SHELTERBELTS, AND WILDLIFE CORRIDORS.—Section 1234(b)(3)(A) of the Food Security Act of 1985 (16 U.S.C. 3834(b)(3)(A)) is amended—*

*(1) in clause (i), by inserting "and" after the semicolon;*

*(2) by striking clause (ii); and*

*(3) by redesignating clause (iii) as clause (ii).*

*(b) ANNUAL RENTAL PAYMENTS.—Section 1234(c) of the Food Security Act of 1985 (16 U.S.C. 3834(c)) is amended—*

*(1) in paragraph (1), by inserting "or other eligible lands" after "highly erodible cropland" both places it appears; and*

*(2) by striking paragraph (2) and inserting the following new paragraph:*

*"(2) METHODS OF DETERMINATION.—*

*"(A) IN GENERAL.—The amounts payable to owners or operators in the form of rental payments under contracts entered into under this subchapter may be determined through—*

*"(i) the submission of bids for such contracts by owners and operators in such manner as the Secretary may prescribe; or*

*"(ii) such other means as the Secretary determines are appropriate.*

*"(B) GRASSLANDS.—In the case of eligible land described in section 1231(b)(3), the Secretary shall make annual payments in an amount that is not more than 75 percent of the grazing value of the land covered by the contract.".*

*(c) PAYMENT SCHEDULE.—Subsection (d) of section 1234 of the Food Security Act of 1985 (16 U.S.C. 3834) is amended to read as follows:*

*"(d) PAYMENT SCHEDULE.—*

*"(1) IN GENERAL.—Except as otherwise provided in this section, payments under this subchapter shall be made in cash in such amount and on such time schedule as is agreed on and specified in the contract.*

*"(2) ADVANCE PAYMENT.—Payments under this subchapter may be made in advance of determination of performance.".*

*(d) PAYMENT LIMITATION.—Section 1234(f) of the Food Security Act of 1985 (16 U.S.C. 3834(f)) is amended—*

*(1) in paragraph (1), by striking ", including rental payments made in the form of in-kind commodities,";*

*(2) by striking paragraph (3); and*

*(3) by redesignating paragraph (4) as paragraph (2).*

***SEC. 2006. CONTRACT REQUIREMENTS.***

*(a) EARLY TERMINATION BY OWNER OR OPERATOR.—Section 1235(e) of the Food Security Act of 1985 (16 U.S.C. 3835(e)) is amended—*

*(1) in paragraph (1)(A)—*

*(A) by striking "The Secretary" and inserting "During fiscal year 2013, the Secretary"; and*

*(B) by striking "before January 1, 1995,";*

*(2) in paragraph (2), by striking subparagraph (C) and inserting the following:*

*"(C) Land devoted to hardwood trees.*

*"(D) Wildlife habitat, duck nesting habitat, pollinator habitat, upland bird habitat buffer, wildlife food plots, State acres for wildlife enhancement, shallow water areas for wildlife, and rare and declining habitat.*

*"(E) Farmable wetland and restored wetland.*

*"(F) Land that contains diversions, erosion control structures, flood control structures, contour grass strips, living snow fences, salinity reducing vegetation, cross wind trap strips, and sediment retention structures.*

*"(G) Land located within a federally-designated wellhead protection area.*

*"(H) Land that is covered by an easement under the conservation reserve program.*

*"(I) Land located within an average width, according to the applicable Natural Resources Conservation Service field office technical guide, of a perennial stream or permanent water body."; and*

*(3) in paragraph (3), by striking "60 days after the date on which the owner or operator submits the notice required under paragraph (1)(C)" and inserting "upon approval by the Secretary".*

*(b) TRANSITION OPTION FOR CERTAIN FARMERS OR RANCHERS.—Section 1235(f) of the Food Security Act of 1985 (16 U.S.C. 3835(f)) is amended—*

*(1) in paragraph (1)—*

*(A) in the matter preceding subparagraph (A), by striking "DUTIES" and all that follows through "a beginning farmer" and inserting "TRANSITION TO COVERED FARMER OR RANCHER.—In the case of a contract modification approved in order to facilitate the transfer of land subject to a contract from a retired farmer or rancher to a beginning farmer";*

*(B) in subparagraph (A)(i), by inserting ", including preparing to plant an agricultural crop" after "improvements";*

*(C) in subparagraph (D), by striking "the farmer or rancher" and inserting "the covered farmer or rancher"; and*

*(D) in subparagraph (E), by striking "section 1001A(b)(3)(B)" and inserting "section 1001"; and*

*(2) in paragraph (2), by striking "requirement of section 1231(h)(4)(B)" and inserting "option pursuant to section 1234(c)(2)(A)(ii)".*

*(c) FINAL YEAR CONTRACT.—Section 1235 of the Food Security Act of 1985 (16 U.S.C. 3835) is amended by adding at the end the following new subsections:*

*"(g) FINAL YEAR OF CONTRACT.—The Secretary shall not consider an owner or operator to be in violation of a term or condition of the conservation reserve contract if—*

*"(1) during the year prior to expiration of the contract, the land is enrolled in the conservation stewardship program; and*

*"(2) the activity required under the conservation stewardship program pursuant to such enrollment is consistent with this subchapter.*

*"(h) LAND ENROLLED IN AGRICULTURAL CONSERVATION EASEMENT PROGRAM.—The Secretary may terminate or modify a contract entered into under this subchapter if eligible land that is subject to such contract is transferred into the agricultural conservation easement program under subtitle H.".*

***SEC. 2007. CONVERSION OF LAND SUBJECT TO CONTRACT TO OTHER CONSERVING USES.***

*Section 1235A of the Food Security Act of 1985 (16 U.S.C. 3835a) is repealed.*

***SEC. 2008. EFFECTIVE DATE.***

*(a) IN GENERAL.—The amendments made by this subtitle shall take effect on October 1, 2012, except the amend-*

*ment made by section 2001(d), which shall take effect on the date of the enactment of this Act.*

*(b) EFFECT ON EXISTING CONTRACTS.—*

*(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this subtitle shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) before October 1, 2012, or any payments required to be made in connection with the contract.*

*(2) UPDATING OF EXISTING CONTRACTS.—The Secretary shall permit an owner or operator of land subject to a contract entered into under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) before October 1, 2012, to update the contract to reflect the activities and uses of land under contract permitted under the terms and conditions of section 1233(b) of that Act (as amended by section 2004), as determined appropriate by the Secretary.*

# *Subtitle B—Conservation Stewardship Program*

***SEC. 2101. CONSERVATION STEWARDSHIP PROGRAM.***

*(a) REVISION OF CURRENT PROGRAM.—Subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838d et seq.) is amended to read as follows:*

## *"Subchapter B—Conservation Stewardship Program*

***"SEC. 1238D. DEFINITIONS.***

*"In this subchapter:*

*"(1) AGRICULTURAL OPERATION.—The term 'agricultural operation' means all eligible land, whether or not contiguous, that is—*

*"(A) under the effective control of a producer at the time the producer enters into a contract under the program; and*

*"(B) operated with equipment, labor, management, and production or cultivation practices that are substantially separate from other agricultural operations, as determined by the Secretary.*

*"(2) CONSERVATION ACTIVITIES.—*

*"(A) IN GENERAL.—The term 'conservation activities' means conservation systems, practices, or management measures.*

*"(B) INCLUSIONS.—The term 'conservation activities' includes—*

*"(i) structural measures, vegetative measures, and land management measures, including agriculture drainage management systems, as determined by the Secretary; and*

*"(ii) planning needed to address a priority resource concern.*

*"(3) CONSERVATION STEWARDSHIP PLAN.—The term 'conservation stewardship plan' means a plan that—*

*"(A) identifies and inventories priority resource concerns;*

*"(B) establishes benchmark data and conservation objectives;*

*"(C) describes conservation activities to be implemented, managed, or improved; and*

*"(D) includes a schedule and evaluation plan for the planning, installation, and management of the new and existing conservation activities.*

*"(4) ELIGIBLE LAND.—*

*"(A) IN GENERAL.—The term 'eligible land' means—*

*"(i) private or tribal land on which agricultural commodities, livestock, or forest-related products are produced; and*

*"(ii) lands associated with the land described in clause (i) on which priority resource concerns could be addressed through a contract under the program.*

*"(B) INCLUSIONS.—The term 'eligible land' includes—*

*"(i) cropland;*

*"(ii) grassland;*

*"(iii) rangeland;*

*"(iv) pasture land;*

*"(v) nonindustrial private forest land; and*

*"(vi) other agricultural areas (including cropped woodland, marshes, and agricultural land used or capable of being used for the production of livestock), as determined by the Secretary.*

*"(5) PRIORITY RESOURCE CONCERN.—The term 'priority resource concern' means a natural resource*

*concern or problem, as determined by the Secretary, that—*

*"(A) is identified at the national, State, or local level as a priority for a particular area of a State;*

*"(B) represents a significant concern in a State or region; and*

*"(C) is likely to be addressed successfully through the implementation of conservation activities under this program.*

*"(6) PROGRAM.—The term 'program' means the conservation stewardship program established by this subchapter.*

*"(7) STEWARDSHIP THRESHOLD.—The term 'stewardship threshold' means the level of management required, as determined by the Secretary, to conserve and improve the quality and condition of a natural resource.*

***"SEC. 1238E. CONSERVATION STEWARDSHIP PROGRAM.***

*"(a) ESTABLISHMENT AND PURPOSE.—During each of fiscal years 2013 through 2017, the Secretary shall carry out a conservation stewardship program to encourage producers to address priority resource concerns in a comprehensive manner—*

*"(1) by undertaking additional conservation activities; and*

*"(2) by improving, maintaining, and managing existing conservation activities.*

*"(b) EXCLUSIONS.—*

*"(1) LAND ENROLLED IN OTHER CONSERVATION PROGRAMS.—Subject to paragraph (2), the following land (even if covered by the definition of eligible land) is not eligible for enrollment in the program:*

*"(A) Land enrolled in the conservation reserve program, unless—*

*"(i) the conservation reserve contract will expire at the end of the fiscal year in which the land is to be enrolled in the program; and*

*"(ii) conservation reserve program payments for land enrolled in the program cease before the first program payment is made to the applicant under this subchapter.*

*"(B) Land enrolled in a wetland easement through the agricultural conservation easement program.*

*"(C) Land enrolled in the conservation security program.*

*"(2) CONVERSION TO CROPLAND.—Eligible land used for crop production after October 1, 2012, that had not been planted, considered to be planted, or devoted to crop production for at least 4 of the 6 years preceding that date shall not be the basis for any payment under the program, unless the land does not meet the requirement because—*

*"(A) the land had previously been enrolled in the conservation reserve program;*

*"(B) the land has been maintained using long-term crop rotation practices, as determined by the Secretary; or*

*"(C) the land is incidental land needed for efficient operation of the farm or ranch, as determined by the Secretary.*

***"SEC. 1238F. STEWARDSHIP CONTRACTS.***

*"(a) SUBMISSION OF CONTRACT OFFERS.—To be eligible to participate in the conservation stewardship program, a producer shall submit to the Secretary a contract offer for the agricultural operation that—*

*"(1) demonstrates to the satisfaction of the Secretary that the producer, at the time of the contract offer, meets or exceeds the stewardship threshold for at least 2 priority resource concerns; and*

*"(2) would, at a minimum, meet or exceed the stewardship threshold for at least 1 additional priority resource concern by the end of the stewardship contract by—*

*"(A) installing and adopting additional conservation activities; and*

*"(B) improving, maintaining, and managing existing conservation activities across the entire agricultural operation in a manner that increases or extends the conservation benefits in place at the time the contract offer is accepted by the Secretary.*

*"(b) EVALUATION OF CONTRACT OFFERS.—*

*"(1) RANKING OF APPLICATIONS.—In evaluating contract offers submitted under subsection (a), the Secretary shall rank applications based on—*

*"(A) the level of conservation treatment on all applicable priority resource concerns at the time of application;*

*"(B) the degree to which the proposed conservation activities effectively increase conservation performance;*

*"(C) the number of applicable priority resource concerns proposed to be treated to meet or*

*exceed the stewardship threshold by the end of the contract;*

*"(D) the extent to which other priority resource concerns will be addressed to meet or exceed the stewardship threshold by the end of the contract period;*

*"(E) the extent to which the actual and anticipated conservation benefits from the contract are provided at the least cost relative to other similarly beneficial contract offers; and*

*"(F) the extent to which priority resource concerns will be addressed when transitioning from the conservation reserve program to agricultural production.*

*"(2) PROHIBITION.—The Secretary may not assign a higher priority to any application because the applicant is willing to accept a lower payment than the applicant would otherwise be eligible to receive.*

*"(3) ADDITIONAL CRITERIA.—The Secretary may develop and use such additional criteria that the Secretary determines are necessary to ensure that national, State, and local priority resource concerns are effectively addressed.*

*"(c) ENTERING INTO CONTRACTS.—After a determination that a producer is eligible for the program under sub-*

*section (a), and a determination that the contract offer ranks sufficiently high under the evaluation criteria under subsection (b), the Secretary shall enter into a conservation stewardship contract with the producer to enroll the eligible land to be covered by the contract.*

*"(d) CONTRACT PROVISIONS.—*

*"(1) TERM.—A conservation stewardship contract shall be for a term of 5 years.*

*"(2) REQUIRED PROVISIONS.—The conservation stewardship contract of a producer shall—*

*"(A) state the amount of the payment the Secretary agrees to make to the producer for each year of the conservation stewardship contract under section 1238G(d);*

*"(B) require the producer—*

*"(i) to implement a conservation stewardship plan that describes the program purposes to be achieved through 1 or more conservation activities;*

*"(ii) to maintain and supply information as required by the Secretary to determine compliance with the conservation stewardship plan and any other requirements of the program; and*

*"(iii) not to conduct any activities on the agricultural operation that would tend to defeat the purposes of the program;*

*"(C) permit all economic uses of the eligible land that—*

*"(i) maintain the agricultural nature of the land; and*

*"(ii) are consistent with the conservation purposes of the conservation stewardship contract;*

*"(D) include a provision to ensure that a producer shall not be considered in violation of the contract for failure to comply with the contract due to circumstances beyond the control of the producer, including a disaster or related condition, as determined by the Secretary;*

*"(E) include provisions requiring that upon the violation of a term or condition of the contract at any time the producer has control of the land—*

*"(i) if the Secretary determines that the violation warrants termination of the contract—*

*"(I) the producer shall forfeit all rights to receive payments under the contract; and*

*"(II) the producer shall refund all or a portion of the payments received by the producer under the contract, including any interest on the payments, as determined by the Secretary; or*

*"(ii) if the Secretary determines that the violation does not warrant termination of the contract, the producer shall refund or accept adjustments to the payments provided to the producer, as the Secretary determines to be appropriate;*

*"(F) include provisions in accordance with paragraphs (3) and (4) of this section; and*

*"(G) include any additional provisions the Secretary determines are necessary to carry out the program.*

*"(3) CHANGE OF INTEREST IN LAND SUBJECT TO A CONTRACT.—*

*"(A) IN GENERAL.—At the time of application, a producer shall have control of the eligible land to be enrolled in the program. Except as provided in subparagraph (B), a change in the*

*interest of a producer in eligible land covered by a contract under the program shall result in the termination of the contract with regard to that land.*

*"(B) TRANSFER OF DUTIES AND RIGHTS.—Subparagraph (A) shall not apply if—*

*"(i) within a reasonable period of time (as determined by the Secretary) after the date of the change in the interest in eligible land covered by a contract under the program, the transferee of the land provides written notice to the Secretary that all duties and rights under the contract have been transferred to, and assumed by, the transferee for the portion of the land transferred;*

*"(ii) the transferee meets the eligibility requirements of the program; and*

*"(iii) the Secretary approves the transfer of all duties and rights under the contract.*

*"(4) MODIFICATION AND TERMINATION OF CONTRACTS.—*

*"(A) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract with a producer if—*

*"(i) the producer agrees to the modification or termination; and*

*"(ii) the Secretary determines that the modification or termination is in the public interest.*

*"(B) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract if the Secretary determines that the producer violated the contract.*

*"(5) REPAYMENT.—If a contract is terminated, the Secretary may, consistent with the purposes of the program—*

*"(A) allow the producer to retain payments already received under the contract; or*

*"(B) require repayment, in whole or in part, of payments received and assess liquidated damages.*

*"(e) CONTRACT RENEWAL.—At the end of the initial 5-year contract period, the Secretary may allow the producer to renew the contract for 1 additional 5-year period if the producer—*

*"(1) demonstrates compliance with the terms of the initial contract;*

*"(2) agrees to adopt and continue to integrate conservation activities across the entire agricultural operation, as determined by the Secretary; and*

*"(3) agrees, by the end of the contract period—*

*"(A) to meet the stewardship threshold of at least two additional priority resource concerns on the agricultural operation; or*

*"(B) to exceed the stewardship threshold of two existing priority resource concerns that are specified by the Secretary in the initial contract.*

***"SEC. 1238G. DUTIES OF THE SECRETARY.***

*"(a) IN GENERAL.—To achieve the conservation goals of a contract under the conservation stewardship program, the Secretary shall—*

*"(1) make the program available to eligible producers on a continuous enrollment basis with 1 or more ranking periods, one of which shall occur in the first quarter of each fiscal year;*

*"(2) identify not less than 5 priority resource concerns in a particular watershed or other appropriate region or area within a State; and*

*"(3) establish a science-based stewardship threshold for each priority resource concern identified under paragraph (2).*

*"(b) ALLOCATION TO STATES.—The Secretary shall allocate acres to States for enrollment, based—*

*"(1) primarily on each State's proportion of eligible land to the total acreage of eligible land in all States; and*

*"(2) also on consideration of—*

*"(A) the extent and magnitude of the conservation needs associated with agricultural production in each State;*

*"(B) the degree to which implementation of the program in the State is, or will be, effective in helping producers address those needs; and*

*"(C) other considerations to achieve equitable geographic distribution of funds, as determined by the Secretary.*

*"(c) ACREAGE ENROLLMENT LIMITATION.—During the period beginning on October 1, 2012, and ending on September 30, 2021, the Secretary shall, to the maximum extent practicable—*

*"(1) enroll in the program an additional 9,000,000 acres for each fiscal year; and*

*"(2) manage the program to achieve a national average rate of $18 per acre, which shall include the costs of all financial assistance, technical assistance,*

*and any other expenses associated with enrollment or participation in the program.*

*"(d) CONSERVATION STEWARDSHIP PAYMENTS.—*

*"(1) AVAILABILITY OF PAYMENTS.—The Secretary shall provide annual payments under the program to compensate the producer for—*

*"(A) installing and adopting additional conservation activities; and*

*"(B) improving, maintaining, and managing conservation activities in place at the agricultural operation of the producer at the time the contract offer is accepted by the Secretary.*

*"(2) PAYMENT AMOUNT.—The amount of the conservation stewardship annual payment shall be determined by the Secretary and based, to the maximum extent practicable, on the following factors:*

*"(A) Costs incurred by the producer associated with planning, design, materials, installation, labor, management, maintenance, or training.*

*"(B) Income forgone by the producer.*

*"(C) Expected conservation benefits.*

*"(D) The extent to which priority resource concerns will be addressed through the installa-*

*tion and adoption of conservation activities on the agricultural operation.*

*"(E) The level of stewardship in place at the time of application and maintained over the term of the contract.*

*"(F) The degree to which the conservation activities will be integrated across the entire agricultural operation for all applicable priority resource concerns over the term of the contract.*

*"(G) Such other factors as determined appropriate by the Secretary.*

*"(3) EXCLUSIONS.—A payment to a producer under this subsection shall not be provided for—*

*"(A) the design, construction, or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations; or*

*"(B) conservation activities for which there is no cost incurred or income forgone to the producer.*

*"(4) DELIVERY OF PAYMENTS.—In making payments under this subsection, the Secretary shall, to the extent practicable—*

*"(A) prorate conservation performance over the term of the contract so as to accommodate,*

*to the extent practicable, producers earning equal annual payments in each fiscal year; and*

*"(B) make payments as soon as practicable after October 1 of each fiscal year for activities carried out in the previous fiscal year.*

*"(e) SUPPLEMENTAL PAYMENTS FOR RESOURCE-CONSERVING CROP ROTATIONS.—*

*"(1) AVAILABILITY OF PAYMENTS.—The Secretary shall provide additional payments to producers that, in participating in the program, agree to adopt or improve resource-conserving crop rotations to achieve beneficial crop rotations as appropriate for the eligible land of the producers.*

*"(2) BENEFICIAL CROP ROTATIONS.—The Secretary shall determine whether a resource-conserving crop rotation is a beneficial crop rotation eligible for additional payments under paragraph (1) based on whether the resource-conserving crop rotation is designed to provide natural resource conservation and production benefits.*

*"(3) ELIGIBILITY.—To be eligible to receive a payment described in paragraph (1), a producer shall agree to adopt and maintain beneficial resource-conserving crop rotations for the term of the contract.*

*"(4) RESOURCE-CONSERVING CROP ROTATION.—In this subsection, the term 'resource-conserving crop rotation' means a crop rotation that—*

*"(A) includes at least 1 resource conserving crop (as defined by the Secretary);*

*"(B) reduces erosion;*

*"(C) improves soil fertility and tilth;*

*"(D) interrupts pest cycles; and*

*"(E) in applicable areas, reduces depletion of soil moisture or otherwise reduces the need for irrigation.*

*"(f) PAYMENT LIMITATIONS.—A person or legal entity may not receive, directly or indirectly, payments under the program that, in the aggregate, exceed $200,000 under all contracts entered into during fiscal years 2013 through 2017, excluding funding arrangements with Indian tribes, regardless of the number of contracts entered into under the program by the person or legal entity.*

*"(g) SPECIALTY CROP AND ORGANIC PRODUCERS.—The Secretary shall ensure that outreach and technical assistance are available, and program specifications are appropriate to enable specialty crop and organic producers to participate in the program.*

*"(h) COORDINATION WITH ORGANIC CERTIFICATION.—The Secretary shall establish a transparent*

*means by which producers may initiate organic certification under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.) while participating in a contract under the program.*

*"(i) REGULATIONS.—The Secretary shall promulgate regulations that—*

*"(1) prescribe such other rules as the Secretary determines to be necessary to ensure a fair and reasonable application of the limitations established under subsection (f); and*

*"(2) otherwise enable the Secretary to carry out the program.".*

*(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.*

*(c) EFFECT ON EXISTING CONTRACTS.—*

*(1) IN GENERAL.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838d et seq.) before October 1, 2012, or any payments required to be made in connection with the contract.*

*(2) CONSERVATION STEWARDSHIP PROGRAM.—Funds made available under section 1241(a)(4) of the*

*Food Security Act of 1985 (16 U.S.C. 3841(a)(4)) (as amended by section 2601(a) of this title) may be used to administer and make payments to program participants that enrolled into contracts during any of fiscal years 2009 through 2012.*

## *Subtitle C—Environmental Quality Incentives Program*

***SEC. 2201. PURPOSES.***

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

*(1) in paragraph (3)—*

*(A) in subparagraph (A), by striking "and" at the end;*

*(B) by redesignating subparagraph (B) as subparagraph (C) and, in such subparagraph, by inserting "and" after the semicolon; and*

*(C) by inserting after subparagraph (A) the following new subparagraph:*

*"(B) developing and improving wildlife habitat; and";*

*(2) in paragraph (4), by striking "; and" and inserting a period; and*

*(3) by striking paragraph (5).*

***SEC. 2202. ESTABLISHMENT AND ADMINISTRATION.***

*Section 1240B of the Food Security Act of 1985 (16 U.S.C. 3839aa–2) is amended—*

*(1) in subsection (a), by striking "2014" and inserting "2017";*

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

*"(2) TERM.—A contract under the program shall have a term that does not exceed 10 years.";*

*(3) in subsection (d)(4)—*

*(A) in subparagraph (A), in the matter preceding clause (i), by inserting ", veteran farmer or rancher (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))),'' before "or a beginning farmer or rancher"; and*

*(B) by striking subparagraph (B) and inserting the following new subparagraph:*

*"(B) ADVANCE PAYMENTS.—*

*"(i) IN GENERAL.—Not more than 50 percent of the amount determined under subparagraph (A) may be provided in advance for the purpose of purchasing materials or contracting.*

*"(ii) RETURN OF FUNDS.—If funds provided in advance are not expended dur-*

*ing the 90-day period beginning on the date of receipt of the funds, the funds shall be returned within a reasonable time frame, as determined by the Secretary.";*

*(4) by striking subsection (f) and inserting the following new subsection:*

*"(f) ALLOCATION OF FUNDING.—*

*"(1) LIVESTOCK.—For each of fiscal years 2013 through 2017, at least 60 percent of the funds made available for payments under the program shall be targeted at practices relating to livestock production.*

*"(2) WILDLIFE HABITAT.—For each of fiscal years 2013 through 2017, 5 percent of the funds made available for payments under the program shall be targeted at practices benefitting wildlife habitat.";*

*(5) in subsection (g)—*

*(A) in the subsection heading, by striking "FEDERALLY RECOGNIZED NATIVE AMERICAN INDIAN TRIBES AND ALASKA NATIVE CORPORATIONS" and inserting "INDIAN TRIBES";*

*(B) by striking "federally recognized Native American Indian Tribes and Alaska Native Corporations (including their affiliated membership organizations)" and inserting "Indian tribes"; and*

*(C) by striking "or Native Corporation"; and*

*(6) by adding at the end the following:*

*"(j) WILDLIFE HABITAT INCENTIVE PRACTICE.—The Secretary shall provide payments under the program for conservation practices that support the restoration, development, and improvement of wildlife habitat on eligible land, including—*

*"(1) upland wildlife habitat;*

*"(2) wetland wildlife habitat;*

*"(3) habitat for threatened and endangered species;*

*"(4) fish habitat;*

*"(5) habitat on pivot corners and other irregular areas of a field; and*

*"(6) other types of wildlife habitat, as determined appropriate by the Secretary.".*

***SEC. 2203. EVALUATION OF APPLICATIONS.***

*Section 1240C(b) of the Food Security Act of 1985 (16 U.S.C. 3839aa–3(b)) is amended—*

*(1) in paragraph (1), by striking "environmental" and inserting "conservation"; and*

*(2) in paragraph (3), by striking "purpose of the environmental quality incentives program specified in*

*section 1240(1)" and inserting "purposes of the program".*

***SEC. 2204. DUTIES OF PRODUCERS.***

*Section 1240D(2) of the Food Security Act of 1985 (16 U.S.C. 3839aa–4(2)) is amended by striking "farm, ranch, or forest" and inserting "enrolled".*

***SEC. 2205. LIMITATION ON PAYMENTS.***

*Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa–7) is amended to read as follows:*

***"SEC. 1240G. LIMITATION ON PAYMENTS.***

*"A person or legal entity may not receive, directly or indirectly, cost share or incentive payments under this chapter that, in aggregate, exceed $450,000 for all contracts entered into under this chapter by the person or legal entity during the period of fiscal years 2013 through 2017, regardless of the number of contracts entered into under this chapter by the person or legal entity.".*

***SEC. 2206. CONSERVATION INNOVATION GRANTS AND PAYMENTS.***

*Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa–8) is amended—*

*(1) in subsection (a)(2)—*

*(A) in subparagraph (C), by striking "; and" and inserting a semicolon;*

*(B) in subparagraph (D), by striking the period and inserting a semicolon; and*

*(C) by adding at the end the following new subparagraphs:*

*"(E) facilitate on-farm conservation research and demonstration activities; and*

*"(F) facilitate pilot testing of new technologies or innovative conservation practices."; and*

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

*"(b) REPORTING.—Not later than December 31, 2013, and every two years thereafter, the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report on the status of projects funded under this section, including—*

*"(1) funding awarded;*

*"(2) project results; and*

*"(3) incorporation of project findings, such as new technology and innovative approaches, into the conservation efforts implemented by the Secretary.".*

***SEC. 2207. EFFECTIVE DATE.***

*(a) IN GENERAL.—The amendments made by this subtitle shall take effect on October 1, 2012.*

*(b) EFFECT ON EXISTING CONTRACTS.—The amendments made by this subtitle shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) before October 1, 2012, or any payments required to be made in connection with the contract.*

## *Subtitle D—Agricultural Conservation Easement Program*

***SEC. 2301. AGRICULTURAL CONSERVATION EASEMENT PROGRAM.***

*(a) ESTABLISHMENT.—Title XII of the Food Security Act of 1985 is amended by adding at the end the following new subtitle:*

## *"Subtitle H—Agricultural Conservation Easement Program*

***"SEC. 1265. ESTABLISHMENT AND PURPOSES.***

*"(a) ESTABLISHMENT.—The Secretary shall establish an agricultural conservation easement program for the conservation of eligible land and natural resources through easements or other interests in land.*

*"(b) PURPOSES.—The purposes of the program are to—*

*"(1) combine the purposes and coordinate the functions of the wetlands reserve program established*

*under section 1237, the grassland reserve program established under section 1238N, and the farmland protection program established under section 1238I, as such sections were in effect on September 30, 2012;*

*"(2) restore, protect, and enhance wetlands on eligible land;*

*"(3) protect the agricultural use and related conservation values of eligible land by limiting nonagricultural uses of that land; and*

*"(4) protect grazing uses and related conservation values by restoring and conserving eligible land.*

***"SEC. 1265A. DEFINITIONS.***

*"In this subtitle:*

*"(1) AGRICULTURAL LAND EASEMENT.—The term 'agricultural land easement' means an easement or other interest in eligible land that—*

*"(A) is conveyed for the purpose of protecting natural resources and the agricultural nature of the land; and*

*"(B) permits the landowner the right to continue agricultural production and related uses subject to an agricultural land easement plan, as approved by the Secretary.*

*"(2) ELIGIBLE ENTITY.—The term 'eligible entity' means—*

*"(A) an agency of State or local government or an Indian tribe (including a farmland protection board or land resource council established under State law); or*

*"(B) an organization that is—*

*"(i) organized for, and at all times since the formation of the organization has been operated principally for, 1 or more of the conservation purposes specified in clause (i), (ii), (iii), or (iv) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;*

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

*"(iii) described in—*

*"(I) paragraph (1) or (2) of section 509(a) of that Code; or*

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

*"(3) ELIGIBLE LAND.—The term 'eligible land' means private or tribal land that is—*

*"(A) in the case of an agricultural land easement, agricultural land, including land on a farm or ranch—*

*"(i) that is subject to a pending offer for purchase of an agricultural land easement from an eligible entity;*

*"(ii) that—*

*"(I) has prime, unique, or other productive soil;*

*"(II) contains historical or archaeological resources; or*

*"(III) the protection of which will further a State or local policy consistent with the purposes of the program; and*

*"(iii) that is—*

*"(I) cropland;*

*"(II) rangeland;*

*"(III) grassland or land that contains forbs, or shrubland for which grazing is the predominate use;*

*"(IV) pastureland; or*

*"(V) nonindustrial private forest land that contributes to the economic viability of an offered parcel or serves*

*as a buffer to protect such land from development;*

*"(B) in the case of a wetland easement, a wetland or related area, including—*

*"(i) farmed or converted wetlands, together with adjacent land that is functionally dependent on that land, if the Secretary determines it—*

*"(I) is likely to be successfully restored in a cost effective manner; and*

*"(II) will maximize the wildlife benefits and wetland functions and values, as determined by the Secretary in consultation with the Secretary of the Interior at the local level;*

*"(ii) cropland or grassland that was used for agricultural production prior to flooding from the natural overflow of—*

*"(I) a closed basin lake and adjacent land that is functionally dependent upon it, if the State or other entity is willing to provide 50 percent share of the cost of an easement;*

*"(II) a pothole and adjacent land that is functionally dependent on it;*

*"(iii) farmed wetlands and adjoining lands that—*

*"(I) are enrolled in the conservation reserve program;*

*"(II) have the highest wetland functions and values, as determined by the Secretary; and*

*"(III) are likely to return to production after they leave the conservation reserve program;*

*"(iv) riparian areas that link wetlands that are protected by easements or some other device that achieves the same purpose as an easement; or*

*"(v) other wetlands of an owner that would not otherwise be eligible, if the Secretary determines that the inclusion of such wetlands in a wetland easement would significantly add to the functional value of the easement; or*

*"(C) in the case of either an agricultural land easement or wetland easement, other land that is incidental to land described in subparagraph (A) or (B), if the Secretary determines*

*that it is necessary for the efficient administration of the easements under this program.*

*"(4) PROGRAM.—The term 'program' means the agricultural conservation easement program established by this subtitle.*

*"(5) WETLAND EASEMENT.—The term 'wetland easement' means a reserved interest in eligible land that—*

*"(A) is defined and delineated in a deed; and*

*"(B) stipulates—*

*"(i) the rights, title, and interests in land conveyed to the Secretary; and*

*"(ii) the rights, title, and interests in land that are reserved to the landowner.*

***"SEC. 1265B. AGRICULTURAL LAND EASEMENTS.***

*"(a) AVAILABILITY OF ASSISTANCE.—The Secretary shall facilitate and provide funding for—*

*"(1) the purchase by eligible entities of agricultural land easements and other interests in eligible land; and*

*"(2) technical assistance to provide for the conservation of natural resources pursuant to an agricultural land easement plan.*

*"(b) COST-SHARE ASSISTANCE.—*

*"(1) IN GENERAL.—The Secretary shall protect the agricultural use, including grazing, and related conservation values of eligible land through cost-share assistance to eligible entities for purchasing agricultural land easements.*

*"(2) SCOPE OF ASSISTANCE AVAILABLE.—*

*"(A) FEDERAL SHARE.—An agreement described in paragraph (4) shall provide for a Federal share determined by the Secretary of an amount not to exceed 50 percent of the fair market value of the agricultural land easement or other interest in land, as determined by the Secretary using—*

*"(i) the Uniform Standards of Professional Appraisal Practice;*

*"(ii) an area-wide market analysis or survey; or*

*"(iii) another industry-approved method.*

*"(B) NON-FEDERAL SHARE.—*

*"(i) IN GENERAL.—Under the agreement, the eligible entity shall provide a share that is at least equivalent to that provided by the Secretary.*

*"(ii) SOURCE OF CONTRIBUTION.—An eligible entity may include as part of its share a charitable donation or qualified conservation contribution (as defined by section 170(h) of the Internal Revenue Code of 1986) from the private landowner if the eligible entity contributes its own cash resources in an amount that is at least 50 percent of the amount contributed by the Secretary.*

*"(C) EXCEPTION.—In the case of grassland of special environmental significance, as determined by the Secretary, the Secretary may provide an amount not to exceed 75 percent of the fair market value of the agricultural land easement.*

*"(3) EVALUATION AND RANKING OF APPLICATIONS.—*

*"(A) CRITERIA.—The Secretary shall establish evaluation and ranking criteria to maximize the benefit of Federal investment under the program.*

*"(B) CONSIDERATIONS.—In establishing the criteria, the Secretary shall emphasize support for—*

*"(i) protecting agricultural uses and related conservation values of the land; and*

*"(ii) maximizing the protection of areas devoted to agricultural use.*

*"(C) BIDDING DOWN.—If the Secretary determines that 2 or more applications for cost-share assistance are comparable in achieving the purpose of the program, the Secretary shall not assign a higher priority to any of those applications solely on the basis of lesser cost to the program.*

*"(4) AGREEMENTS WITH ELIGIBLE ENTITIES.—*

*"(A) IN GENERAL.—The Secretary shall enter into agreements with eligible entities to stipulate the terms and conditions under which the eligible entity is permitted to use cost-share assistance provided under this section.*

*"(B) LENGTH OF AGREEMENTS.—An agreement shall be for a term that is—*

*"(i) in the case of an eligible entity certified under the process described in paragraph (5), a minimum of five years; and*

*"(ii) for all other eligible entities, at least three, but not more than five years.*

*"(C) MINIMUM TERMS AND CONDITIONS.—An eligible entity shall be authorized to use its own terms and conditions for agricultural land easements so long as the Secretary determines such terms and conditions—*

*"(i) are consistent with the purposes of the program;*

*"(ii) permit effective enforcement of the conservation purposes of such easements;*

*"(iii) include a right of enforcement for the Secretary, that may be used only if the terms of the easement are not enforced by the holder of the easement;*

*"(iv) subject the land in which an interest is purchased to an agricultural land easement plan that—*

*"(I) describes the activities which promote the long-term viability of the land to meet the purposes for which the easement was acquired;*

*"(II) requires the management of grasslands according to a grasslands management plan; and*

*"(III) includes a conservation plan, where appropriate, and requires,*

*at the option of the Secretary, the conversion of highly erodible cropland to less intensive uses; and*

*"(v) include a limit on the impervious surfaces to be allowed that is consistent with the agricultural activities to be conducted.*

*"(D) SUBSTITUTION OF QUALIFIED PROJECTS.—An agreement shall allow, upon mutual agreement of the parties, substitution of qualified projects that are identified at the time of the proposed substitution.*

*"(E) EFFECT OF VIOLATION.—If a violation occurs of a term or condition of an agreement under this subsection—*

*"(i) the Secretary may terminate the agreement; and*

*"(ii) the Secretary may require the eligible entity to refund all or part of any payments received by the entity under the program, with interest on the payments as determined appropriate by the Secretary.*

*"(5) CERTIFICATION OF ELIGIBLE ENTITIES.—*

*"(A) CERTIFICATION PROCESS.—The Secretary shall establish a process under which the Secretary may—*

*"(i) directly certify eligible entities that meet established criteria;*

*"(ii) enter into long-term agreements with certified eligible entities; and*

*"(iii) accept proposals for cost-share assistance for the purchase of agricultural land easements throughout the duration of such agreements.*

*"(B) CERTIFICATION CRITERIA.—In order to be certified, an eligible entity shall demonstrate to the Secretary that the entity will maintain, at a minimum, for the duration of the agreement—*

*"(i) a plan for administering easements that is consistent with the purpose of this subtitle;*

*"(ii) the capacity and resources to monitor and enforce agricultural land easements; and*

*"(iii) policies and procedures to ensure—*

*"(I) the long-term integrity of agricultural land easements on eligible land;*

*"(II) timely completion of acquisitions of such easements; and*

*"(III) timely and complete evaluation and reporting to the Secretary on the use of funds provided under the program.*

*"(C) REVIEW AND REVISION.—*

*"(i) REVIEW.—The Secretary shall conduct a review of eligible entities certified under subparagraph (A) every three years to ensure that such entities are meeting the criteria established under subparagraph (B).*

*"(ii) REVOCATION.—If the Secretary finds that the certified eligible entity no longer meets the criteria established under subparagraph (B), the Secretary may—*

*"(I) allow the certified eligible entity a specified period of time, at a minimum 180 days, in which to take such actions as may be necessary to meet the criteria; and*

*"(II) revoke the certification of the eligible entity, if after the specified pe-*

*riod of time, the certified eligible entity does not meet such criteria.*

*"(c) METHOD OF ENROLLMENT.—The Secretary shall enroll eligible land under this section through the use of—*

*"(1) permanent easements; or*

*"(2) easements for the maximum duration allowed under applicable State laws.*

*"(d) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance, if requested, to assist in—*

*"(1) compliance with the terms and conditions of easements; and*

*"(2) implementation of an agricultural land easement plan.*

***"SEC. 1265C. WETLAND EASEMENTS.***

*"(a) AVAILABILITY OF ASSISTANCE.—The Secretary shall provide assistance to owners of eligible land to restore, protect, and enhance wetlands through—*

*"(1) wetland easements and related wetland easement plans; and*

*"(2) technical assistance.*

*"(b) EASEMENTS.—*

*"(1) METHOD OF ENROLLMENT.—The Secretary shall enroll eligible land under this section through the use of—*

*"(A) 30-year easements;*

*"(B) permanent easements;*

*"(C) easements for the maximum duration allowed under applicable State laws; or*

*"(D) as an option for Indian tribes only, 30-year contracts (which shall be considered to be 30-year easements for the purposes of this subtitle).*

*"(2) LIMITATIONS.—*

*"(A) INELIGIBLE LAND.—The Secretary may not acquire easements on—*

*"(i) land established to trees under the conservation reserve program, except in cases where the Secretary determines it would further the purposes of the program; and*

*"(ii) farmed wetlands or converted wetlands where the conversion was not commenced prior to December 23, 1985.*

*"(B) CHANGES IN OWNERSHIP.—No wetland easement shall be created on land that has changed ownership during the preceding 24-month period unless—*

*"(i) the new ownership was acquired by will or succession as a result of the death of the previous owner;*

*"(ii)(I) the ownership change occurred because of foreclosure on the land; and*

*"(II) immediately before the foreclosure, the owner of the land exercises a right of redemption from the mortgage holder in accordance with State law; or*

*"(iii) the Secretary determines that the land was acquired under circumstances that give adequate assurances that such land was not acquired for the purposes of placing it in the program.*

*"(3) EVALUATION AND RANKING OF OFFERS.—*

*"(A) CRITERIA.—The Secretary shall establish evaluation and ranking criteria to maximize the benefit of Federal investment under the program.*

*"(B) CONSIDERATIONS.—When evaluating offers from landowners, the Secretary may consider—*

*"(i) the conservation benefits of obtaining a wetland easement, including the potential environmental benefits if the land was removed from agricultural production;*

*"(ii) the cost-effectiveness of each wetland easement, so as to maximize the environmental benefits per dollar expended;*

*"(iii) whether the landowner or another person is offering to contribute financially to the cost of the wetland easement to leverage Federal funds; and*

*"(iv) such other factors as the Secretary determines are necessary to carry out the purposes of the program.*

*"(C) PRIORITY.—The Secretary shall place priority on acquiring wetland easements based on the value of the wetland easement for protecting and enhancing habitat for migratory birds and other wildlife.*

*"(4) AGREEMENT.—To be eligible to place eligible land into the program through a wetland easement, the owner of such land shall enter into an agreement with the Secretary to—*

*"(A) grant an easement on such land to the Secretary;*

*"(B) authorize the implementation of a wetland easement plan developed for the eligible land under subsection (f);*

*"(C) create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement agreed to;*

*"(D) provide a written statement of consent to such easement signed by those holding a security interest in the land;*

*"(E) comply with the terms and conditions of the easement and any related agreements; and*

*"(F) permanently retire any existing base history for the land on which the easement has been obtained.*

*"(5) TERMS AND CONDITIONS OF EASEMENT.—*

*"(A) IN GENERAL.—A wetland easement shall include terms and conditions that—*

*"(i) permit—*

*"(I) repairs, improvements, and inspections on the land that are necessary to maintain existing public drainage systems; and*

*"(II) owners to control public access on the easement areas while identifying access routes to be used for restoration activities and management and easement monitoring;*

*"(ii) prohibit—*

*"(I) the alteration of wildlife habitat and other natural features of such land, unless specifically authorized by the Secretary;*

*"(II) the spraying of such land with chemicals or the mowing of such land, except where such spraying or mowing is authorized by the Secretary or is necessary—*

*"(aa) to comply with Federal or State noxious weed control laws;*

*"(bb) to comply with a Federal or State emergency pest treatment program; or*

*"(cc) to meet habitat needs of specific wildlife species;*

*"(III) any activities to be carried out on the owner's or successor's land that is immediately adjacent to, and functionally related to, the land that is subject to the easement if such activities will alter, degrade, or otherwise diminish the functional value of the eligible land; and*

*"(IV) the adoption of any other practice that would tend to defeat the purposes of the program, as determined by the Secretary;*

*"(iii) provide for the efficient and effective establishment of wildlife functions and values; and*

*"(iv) include such additional provisions as the Secretary determines are desirable to carry out the program or facilitate the practical administration thereof.*

*"(B) VIOLATION.—On the violation of the terms or conditions of a wetland easement, the wetland easement shall remain in force and the Secretary may require the owner to refund all or part of any payments received by the owner under the program, together with interest thereon as determined appropriate by the Secretary.*

*"(C) COMPATIBLE USES.—Land subject to a wetland easement may be used for compatible economic uses, including such activities as hunting and fishing, managed timber harvest, or periodic haying or grazing, if such use is specifically permitted by the wetland easement plan developed for the land under subsection (f) and is*

*consistent with the long-term protection and enhancement of the wetland resources for which the easement was established.*

*"(D) RESERVATION OF GRAZING RIGHTS.—The Secretary may include in the terms and conditions of a wetland easement a provision under which the owner reserves grazing rights if—*

*"(i) the Secretary determines that the reservation and use of the grazing rights—*

*"(I) is compatible with the land subject to the easement;*

*"(II) is consistent with the historical natural uses of the land and the long-term protection and enhancement goals for which the easement was established; and*

*"(III) complies with the wetland easement plan developed for the land under subsection (f); and*

*"(ii) the agreement provides for a commensurate reduction in the easement payment to account for the grazing value, as determined by the Secretary.*

*"(6) COMPENSATION.—*

*"(A) DETERMINATION.—*

*"(i) PERMANENT EASEMENTS.—The Secretary shall pay as compensation for a permanent wetland easement acquired under the program an amount necessary to encourage enrollment in the program, based on the lowest of—*

*"(I) the fair market value of the land, as determined by the Secretary, using the Uniform Standards of Professional Appraisal Practice or an area-wide market analysis or survey;*

*"(II) the amount corresponding to a geographical cap, as determined by the Secretary in regulations; or*

*"(III) the offer made by the landowner.*

*"(ii) 30-YEAR EASEMENTS.—Compensation for a 30-year wetland easement shall be not less than 50 percent, but not more than 75 percent, of the compensation that would be paid for a permanent wetland easement.*

*"(B) FORM OF PAYMENT.—Compensation for a wetland easement shall be provided by the*

*Secretary in the form of a cash payment, in an amount determined under subparagraph (A).*

*"(C) PAYMENT SCHEDULE.—*

*"(i) EASEMENTS VALUED AT $500,000 OR LESS.—For wetland easements valued at $500,000 or less, the Secretary may provide easement payments in not more than 10 annual payments.*

*"(ii) EASEMENTS VALUED AT MORE THAN $500,000.—For wetland easements valued at more than $500,000, the Secretary may provide easement payments in at least 5, but not more than 10 annual payments, except that, if the Secretary determines it would further the purposes of the program, the Secretary may make a lump sum payment for such an easement.*

*"(c) EASEMENT RESTORATION.—*

*"(1) IN GENERAL.—The Secretary shall provide financial assistance to owners of eligible land to carry out the establishment of conservation measures and practices and protect wetland functions and values, including necessary maintenance activities, as set forth in a wetland easement plan developed for the eligible land under subsection (f).*

*"(2) PAYMENTS.—The Secretary shall—*

*"(A) in the case of a permanent wetland easement, pay an amount that is not less than 75 percent, but not more than 100 percent, of the eligible costs, as determined by the Secretary; and*

*"(B) in the case of a 30-year wetland easement, pay an amount that is not less than 50 percent, but not more than 75 percent, of the eligible costs, as determined by the Secretary.*

*"(d) TECHNICAL ASSISTANCE.—*

*"(1) IN GENERAL.—The Secretary shall assist owners in complying with the terms and conditions of wetland easements.*

*"(2) CONTRACTS OR AGREEMENTS.—The Secretary may enter into 1 or more contracts with private entities or agreements with a State, non-governmental organization, or Indian tribe to carry out necessary restoration, enhancement, or maintenance of a wetland easement if the Secretary determines that the contract or agreement will advance the purposes of the program.*

*"(e) WETLAND ENHANCEMENT OPTION.—The Secretary may enter into 1 or more agreements with a State (including a political subdivision or agency of a State),*

*nongovernmental organization, or Indian tribe to carry out a special wetland enhancement option that the Secretary determines would advance the purposes of program.*

*"(f) ADMINISTRATION.—*

*"(1) WETLAND EASEMENT PLAN.—The Secretary shall develop a wetland easement plan for eligible lands subject to a wetland easement, which shall include practices and activities necessary to restore, protect, enhance, and maintain the enrolled lands.*

*"(2) DELEGATION OF EASEMENT ADMINISTRATION.—The Secretary may delegate—*

*"(A) any of the easement management, monitoring, and enforcement responsibilities of the Secretary to other Federal or State agencies that have the appropriate authority, expertise, and resources necessary to carry out such delegated responsibilities; and*

*"(B) any of the easement management responsibilities of the Secretary to other conservation organizations if the Secretary determines the organization has the appropriate expertise and resources.*

*"(3) PAYMENTS.—*

*"(A) TIMING OF PAYMENTS.—The Secretary shall provide payment for obligations incurred by the Secretary under this section—*

*"(i) with respect to any easement restoration obligation under subsection (c), as soon as possible after the obligation is incurred; and*

*"(ii) with respect to any annual easement payment obligation incurred by the Secretary, as soon as possible after October 1 of each calendar year.*

*"(B) PAYMENTS TO OTHERS.—If an owner who is entitled to a payment under this section dies, becomes incompetent, is otherwise unable to receive such payment, or is succeeded by another person or entity who renders or completes the required performance, the Secretary shall make such payment, in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all of the circumstances.*

***"SEC. 1265D. ADMINISTRATION.***

*"(a) INELIGIBLE LAND.—The Secretary may not use program funds for the purposes of acquiring an easement on—*

*"(1) lands owned by an agency of the United States, other than land held in trust for Indian tribes;*

*"(2) lands owned in fee title by a State, including an agency or a subdivision of a State, or a unit of local government;*

*"(3) land subject to an easement or deed restriction which, as determined by the Secretary, provides similar protection as would be provided by enrollment in the program; or*

*"(4) lands where the purposes of the program would be undermined due to on-site or off-site conditions, such as risk of hazardous substances, proposed or existing rights of way, infrastructure development, or adjacent land uses.*

*"(b) PRIORITY.—In evaluating applications under the program, the Secretary may give priority to land that is currently enrolled in the conservation reserve program in a contract that is set to expire within 1 year and—*

*"(1) in the case of an agricultural land easement, is grassland that would benefit from protection under a long-term easement; and*

*"(2) in the case of a wetland easement, is a wetland or related area with the highest functions and value and is likely to return to production after the land leaves the conservation reserve program.*

*"(c) SUBORDINATION, EXCHANGE, MODIFICATION, AND TERMINATION.—*

*"(1) IN GENERAL.—The Secretary may subordinate, exchange, modify, or terminate any interest in land, or portion of such interest, administered by the Secretary, either directly or on behalf of the Commodity Credit Corporation under the program if the Secretary determines that—*

*"(A) it is in the Federal Government's interest to subordinate, exchange, modify, or terminate the interest in land;*

*"(B) the subordination, exchange, modification, or termination action—*

*"(i) will address a compelling public need for which there is no practicable alternative; or*

*"(ii) such action will further the practical administration of the program; and*

*"(C) the subordination, exchange, modification, or termination action will result in com-*

*parable conservation value and equivalent or greater economic value to the United States.*

*"(2) CONSULTATION.—The Secretary shall work with the owner, and eligible entity if applicable, to address any subordination, exchange, modification, or termination of the interest, or portion of such interest, in land.*

*"(3) NOTICE.—At least 90 days before taking any termination action described in paragraph (1), the Secretary shall provide written notice of such action to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.*

*"(d) LAND ENROLLED IN CONSERVATION RESERVE PROGRAM.—The Secretary may terminate or modify a contract entered into under section 1231(a) if eligible land that is subject to such contract is transferred into the program.*

*"(e) ALLOCATION OF FUNDS FOR AGRICULTURAL LAND EASEMENTS.—Of the funds made available under section 1241 to carry out the program for a fiscal year, the Secretary shall, to the extent practicable, use for agricultural land easements—*

*"(1) no less than 40 percent in each of fiscal years 2013 through 2016; and*

*"(2) no less than 50 percent in fiscal year 2017.".*

*(b) COMPLIANCE WITH CERTAIN REQUIREMENTS.—Before an eligible entity or owner of eligible land may receive assistance under subtitle H of title XII of the Food Security Act of 1985, the eligible entity or person shall agree, during the crop year for which the assistance is provided and in exchange for the assistance—*

*(1) to comply with applicable conservation requirements under subtitle B of title XII of that Act (16 U.S.C. 3811 et seq.); and*

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

*(c) CROSS REFERENCE; CALCULATION.—Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) is amended—*

*(1) in subsection (c)—*

*(A) in paragraph (1)—*

*(i) by inserting "and" at the end of subparagraph (A);*

*(ii) by striking "and" at the end of subparagraph (B); and*

*(iii) by striking subparagraph (C);*

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

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

*"(2) the agricultural conservation easement program established under subtitle H; and"; and*

*(2) in subsection (f)—*

*(A) in paragraph (1)—*

*(i) in subparagraph (A), by striking "programs administered under subchapters B and C of chapter 1 of subtitle D" and inserting "conservation reserve program established under subchapter B of chapter 1 of subtitle D and wetland easements under section 1265C"; and*

*(ii) in subparagraph (B), by striking "an easement acquired under subchapter C of chapter 1 of subtitle D" and inserting "a wetland easement under section 1265C"; and*

*(B) by adding at the end the following new paragraph:*

*"(5) CALCULATION.—In calculating the percentages described in paragraph (1), the Secretary shall include any acreage that was included in calculations*

*of percentages made under such paragraph, as in effect on September 30, 2012, and that remains enrolled when the calculation is made after that date under paragraph (1).".*

*(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2012.*

## *Subtitle E—Regional Conservation Partnership Program*

### *SEC. 2401. REGIONAL CONSERVATION PARTNERSHIP PROGRAM.*

*(a) IN GENERAL.—Title XII of the Food Security Act of 1985 is amended by inserting after subtitle H, as added by section 2301, the following new subtitle:*

## *"Subtitle I—Regional Conservation Partnership Program*

### *"SEC. 1271. ESTABLISHMENT AND PURPOSES.*

*"(a) ESTABLISHMENT.—The Secretary shall establish a regional conservation partnership program to implement eligible activities on eligible land through—*

*"(1) partnership agreements with eligible partners; and*

*"(2) contracts with producers.*

*"(b) PURPOSES.—The purposes of the program are as follows:*

*"(1) To use covered programs to accomplish purposes and functions similar to those of the following programs, as in effect on September 30, 2012:*

*"(A) The agricultural water enhancement program established under section 1240I.*

*"(B) The Chesapeake Bay watershed program established under section 1240Q.*

*"(C) The cooperative conservation partnership initiative established under section 1243.*

*"(D) The Great Lakes basin program for soil erosion and sediment control established under section 1240P.*

*"(2) To further the conservation, restoration, and sustainable use of soil, water, wildlife, and related natural resources on eligible land on a regional or watershed scale.*

*"(3) To encourage eligible partners to cooperate with producers in—*

*"(A) meeting or avoiding the need for national, State, and local natural resource regulatory requirements related to production on eligible land; and*

*"(B) implementing projects that will result in the carrying out of eligible activities that affect multiple agricultural or nonindustrial pri-*

*vate forest operations on a local, regional, State, or multi-State basis.*

***"SEC. 1271A. DEFINITIONS.***

*"In this subtitle:*

*"(1) COVERED PROGRAM.—The term 'covered program' means the following:*

*"(A) The agricultural conservation easement program.*

*"(B) The environmental quality incentives program.*

*"(C) The conservation stewardship program.*

*"(2) ELIGIBLE ACTIVITY.—The term 'eligible activity' means any of the following conservation activities:*

*"(A) Water quality or quantity conservation, restoration, or enhancement projects relating to surface water and groundwater resources, including—*

*"(i) the conversion of irrigated cropland to the production of less water-intensive agricultural commodities or dryland farming; or*

*"(ii) irrigation system improvement and irrigation efficiency enhancement.*

*"(B) Drought mitigation.*

*"(C) Flood prevention.*

*"(D) Water retention.*

*"(E) Air quality improvement.*

*"(F) Habitat conservation, restoration, and enhancement.*

*"(G) Erosion control and sediment reduction.*

*"(H) Other related activities that the Secretary determines will help achieve conservation benefits.*

*"(3) ELIGIBLE LAND.—The term 'eligible land' means land on which agricultural commodities, livestock, or forest-related products are produced, including—*

*"(A) cropland;*

*"(B) grassland;*

*"(C) rangeland;*

*"(D) pastureland;*

*"(E) nonindustrial private forest land; and*

*"(F) other land incidental to agricultural production (including wetlands and riparian buffers) on which significant natural resource issues could be addressed under the program.*

*"(4) ELIGIBLE PARTNER.—The term 'eligible partner' means any of the following:*

*"(A) An agricultural or silvicultural producer association or other group of producers.*

*"(B) A State or unit of local government.*

*"(C) An Indian tribe.*

*"(D) A farmer cooperative.*

*"(E) A water district, irrigation district, rural water district or association, or other organization with specific water delivery authority to producers on agricultural land.*

*"(F) An institution of higher education.*

*"(G) An organization with an established history of working cooperatively with producers on agricultural land, as determined by the Secretary, to address—*

*"(i) local conservation priorities related to agricultural production, wildlife habitat development, or nonindustrial private forest land management; or*

*"(ii) critical watershed-scale soil erosion, water quality, sediment reduction, or other natural resource issues.*

*"(5) PARTNERSHIP AGREEMENT.—The term 'partnership agreement' means an agreement entered*

*into under section 1271B between the Secretary and an eligible partner.*

*"(6) PROGRAM.—The term 'program' means the regional conservation partnership program established by this subtitle.*

***"SEC. 1271B. REGIONAL CONSERVATION PARTNERSHIPS.***

*"(a) PARTNERSHIP AGREEMENTS AUTHORIZED.—The Secretary may enter into a partnership agreement with an eligible partner to implement a project that will assist producers with installing and maintaining an eligible activity on eligible land.*

*"(b) LENGTH.—A partnership agreement shall be for a period not to exceed 5 years, except that the Secretary may extend the agreement one time for up to 12 months when an extension is necessary to meet the objectives of the program.*

*"(c) DUTIES OF PARTNERS.—*

*"(1) IN GENERAL.—Under a partnership agreement, the eligible partner shall—*

*"(A) define the scope of a project, including—*

*"(i) the eligible activities to be implemented;*

*"(ii) the potential agricultural or non-industrial private forest land operations affected;*

*"(iii) the local, State, multi-State, or other geographic area covered; and*

*"(iv) the planning, outreach, implementation, and assessment to be conducted;*

*"(B) conduct outreach to producers for potential participation in the project;*

*"(C) at the request of a producer, act on behalf of a producer participating in the project in applying for assistance under section 1271C;*

*"(D) leverage financial or technical assistance provided by the Secretary with additional funds to help achieve the project objectives;*

*"(E) conduct an assessment of the project's effects; and*

*"(F) at the conclusion of the project, report to the Secretary on its results and funds leveraged.*

*"(2) CONTRIBUTION.—An eligible partner shall provide a significant portion of the overall costs of the scope of the project that is the subject of the agreement entered into under subsection (a), as determined by the Secretary.*

*"(d) APPLICATIONS.—*

*"(1) COMPETITIVE PROCESS.—The Secretary shall conduct a competitive process to select applications for partnership agreements and may assess and rank applications with similar conservation purposes as a group.*

*"(2) CRITERIA USED.—In carrying out the process described in paragraph (1), the Secretary shall make public the criteria used in evaluating applications.*

*"(3) CONTENT.—An application to the Secretary shall include a description of—*

*"(A) the scope of the project, as described in subsection (c)(1)(A);*

*"(B) the plan for monitoring, evaluating, and reporting on progress made towards achieving the project's objectives;*

*"(C) the program resources requested for the project, including the covered programs to be used and estimated funding needed from the Secretary;*

*"(D) eligible partners collaborating to achieve project objectives, including their roles, responsibilities, capabilities, and financial contribution; and*

*"(E) any other elements the Secretary considers necessary to adequately evaluate and competitively select applications for funding under the program.*

*"(4) PRIORITY TO CERTAIN APPLICATIONS.—The Secretary may give a higher priority to applications that—*

*"(A) assist producers in meeting or avoiding the need for a natural resource regulatory requirement;*

*"(B) have a high percentage of eligible producers in the area to be covered by the agreement;*

*"(C) significantly leverage non-Federal financial and technical resources and coordinate with other local, State, or national efforts;*

*"(D) deliver high percentages of applied conservation to address conservation priorities or regional, State, or national conservation initiatives;*

*"(E) provide innovation in conservation methods and delivery, including outcome-based performance measures and methods; or*

*"(F) meet other factors that are important for achieving the purposes of the program, as determined by the Secretary.*

***"SEC. 1271C. ASSISTANCE TO PRODUCERS.***

*"(a) IN GENERAL.—The Secretary shall enter into contracts with producers to provide financial and technical assistance to—*

*"(1) producers participating in a project with an eligible partner, as described in section 1271B; or*

*"(2) producers that fit within the scope of a project described in section 1271B or a critical conservation area designated under section 1271F, but who are seeking to implement an eligible activity on eligible land independent of a partner.*

*"(b) TERMS AND CONDITIONS.—*

*"(1) CONSISTENCY WITH PROGRAM RULES.—Except as provided in paragraph (2), the Secretary shall ensure that the terms and conditions of a contract under this section are consistent with the applicable rules of the covered programs to be used as part of the project, as described in the application under section 1271B(d)(3)(C).*

*"(2) ADJUSTMENTS.—Except with respect to statutory program requirements governing appeals, payment limitations, and conservation compliance,*

*the Secretary may adjust the discretionary program rules of a covered program—*

*"(A) to provide a simplified application and evaluation process; and*

*"(B) to better reflect unique local circumstances and purposes if the Secretary determines such adjustments are necessary to achieve the purposes of the program.*

*"(c) PAYMENTS.—*

*"(1) IN GENERAL.—In accordance with statutory requirements of the covered programs involved, the Secretary may make payments to a producer in an amount determined by the Secretary to be necessary to achieve the purposes of the program.*

*"(2) PAYMENTS TO PRODUCERS IN STATES WITH WATER QUANTITY CONCERNS.—The Secretary may provide payments to producers participating in a project that addresses water quantity concerns for a period of five years in an amount sufficient to encourage conversion from irrigated farming to dryland farming.*

*"(3) WAIVER AUTHORITY.—To assist in the implementation of the program, the Secretary may waive the applicability of the limitation in section 1001D(b)(2) of this Act for participating producers if*

*the Secretary determines that the waiver is necessary to fulfill the objectives of the program.*

***"SEC. 1271D. FUNDING.***

*"(a) AVAILABILITY OF FUNDS.—The Secretary shall use $100,000,000 of the funds of the Commodity Credit Corporation for each of fiscal years 2013 through 2017 to carry out the program.*

*"(b) DURATION OF AVAILABILITY.—Funds made available under subsection (a) shall remain available until expended.*

*"(c) ADDITIONAL FUNDING AND ACRES.—*

*"(1) IN GENERAL.—In addition to the funds made available under subsection (a), the Secretary shall reserve 6 percent of the funds and acres made available for a covered program for each of fiscal years 2013 through 2017 in order to ensure additional resources are available to carry out this program.*

*"(2) UNUSED FUNDS AND ACRES.—Any funds or acres reserved under paragraph (1) for a fiscal year from a covered program that are not obligated under this program by April 1 of that fiscal year shall be returned for use under the covered program.*

*"(d) ALLOCATION OF FUNDING.—Of the funds and acres made available for the program under subsections (a) and (c), the Secretary shall allocate—*

*"(1) 25 percent of the funds and acres to projects based on a State competitive process administered by the State Conservationist, with the advice of the State technical committee established under subtitle G;*

*"(2) 50 percent of the funds and acres to projects based on a national competitive process to be established by the Secretary; and*

*"(3) 25 percent of the funds and acres to projects for the critical conservation areas designated under section 1271F.*

*"(e) LIMITATION ON ADMINISTRATIVE EXPENSES.—None of the funds made available under the program may be used to pay for the administrative expenses of eligible partners.*

***"SEC. 1271E. ADMINISTRATION.***

*"(a) DISCLOSURE.—In addition to the criteria used in evaluating applications as described in section 1271B(d)(2), the Secretary shall make publicly available information on projects selected through the competitive process described in section 1271B(d)(1).*

*"(b) REPORTING.—Not later than December 31, 2013, and every two years thereafter, 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 on the status of projects funded under the program, including—*

*"(1) the number and types of eligible partners and producers participating in the partnership agreements selected;*

*"(2) the number of producers receiving assistance; and*

*"(3) total funding committed to projects, including from Federal and non-Federal resources.*

***"SEC. 1271F. CRITICAL CONSERVATION AREAS.***

*"(a) IN GENERAL.—In administering funds under section 1271D(d)(3), the Secretary shall select applications for partnership agreements and producer contracts within critical conservation areas designated under this section.*

*"(b) CRITICAL CONSERVATION AREA DESIGNATIONS.—*

*"(1) PRIORITY.—In designating critical conservation areas under this section, the Secretary shall give priority to geographical areas based on the degree to which the geographical area—*

*"(A) includes multiple States with significant agricultural production;*

*"(B) is covered by an existing regional, State, binational, or multistate agreement or plan that has established objectives, goals, and work plans and is adopted by a Federal, State, or regional authority;*

*"(C) would benefit from water quality improvement, including through reducing erosion, promoting sediment control, and addressing nutrient management activities affecting large bodies of water of regional, national, or international significance;*

*"(D) would benefit from water quantity improvement, including improvement relating to—*

*"(i) groundwater, surface water, aquifer, or other water sources; or*

*"(ii) a need to promote water retention and flood prevention; or*

*"(E) contains producers that need assistance in meeting or avoiding the need for a natural resource regulatory requirement that could have a negative economic impact on agricultural operations within the area.*

*"(2) LIMITATION.—The Secretary may not designate more than 8 geographical areas as critical conservation areas under this section.*

*"(c) ADMINISTRATION.—*

*"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall administer any partnership agreement or producer contract under this section in a manner that is consistent with the terms of the program.*

*"(2) RELATIONSHIP TO EXISTING ACTIVITY.—The Secretary shall, to the maximum extent practicable, ensure that eligible activities carried out in critical conservation areas designated under this section complement and are consistent with other Federal and State programs and water quality and quantity strategies.*

*"(3) ADDITIONAL AUTHORITY.—For a critical conservation area described in subsection (b)(1)(D), the Secretary may use authorities under the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.), other than section 14 of such Act (16 U.S.C. 1012), to carry out projects for the purposes of this section.".*

*(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.*

# *Subtitle F—Other Conservation Programs*

***SEC. 2501. CONSERVATION OF PRIVATE GRAZING LAND.***

*Section 1240M(e) of the Food Security Act of 1985 (16 U.S.C. 3839bb(e)) is amended by striking "2012" and inserting "2017".*

***SEC. 2502. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.***

*Section 1240O(b) of the Food Security Act of 1985 (16 U.S.C. 3839bb–2) is amended to read as follows:*

*"(b) FUNDING.—*

*"(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2008 through 2017.*

*"(2) AVAILABILITY OF FUNDS.—In addition to funds made available under paragraph (1), of the funds of the Commodity Credit Corporation, the Secretary shall use $5,000,000, to remain available until expended.".*

***SEC. 2503. VOLUNTARY PUBLIC ACCESS AND HABITAT INCENTIVE PROGRAM.***

*(a) FUNDING.—Section 1240R(f) of the Food Security Act of 1985 (16 U.S.C. 3839bb–5(f)) is amended by inserting before the period at the end the following: "and*

*$30,000,000 for the period of fiscal years 2013 through 2017".*

*(b) REPORT ON PROGRAM EFFECTIVENESS.—Not later than two years after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report evaluating the effectiveness of the voluntary public access program established by section 1240R of the Food Security Act of 1985 (16 U.S.C. 3839bb–5), including—*

*(1) identifying cooperating agencies;*

*(2) identifying the number of land holdings and total acres enrolled by each State and tribal government;*

*(3) evaluating the extent of improved access on eligible lands, improved wildlife habitat, and related economic benefits; and*

*(4) any other relevant information and data relating to the program that would be helpful to such Committees.*

***SEC. 2504. AGRICULTURE CONSERVATION EXPERIENCED SERVICES PROGRAM.***

*(a) FUNDING.—Subsection (c) of section 1252 of the Food Security Act of 1985 (16 U.S.C. 3851) is amended to read as follows:*

*"(c) FUNDING.—*

*"(1) IN GENERAL.—The Secretary may carry out the ACES program using funds made available to carry out each program under this title.*

*"(2) EXCLUSION.—Funds made available to carry out the conservation reserve program may not be used to carry out the ACES program.".*

*(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.*

***SEC. 2505. SMALL WATERSHED REHABILITATION PROGRAM.***

*(a) AVAILABILITY OF FUNDS.—Section 14(h)(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(1)) is amended—*

*(1) in subparagraph (E), by striking "; and" and inserting a semicolon;*

*(2) in subparagraph (F), by striking the period and inserting a semicolon;*

*(3) in subparagraph (G), by striking the period and inserting "; and"; and*

*(4) by adding at the end the following new subparagraph:*

*"(H) $250,000,000 for fiscal year 2013, to remain available until expended.".*

*(b) AUTHORIZATION OF APPROPRIATIONS.—Section 14(h)(2)(E) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(2)(E)) is amended by striking "2012" and inserting "2017".*

***SEC. 2506. AGRICULTURAL MANAGEMENT ASSISTANCE PROGRAM.***

*(a) USES.—Section 524(b)(2) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(2)) is amended—*

*(1) by striking subparagraph (B) and redesignating subparagraphs (C) through (F) as subparagraphs (B) through (E), respectively; and*

*(2) in subparagraph (B) (as so redesignated)—*

*(A) in the matter preceding clause (i), by striking "or resource conservation practices"; and*

*(B) by striking clause (i) and redesignating clauses (ii) through (iv) as clauses (i) through (iii), respectively.*

*(b) COMMODITY CREDIT CORPORATION.—*

*(1) FUNDING.—Section 524(b)(4)(B) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(4)(B)) is amended to read as follows:*

*"(B) FUNDING.—The Commodity Credit Corporation shall make available to carry out this subsection not less than $10,000,000 for each fiscal year.".*

*(2) CERTAIN USES.—Section 524(b)(4)(C) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(4)(C)) is amended—*

*(A) in clause (i)—*

*(i) by striking "50" and inserting "30"; and*

*(ii) by striking "(A), (B), and (C)" and inserting "(A) and (B)"; and*

*(B) in clause (iii), by striking "40" and inserting "60".*

## *Subtitle G—Funding and Administration*

***SEC. 2601. FUNDING.***

*(a) IN GENERAL.—Subsection (a) of section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended to read as follows:*

*"(a) ANNUAL FUNDING.—For each of fiscal years 2013 through 2017, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out the following programs under this title (including the provision of technical assistance):*

*"(1) The conservation reserve program under subchapter B of chapter 1 of subtitle D, including, to the maximum extent practicable, $25,000,000 for the period of fiscal years 2013 through 2017 to carry out section 1235(f) to facilitate the transfer of land subject to contracts from retired or retiring owners and operators to beginning farmers or ranchers and socially disadvantaged farmers or ranchers.*

*"(2) The agriculture conservation easement program under subtitle H, using, to the maximum extent practicable—*

*"(A) $450,000,000 in fiscal year 2013;*

*"(B) $475,000,000 in fiscal year 2014;*

*"(C) $500,000,000 in fiscal year 2015;*

*"(D) $525,000,000 in fiscal year 2016; and*

*"(E) $266,000,000 in fiscal year 2017.*

*"(3) The conservation security program under subchapter A of chapter 2 of subtitle D, using such sums as are necessary to administer contracts entered into before September 30, 2008.*

*"(4) The conservation stewardship program under subchapter B of chapter 2 of subtitle D.*

*"(5) The environmental quality incentives program under chapter 4 of subtitle D, using, to the*

*maximum extent practicable, $1,750,000,000 for each of fiscal years 2013 through 2017.".*

*(b) GUARANTEED AVAILABILITY OF FUNDS.—Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended—*

*(1) by redesignating subsections (b) through (h) as subsections (c) through (i); respectively; and*

*(2) by inserting after subsection (a) the following new subsection:*

*"(b) AVAILABILITY OF FUNDS.—Amounts made available by subsection (a) shall be used by the Secretary to carry out the programs specified in such subsection for fiscal years 2013 through 2017 and shall remain available until expended. Amounts made available for the programs specified in such subsection during a fiscal year through modifications, cancellations, terminations, and other related administrative actions and not obligated in that fiscal year shall remain available for obligation during subsequent fiscal years, but shall reduce the amount of additional funds made available in the subsequent fiscal year by an amount equal to the amount remaining unobligated.".*

*(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2012.*

***SEC. 2602. TECHNICAL ASSISTANCE.***

*(a) IN GENERAL.—Subsection (c) of section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841), as redesignated by section 2601(b)(1) of this Act, is amended to read as follows:*

*"(c) TECHNICAL ASSISTANCE.—*

*"(1) AVAILABILITY OF FUNDS.—Commodity Credit Corporation funds made available for a fiscal year for each of the programs specified in subsection (a)—*

*"(A) shall be available for the provision of technical assistance for the programs for which funds are made available as necessary to implement the programs effectively; and*

*"(B) shall not be available for the provision of technical assistance for conservation programs specified in subsection (a) other than the program for which the funds were made available.*

*"(2) REPORT.—Not later than December 31, 2012, the Secretary shall submit (and update as necessary in subsequent years) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—*

*"(A) detailing the amount of technical assistance funds requested and apportioned in each*

*program specified in subsection (a) during the preceding fiscal year; and*

*"(B) any other data relating to this subsection that would be helpful to such Committees.".*

*(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.*

***SEC. 2603. REGIONAL EQUITY.***

*(a) IN GENERAL.—Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended by striking subsection (e) (as redesignated by section 2601(b)(1) of this Act) and inserting the following:*

*"(e) REGIONAL EQUITY.—*

*"(1) EQUITABLE DISTRIBUTION.—In determining funding allocations each fiscal year, the Secretary shall, after considering available funding and program demand in each State, provide a distribution of funds for conservation programs under subtitle D (excluding the conservation reserve program under subchapter B of chapter 1), subtitle H (excluding wetland easements under section 1265C), and subtitle I to ensure equitable program participation proportional to historical funding allocations and usage by all States.*

*"(2) MINIMUM PERCENTAGE.—In determining the specific funding allocations under paragraph (1), the Secretary shall—*

*"(A) ensure that during the first quarter of each fiscal year each State has the opportunity to establish that the State can use an aggregate allocation amount of at least 0.6 percent of the funds made available for those conservation programs; and*

*"(B) for each State that can so establish, provide an aggregate amount of at least 0.6 percent of the funds made available for those conservation programs.".*

*(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.*

***SEC. 2604. RESERVATION OF FUNDS TO PROVIDE ASSISTANCE TO CERTAIN FARMERS OR RANCHERS FOR CONSERVATION ACCESS.***

*(a) IN GENERAL.—Subsection (h) of section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) (as redesignated by section 2601(b)(1)) is amended—*

*(1) in paragraph (1) by striking "2012" and inserting "2017"; and*

*(2) by adding at the end the following new paragraph:*

*"(4) PREFERENCE.—In providing assistance under paragraph (1), the Secretary shall give preference to a veteran farmer or rancher (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))) that qualifies under subparagraph (A) or (B) of paragraph (1).".*

*(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2012.*

***SEC. 2605. ANNUAL REPORT ON PROGRAM ENROLLMENTS AND ASSISTANCE.***

*(a) IN GENERAL.—Subsection (i) (as redesignated by section 2601(b)(1)) of section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended—*

*(1) in paragraph (1), by striking "wetlands reserve program" and inserting "agricultural conservation easement program";*

*(2) by striking paragraphs (2) and (3) and redesignating paragraphs (4), (5), and (6) as paragraphs (2), (3), and (4), respectively; and*

*(3) in paragraph (3) (as so redesignated)—*

*(A) by striking "agricultural water enhancement program" and inserting "regional conservation partnership program"; and*

*(B) by striking "1240I(g)" and inserting "1271C(c)(3)".*

*(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2012.*

***SEC. 2606. REVIEW OF CONSERVATION PRACTICE STANDARDS.***

*Section 1242(h)(1)(A) of the Food Security Act of 1985 (16 U.S.C. 3842(h)(1)(A)) is amended by striking "the Food, Conservation, and Energy Act of 2008" and inserting "the Federal Agriculture Reform and Risk Management Act of 2012".*

***SEC. 2607. ADMINISTRATIVE REQUIREMENTS APPLICABLE TO ALL CONSERVATION PROGRAMS.***

*(a) IN GENERAL.—Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) is amended—*

*(1) in subsection (a)(2), by adding at the end the following new subparagraph:*

*"(E) Veteran farmers or ranchers (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))).";*

*(2) in subsection (d), by inserting ", H, and I" before the period at the end;*

*(3) in subsection (f)—*

*(A) in paragraph (1)(B), by striking "country" and inserting "county"; and*

*(B) in paragraph (3), by striking "subsection (c)(2)(B) or (f)(4)" and inserting "subsection (c)(2)(A)(ii) or (f)(2)"; and*

*(4) by adding at the end the following new subsections:*

*"(j) IMPROVED ADMINISTRATIVE EFFICIENCY AND EFFECTIVENESS.—In administrating a conservation program under this title, the Secretary shall, to the maximum extent practicable—*

*"(1) seek to reduce administrative burdens and costs to producers by streamlining conservation planning and program resources; and*

*"(2) take advantage of new technologies to enhance efficiency and effectiveness.*

*"(k) RELATION TO OTHER PAYMENTS.—Any payment received by an owner or operator under this title, including an easement payment or rental payment, shall be in addition to, and not affect, the total amount of payments that the owner or operator is otherwise eligible to receive under any of the following:*

*"(1) This Act.*

*"(2) The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).*

*"(3) The Federal Agriculture Reform and Risk Management Act of 2012.*

*"(4) Any law that succeeds a law specified in paragraph (1), (2), or (3).".*

*(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2012.*

***SEC. 2608. STANDARDS FOR STATE TECHNICAL COMMITTEES.***

*Section 1261(b) of the Food Security Act of 1985 (16 U.S.C. 3861(b)) is amended by striking "Not later than 180 days after the date of enactment of the Food, Conservation, and Energy Act of 2008, the Secretary shall develop" and inserting "The Secretary shall review and update as necessary".*

***SEC. 2609. RULEMAKING AUTHORITY.***

*Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended by adding at the end the following new section:*

***"SEC. 1246. REGULATIONS.***

*"(a) IN GENERAL.—The Secretary shall promulgate such regulations as are necessary to implement programs under this title, including such regulations as the Secretary determines to be necessary to ensure a fair and reasonable application of the limitations established under section 1244(f).*

*"(b) RULEMAKING PROCEDURE.—The promulgation of regulations and administration of programs under this title—*

*"(1) shall be carried out without regard to—*

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

*"(B) chapter 35 of title 44, United States Code (commonly known as the Paperwork Reduction Act); and*

*"(2) shall be made as an interim rule effective on publication with an opportunity for notice and comment.*

*"(c) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In promulgating regulations under this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.".*

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

***SEC. 2701. COMPREHENSIVE CONSERVATION ENHANCEMENT PROGRAM.***

*(a) REPEAL.—Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is repealed.*

*(b) CONFORMING AMENDMENT.—The heading of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended to read as follows: "**CONSERVATION RESERVE**".*

***SEC. 2702. EMERGENCY FORESTRY CONSERVATION RESERVE PROGRAM.***

*(a) REPEAL.—Section 1231A of the Food Security Act of 1985 (16 U.S.C. 3831a) is repealed.*

*(b) TRANSITIONAL PROVISIONS.—*

*(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under section 1231A of the Food Security Act of 1985 (16 U.S.C. 3831a) before October 1, 2012, or any payments required to be made in connection with the contract.*

*(2) FUNDING.—The Secretary may use funds made available to carry out the conservation reserve program under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as they existed on September 30, 2012.*

*(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.*

***SEC. 2703. WETLANDS RESERVE PROGRAM.***

*(a) REPEAL.—Subchapter C of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837 et seq.) is repealed.*

*(b) TRANSITIONAL PROVISIONS.—*

*(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under subchapter C of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837 et seq.) before October 1, 2012, or any payments required to be made in connection with the contract.*

*(2) FUNDING.—The Secretary may use funds made available to carry out the agricultural conserva-*

*tion easement program under subtitle H of title XII of the Food Security Act of 1985, as added by section 2301 of this Act, to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as they existed on September 30, 2012.*

*(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.*

***SEC. 2704. FARMLAND PROTECTION PROGRAM AND FARM VIABILITY PROGRAM.***

*(a) REPEAL.—Subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.) is repealed.*

*(b) CONFORMING AMENDMENT.—The heading of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is amended by striking "**AND FARMLAND PROTECTION**".*

*(c) TRANSITIONAL PROVISIONS.—*

*(1) EFFECT ON EXISTING CONTRACTS.—The amendments made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.) before October*

*1, 2012, or any payments required to be made in connection with the contract.*

*(2) FUNDING.—The Secretary may use funds made available to carry out the agricultural conservation easement program under subtitle H of title XII of the Food Security Act of 1985, as added by section 2301 of this Act, to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as they existed on September 30, 2012.*

*(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2012.*

***SEC. 2705. GRASSLAND RESERVE PROGRAM.***

*(a) REPEAL.—Subchapter D of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.) is repealed.*

*(b) TRANSITIONAL PROVISIONS.—*

*(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under subchapter D of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.) before October 1, 2012, or any payments required to be made in connection with the contract.*

*(2) FUNDING.—The Secretary may use funds made available to carry out the agricultural conservation easement program under subtitle H of title XII of the Food Security Act of 1985, as added by section 2301 of this Act, to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as they existed on September 30, 2012.*

*(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.*

***SEC. 2706. AGRICULTURAL WATER ENHANCEMENT PROGRAM.***

*(a) REPEAL.—Section 1240I of the Food Security Act of 1985 (16 U.S.C. 3839aa–9) is repealed.*

*(b) TRANSITIONAL PROVISIONS.—*

*(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under section 1240I of the Food Security Act of 1985 (16 U.S.C. 3839aa–9) before October 1, 2012, or any payments required to be made in connection with the contract.*

*(2) FUNDING.—The Secretary may use funds made available to carry out the regional conservation partnership program under subtitle I of title XII of*

*the Food Security Act of 1985, as added by section 2401 of this Act, to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as they existed on September 30, 2012.*

*(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.*

***SEC. 2707. WILDLIFE HABITAT INCENTIVE PROGRAM.***

*(a) REPEAL.—Section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb–1) is repealed.*

*(b) TRANSITIONAL PROVISIONS.—*

*(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb–1) before October 1, 2012, or any payments required to be made in connection with the contract.*

*(2) FUNDING.—The Secretary may use funds made available to carry out the environmental quality incentives program under chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) to continue to carry out contracts referred to in paragraph (1) using the provi-*

*sions of law and regulation applicable to such contracts as they existed on September 30, 2012.*

*(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.*

***SEC. 2708. GREAT LAKES BASIN PROGRAM.***

*(a) REPEAL.—Section 1240P of the Food Security Act of 1985 (16 U.S.C. 3839bb–3) is repealed.*

*(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.*

***SEC. 2709. CHESAPEAKE BAY WATERSHED PROGRAM.***

*(a) REPEAL.—Section 1240Q of the Food Security Act of 1985 (16 U.S.C. 3839bb–4) is repealed.*

*(b) TRANSITIONAL PROVISIONS.—*

*(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under section 1240Q of the Food Security Act of 1985 (16 U.S.C. 3839bb–4) before October 1, 2012, or any payments required to be made in connection with the contract.*

*(2) FUNDING.—The Secretary may use funds made available to carry out the regional conservation partnership program under subtitle I of title XII of the Food Security Act of 1985, as added by section 2401 of this Act, to continue to carry out contracts*

*referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as they existed on September 30, 2012.*

*(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.*

***SEC. 2710. COOPERATIVE CONSERVATION PARTNERSHIP INITIATIVE.***

*(a) REPEAL.—Section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) is repealed.*

*(b) TRANSITIONAL PROVISIONS.—*

*(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) before October 1, 2012, or any payments required to be made in connection with the contract.*

*(2) FUNDING.—The Secretary may use funds made available to carry out the regional conservation partnership program under subtitle I of title XII of the Food Security Act of 1985, as added by section 2401 of this Act, to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as they existed on September 30, 2012.*

*(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.*

***SEC. 2711. ENVIRONMENTAL EASEMENT PROGRAM.***

*Chapter 3 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839 et seq.) is repealed.*

***SEC. 2712. TECHNICAL AMENDMENTS.***

*(a) DEFINITIONS.—Section 1201(a) of the Food Security Act of 1985 (16 U.S.C. 3801(a)) is amended in the matter preceding paragraph (1) by striking "E" and inserting "I".*

*(b) PROGRAM INELIGIBILITY.—Section 1211(a) of the Food Security Act of 1985 (16 U.S.C. 3811(a)) is amended by striking "predominate" each place it appears and inserting "predominant".*

*(c) SPECIALTY CROP PRODUCERS.—Section 1242(i) of the Food Security Act of 1985 (16 U.S.C. 3842(i)) is amended in the header by striking "SPECIALITY" and inserting "SPECIALTY".*

# *TITLE III—TRADE*

## *Subtitle A—Food for Peace Act*

***SEC. 3001. GENERAL AUTHORITY.***

*Section 201 of the Food for Peace Act (7 U.S.C. 1721) is amended—*

*(1) in the matter preceding paragraph (1), by inserting "(to be implemented by the Administrator)" after "under this title"; and*

*(2) by striking paragraph (7) and the second sentence and inserting the following new paragraph:*

*"(7) build resilience to mitigate and prevent food crises and reduce the future need for emergency aid.".*

***SEC. 3002. SUPPORT FOR ORGANIZATIONS THROUGH WHICH ASSISTANCE IS PROVIDED.***

*Section 202(e)(1) of the Food for Peace Act (7 U.S.C. 1722(e)(1)) is amended by striking "13 percent" and inserting "11 percent".*

***SEC. 3003. FOOD AID QUALITY.***

*Section 202(h) of the Food for Peace Act (7 U.S.C. 1722(h)) is amended—*

*(1) in paragraph (1)—*

*(A) in the matter preceding subparagraph (A)—*

*(i) by striking "The Administrator" and inserting "In consultation with the Secretary, the Administrator"; and*

*(ii) by inserting "to establish a mechanism" after "this title";*

*(B) by striking "and" at the end of subparagraph (B); and*

*(C) by striking subparagraph (C) and inserting the following new paragraphs:*

*"(C) to evaluate, as necessary, the use of current and new agricultural commodities and products thereof in different program settings and for particular recipient groups, including the testing of prototypes;*

*"(D) to establish and implement appropriate protocols for quality assurance of food products procured by the Secretary for food aid programs; and*

*"(E) to periodically update program guidelines on the recommended use of agricultural commodities and food products in food aid programs to reflect findings from the implementation of this subsection and other relevant information.";*

*(2) in paragraph (2), by striking "The Administrator" and inserting "In consultation with the Secretary, the Administrator"; and*

*(3) in paragraph (3), by striking "fiscal years 2009 through 2011, not more than $4,500,000" and inserting "fiscal years 2013 through 2017, not more than $1,000,000".*

***SEC. 3004. MINIMUM LEVELS OF ASSISTANCE.***

*Section 204(a) of the Food for Peace Act (7 U.S.C. 1724(a)) is amended—*

*(1) in paragraph (1), by striking "2012" and inserting "2017"; and*

*(2) in paragraph (2), by striking "2012" and inserting "2017".*

***SEC. 3005. FOOD AID CONSULTATIVE GROUP.***

*(a) MEMBERSHIP.—Section 205(b) of the Food for Peace Act (7 U.S.C. 1725(b)) is amended—*

*(1) by striking "and" at the end of paragraph (6);*

*(2) by redesignating paragraph (7) as paragraph (8); and*

*(3) by inserting after paragraph (6) the following new paragraph:*

*"(7) representatives from the United States agricultural processing sector involved in providing agricultural commodities for programs under this Act; and".*

*(b) CONSULTATION.—Section 205(d) of the Food for Peace Act (7 U.S.C. 1725(d)) is amended—*

*(1) by striking the first sentence and inserting the following:*

*"(1) CONSULTATION IN ADVANCE OF ISSUANCE OF IMPLEMENTATION REGULATIONS, HANDBOOKS, AND*

*GUIDELINES.—Not later than 45 days before a proposed regulation, handbook, or guideline implementing this title, or a proposed significant revision to a regulation, handbook, or guideline implementing this title, becomes final, the Administrator shall provide the proposal to the Group for review and comment.''; and*

*(2) by adding at the end the following new paragraph:*

*''(2) CONSULTATION REGARDING FOOD AID QUALITY EFFORTS.—The Administrator shall seek input from and consult with the Group on the implementation of section 202(h).''.*

*(c) REAUTHORIZATION.—Section 205(f) of the Food for Peace Act (7 U.S.C. 1725(f)) is amended by striking ''2012'' and inserting ''2017''.*

***SEC. 3006. OVERSIGHT, MONITORING, AND EVALUATION.***

*(a) REGULATIONS AND GUIDANCE.—Section 207(c) of the Food for Peace Act (7 U.S.C. 1726a(c)) is amended—*

*(1) in the subsection heading, by inserting ''AND GUIDANCE'' after ''REGULATIONS'';*

*(2) in paragraph (1), by adding at the end the following new sentence: ''Not later than 270 days after the date of the enactment of the Federal Agriculture Reform and Risk Management Act of 2012,*

*the Administrator shall issue all regulations and revisions to agency guidance necessary to implement the amendments made to this title by such Act."; and*

*(3) in paragraph (2), by inserting "and guidance" after "develop regulations".*

*(b) FUNDING.—Section 207(f) of the Food for Peace Act (7 U.S.C. 1726a(f)) is amended—*

*(1) in paragraph (2)—*

*(A) by inserting "and" at the end of subparagraph (D);*

*(B) by striking "; and" at the end of subparagraph (E) and inserting the period; and*

*(C) by striking subparagraph (F);*

*(2) by striking paragraphs (3) and (4); and*

*(3) by redesignating paragraphs (5) and (6) as paragraphs (3) and (4), respectively; and*

*(4) in paragraph (4) (as so redesignated)—*

*(A) in subparagraph (A), by striking ", except for paragraph (2)(F), for which only $2,500,000 shall be made available during fiscal year 2009" and inserting "and up to $10,000,000 of such funds for each of fiscal years 2013 through 2017"; and*

*(B) in subparagraph (B)(i), by striking "2012" and inserting "2017".*

*(c) IMPLEMENTATION REPORTS.—Not later than 270 days after the date of the enactment of this Act, the Administrator of the Agency for International Development shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committees on Agriculture and Foreign Affairs of the House of Representatives a report describing—*

*(1) the implementation of section 207(c) of the Food for Peace Act (7 U.S.C. 1726a(c));*

*(2) the surveys, studies, monitoring, reporting, and audit requirements for programs conducted under title II of such Act (7 U.S.C. 1721 et seq.) by an eligible organization that is a nongovernmental organization (as such term is defined in section 402 of such Act (7 U.S.C. 1732)); and*

*(3) the surveys, studies, monitoring, reporting, and audit requirements for such programs by an eligible organization that is an intergovernmental organization, such as the World Food Program or other multilateral organization.*

***SEC. 3007. ASSISTANCE FOR STOCKPILING AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.***

*Section 208(f) of the Food for Peace Act (7 U.S.C. 1726b(f)) is amended by striking "2012" and inserting "2017".*

***SEC. 3008. GENERAL PROVISIONS.***

*(a) IMPACT ON LOCAL FARMERS AND ECONOMY.—Section 403(b) of the Food for Peace Act (7 U.S.C. 1733(b)) is amended by adding at the end the following new sentence: "The Secretary or the Administrator, as appropriate, shall seek information, as part of the regular proposal and submission process, from implementing agencies on the potential benefits to the local economy of sales of agricultural commodities within the recipient country.".*

*(b) PREVENTION OF PRICE DISRUPTIONS.—Section 403(e) of the Food for Peace Act (7 U.S.C. 1733(e)) is amended—*

*(1) in paragraph (2), by striking "reasonable market price" and inserting "fair market value"; and*

*(2) by adding at the end the following new paragraph:*

*"(3) COORDINATION ON ASSESSMENTS.—The Secretary and the Administrator shall coordinate in assessments to carry out paragraph (1) and in the de-*

*velopment of approaches to be used by implementing agencies for determining the fair market value described in paragraph (2).".*

*(c) REPORT ON USE OF FUNDS.—Section 403 of the Food for Peace Act (7 U.S.C. 1733) is amended by adding at the end the following new subsection:*

*"(m) REPORT ON USE OF FUNDS.—Not later than 180 days after the date of the enactment of the Federal Agriculture Reform and Risk Management Act of 2012, and annually thereafter, the Administrator shall submit to Congress a report—*

*"(1) specifying the amount of funds (including funds for administrative costs, indirect cost recovery, and internal transportation, storage and handling, and associated distribution costs) provided to each eligible organization that received assistance under this Act in the previous fiscal year; and*

*"(2) describing how those funds were used by the eligible organization.".*

***SEC. 3009. PREPOSITIONING OF AGRICULTURAL COMMODITIES.***

*Section 407(c)(4) of the Food for Peace Act (7 U.S.C. 1736a(c)(4)) is amended—*

*(1) in subparagraph (A)—*

*(A) by striking "2012" and inserting "2017"; and*

*(B) by striking "for each such fiscal year not more than $10,000,000 of such funds" and inserting "for each of fiscal years 2001 through 2012 not more than $10,000,000 of such funds and for each of fiscal years 2013 through 2017 not more than $15,000,000 of such funds"; and*

*(2) by striking subparagraph (B) and inserting the following new subparagraph:*

*"(B) ADDITIONAL PREPOSITIONING SITES.—The Administrator may establish additional sites for prepositioning in foreign countries or change the location of current sites for prepositioning in foreign countries after conducting, and based on the results of, assessments of need, feasibility, and cost.".*

***SEC. 3010. ANNUAL REPORT REGARDING FOOD AID PROGRAMS AND ACTIVITIES.***

*Section 407(f)(1) of the Food for Peace Act (7 U.S.C. 1736a(f)(1)) is amended—*

*(1) in the paragraph heading, by striking "AGRICULTURAL TRADE" and inserting "FOOD AID";*

*(2) in subparagraph (B)(ii), by inserting before the semicolon at the end the following: "and the intended beneficiaries of the project or activity"; and*

*(3) in subparagraph (B)(iii)—*

*(A) by striking "and" at the end of subclause (I);*

*(B) by inserting "and" at the end of subclause (II); and*

*(C) by inserting after subclause (II) the following new subclause:*

*"(III) the McGovern-Dole International Food for Education and Child Nutrition Program established by section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o-1);".*

***SEC. 3011. DEADLINE FOR AGREEMENTS TO FINANCE SALES OR TO PROVIDE OTHER ASSISTANCE.***

*Section 408 of the Food for Peace Act (7 U.S.C. 1736b) is amended by striking "2012" and inserting "2017".*

***SEC. 3012. AUTHORIZATION OF APPROPRIATIONS.***

*(a) AUTHORIZATION OF APPROPRIATIONS.—Section 412(a)(1) of the Food for Peace Act (7 U.S.C. 1736f(a)(1)) is amended by striking "for fiscal year 2008 and each fiscal year thereafter, $2,500,000,000" and inserting*

*"$2,500,000,000 for each of fiscal years 2008 through 2012 and $2,000,000,000 for each of fiscal years 2013 through 2017".*

*(b) MINIMUM LEVEL OF NONEMERGENCY FOOD ASSISTANCE.—Paragraph (1) of section 412(e) of the Food for Peace Act (7 U.S.C. 1736f(e)) is amended to read as follows:*

*"(1) FUNDS AND COMMODITIES.—For each of fiscal years 2013 through 2017, of the amounts made available to carry out emergency and nonemergency food assistance programs under title II, not less than $400,000,000 shall be expended for nonemergency food assistance programs under such title.".*

***SEC. 3013. MICRONUTRIENT FORTIFICATION PROGRAMS.***

*(a) ELIMINATION OF OBSOLETE REFERENCE TO STUDY.—Section 415(a)(2)(B) of the Food for Peace Act (7 U.S.C. 1736g–2(a)(2)(B)) is amended by striking ", using recommendations" and all that follows through "quality enhancements".*

*(b) EXTENSION.—Section 415(c) of the Food for Peace Act (7 U.S.C. 1736g–2(c)) is amended by striking "2012" and inserting "2017".*

***SEC. 3014. JOHN OGONOWSKI AND DOUG BEREUTER FARMER-TO-FARMER PROGRAM.***

*Section 501 of the Food for Peace Act (7 U.S.C. 1737) is amended—*

*(1) in subsection (d), in the matter preceding paragraph (1), by inserting ", and not less than the greater of $15,000,000 or 0.5 percent of the amounts made available for each of fiscal years 2013 through 2017," after "2012"; and*

*(2) in subsection (e)(1), by striking "2012" and inserting "2017".*

## *Subtitle B—Agricultural Trade Act of 1978*

***SEC. 3101. FUNDING FOR EXPORT CREDIT GUARANTEE PROGRAM.***

*Section 211(b) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)) is amended by striking "2012" and inserting "2017".*

***SEC. 3102. FUNDING FOR MARKET ACCESS PROGRAM.***

*Section 211(c)(1)(A) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)(A)) is amended by striking "2012" and inserting "2017".*

***SEC. 3103. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.***

*Section 703(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5723(a)) is amended by striking "2012" and inserting "2017".*

# *Subtitle C—Other Agricultural Trade Laws*

***SEC. 3201. FOOD FOR PROGRESS ACT OF 1985.***

*(a) EXTENSION.—The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended—*

*(1) in subsection (f)(3), by striking "2012" and inserting "2017";*

*(2) in subsection (g), by striking "2012" and inserting "2017";*

*(3) in subsection (k), by striking "2012" and inserting "2017"; and*

*(4) in subsection (l)(1), by striking "2012" and inserting "2017".*

*(b) REPEAL OF COMPLETED PROJECT.—Subsection (f) of the Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended by striking paragraph (6).*

***SEC. 3202. BILL EMERSON HUMANITARIAN TRUST.***

*Section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) is amended—*

*(1) in subsection (b)(2)(B)(i), by striking "2012" both places it appears and inserting "2017"; and*

*(2) in subsection (h), by striking "2012" both places it appears and inserting "2017".*

***SEC. 3203. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING MARKETS.***

*(a) DIRECT CREDITS OR EXPORT CREDIT GUARANTEES.—Section 1542(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 5622 note) is amended by striking "2012" and inserting "2017".*

*(b) DEVELOPMENT OF AGRICULTURAL SYSTEMS.—Section 1542(d)(1)(A)(i) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 5622 note) is amended by striking "2012" and inserting "2017".*

***SEC. 3204. MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.***

*(a) REAUTHORIZATION.—Section 3107(l)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1(l)(2)) is amended by striking "2012" and inserting "2017".*

*(b) TECHNICAL CORRECTION.—Section 3107(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1(d)) is amended by striking "to" in the matter preceding paragraph (1).*

***SEC. 3205. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.***

*(a) PURPOSE.—Section 3205(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5680(b)) is*

*amended by striking "related barriers to trade" and inserting "technical barriers to trade".*

*(b) FUNDING.—Section 3205(e)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5680(e)(2)) is amended—*

*(1) by inserting "and" at the end of subparagraph (C); and*

*(2) by striking subparagraphs (D) and (E) and inserting the following new subparagraph:*

*"(D) $9,000,000 for each of fiscal years 2011 through 2017.".*

***SEC. 3206. GLOBAL CROP DIVERSITY TRUST.***

*Section 3202(c) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 22 U.S.C. 2220a note) is amended by striking "section" and all that follows through the period and inserting the following: "section—*

*"(1) $60,000,000 for the period of fiscal years 2008 through 2012; and*

*"(2) $50,000,000 for the period of fiscal years 2013 through 2017.".*

***SEC. 3207. UNDER SECRETARY OF AGRICULTURE FOR FOREIGN AGRICULTURAL SERVICES.***

*(a) IN GENERAL.—Subtitle B of the Department of Agriculture Reorganization Act of 1994 is amended by insert-*

*ing after section 225 (7 U.S.C. 6931) the following new section:*

***"SEC. 225A. UNDER SECRETARY OF AGRICULTURE FOR FOREIGN AGRICULTURAL SERVICES.***

*"(a) AUTHORIZATION.—The Secretary is authorized to establish in the Department the position of Under Secretary of Agriculture for Foreign Agricultural Services.*

*"(b) CONFIRMATION REQUIRED.—If the Secretary establishes the position of Under Secretary of Agriculture for Foreign Agricultural Services under subsection (a), the Under Secretary shall be appointed by the President, by and with the advice and consent of the Senate.*

*"(c) FUNCTIONS OF UNDER SECRETARY.—*

*"(1) PRINCIPAL FUNCTIONS.—Upon establishment, the Secretary shall delegate to the Under Secretary of Agriculture for Foreign Agricultural Services those functions under the jurisdiction of the Department that are related to foreign agricultural services.*

*"(2) ADDITIONAL FUNCTIONS.—The Under Secretary of Agriculture for Foreign Agricultural Services shall perform such other functions as may be required by law or prescribed by the Secretary.*

*"(d) SUCCESSION.—Any official who is serving as Under Secretary of Agriculture for Farm and Foreign Agri-*

*cultural Services on the date of the enactment of this section and who was appointed by the President, by and with the advice and consent of the Senate, shall not be required to be reappointed under subsection (b) or section 225(b) to the successor position authorized under subsection (a) or section 225(a) if the Secretary establishes the position, and the official occupies the new position, with 180 days after the date of the enactment of this section (or such later date set by the Secretary if litigation delays rapid succession).".*

*(b) CONFORMING AMENDMENTS.—Section 225 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6931) is amended—*

*(1) by striking "Under Secretary of Agriculture for Farm and Foreign Agricultural Services" each place it appears and inserting "Under Secretary of Agriculture for Farm Services"; AND*

*(2) in subsection (c)(1), by striking "and foreign agricultural".*

*(c) PERMANENT AUTHORITY.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended—*

*(1) in paragraph (6)(C), by striking "or" at the end;*

*(2) in paragraph (7), by striking the period at the end and inserting a semicolon; and*

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

*"(8) the authority of the Secretary to establish in the Department the position of Under Secretary of Agriculture for Foreign Agricultural Services in accordance with section 225A;".*

# *TITLE IV—NUTRITION*

## *Subtitle A—Supplemental Nutrition Assistance Program*

***SEC. 4001. RETAILERS.***

*(a) DEFINITION OF RETAIL FOOD STORE.—Section 3(p)(1)(A) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(p)(1)(A)) is amended by striking "at least 2" and inserting "at least 3".*

*(b) ALTERNATIVE BENEFIT DELIVERY.—Section 7(f) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(f)) is amended—*

*(1) by striking paragraph (2) and inserting the following:*

*"(2) IMPOSITION OF COSTS.—*

*"(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall require participating retailers (including restaurants participating in a State option restaurant program intended to serve the elderly, disabled, and*

*homeless) to pay 100 percent of the costs of acquiring, and arrange for the implementation of, electronic benefit transfer point-of-sale equipment and supplies.*

*"(B) EXEMPTIONS.—The Secretary may exempt from subparagraph (A)—*

*"(i) farmers' markets, military commissaries, nonprofit food buying cooperatives, and establishments, organizations, programs, or group living arrangements described in paragraphs (5), (7), and (8) of section 3(k); and*

*"(ii) establishments described in paragraphs (3), (4), and (9) of section 3(k), other than restaurants participating in a State option restaurant program."; and*

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

*"(4) TERMINATION OF MANUAL VOUCHERS.—*

*"(A) IN GENERAL.—Effective beginning on the effective date of this paragraph, except as provided in subparagraph (B), no State shall issue manual vouchers to a household that receives supplemental nutrition assistance under this Act or allow retailers to accept manual vouchers as payment, unless the Secretary deter-*

*mines that the manual vouchers are necessary, such as in the event of an electronic benefit transfer system failure or a disaster situation.*

*"(B) EXEMPTIONS.—The Secretary may exempt categories of retailers or individual retailers from subparagraph (A) based on criteria established by the Secretary.*

*"(5) UNIQUE IDENTIFICATION NUMBER REQUIRED.—In an effort to enhance the antifraud protections of the program, the Secretary shall require all parties providing electronic benefit transfer services to provide for and maintain a unique terminal identification number information through the supplemental nutrition assistance program electronic benefit transfer transaction routing system. In developing the regulations implementing this paragraph, the Secretary shall consider existing commercial practices for other point-of-sale debit transactions. The Secretary shall issue proposed regulations implementing this paragraph not earlier than 2 years after the date of enactment of this paragraph.".*

*(c) ELECTRONIC BENEFIT TRANSFERS.—Section 7(h)(3)(B) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(3)(B)) is amended by striking "is operational—"*

*and all that follows through "(ii) in the case of other participating stores," and inserting "is operational".*

*(d) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. 2018) is amended—*

*(1) in the 2d sentence of subsection (a)(1) by striking "; and (C)" and inserting "; (C) whether the applicant is located in an area with significantly limited access to food; and (D)";*

*(2) in subsection (b) by adding at the end the following:*

*"(3) RETAIL FOOD STORES WITH SIGNIFICANT SALES OF EXCLUDED ITEMS.—*

*"(A) IN GENERAL.—No retail food store for which at least 45 percent of the total sales of the retail food store is from the sale of excluded items described in section 3(k)(1) may be authorized to accept and redeem benefits unless the Secretary determines that the participation of the retail food store is required for the effective and efficient operation of the supplemental nutrition assistance program.*

*"(B) APPLICATION.—Subparagraph (A) shall be effective—*

*"(i) in the case of retail food stores applying to be authorized for the 1st time, beginning on the date that is 1 year after the effective date of this paragraph; and*

*"(ii) in the case of retail food stores participating in the program on the effective date of this paragraph, during periodic reauthorization in accordance with subsection (a)(2)(A)."; and*

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

*"(g) EBT SERVICE REQUIREMENT.—An approved retail food store shall provide adequate EBT service as described in section 7(h)(3)(B).".*

***SEC. 4002. ENHANCING SERVICES TO ELDERLY AND DISABLED SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM RECIPIENTS.***

*(a) ENHANCING SERVICES TO ELDERLY AND DISABLED PROGRAM RECIPIENTS.—Section 3(p) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(p)) is amended—*

*(1) in paragraph (3) by striking "and" at the end,*

*(2) in paragraph (4) by striking the period at the end and inserting "; and", and*

*(3) by inserting after paragraph (4) the following:*

*"(5) a governmental or private nonprofit food purchasing and delivery service that—*

*"(A) purchases food for, and delivers such food to, individuals who are—*

*"(i) unable to shop for food; and*

*"(ii)(I) not less than 60 years of age; or*

*"(II) physically or mentally handicapped or otherwise disabled;*

*"(B) clearly notifies the participating household at the time such household places a food order—*

*"(i) of any delivery fee associated with the food purchase and delivery provided to such household by such service; and*

*"(ii) that a delivery fee cannot be paid with benefits provided under supplemental nutrition assistance program; and*

*"(C) sells food purchased for such household at the price paid by such service for such food and without any additional cost markup.".*

*(b) IMPLEMENTATION.—*

*(1) ISSUANCE OF RULES.—The Secretary of Agriculture shall issue regulations that—*

*(A) establish criteria to identify a food purchasing and delivery service referred to in section 3(p)(5) of the Food and Nutrition Act of 2008 as amended by this Act, and*

*(B) establish procedures to ensure that such service—*

*(i) does not charge more for a food item than the price paid by the such service for such food item,*

*(ii) offers food delivery service at no or low cost to households under such Act,*

*(iii) ensures that benefits provided under the supplemental nutrition assistance program are used only to purchase food, as defined in section 3 of such Act,*

*(iv) limits the purchase of food, and the delivery of such food, to households eligible to receive services described in section 3(p)(5) of such Act as so amended,*

*(v) has established adequate safeguards against fraudulent activities, including unauthorized use of electronic benefit cards issued under such Act, and*

*(vi) such other requirements as the Secretary deems to be appropriate.*

*(2) LIMITATION.—Before the issuance of rules under paragraph (1) , the Secretary of Agriculture may not approve more than 20 food purchasing and delivery services referred to in section 3(p)(5) of the Food and Nutrition Act of 2008 as amended by this Act, to participate as retail food stores under the supplemental nutrition assistance program.*

***SEC. 4003. FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS.***

*Section 4(b)(6)(F) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b)(6)(F)) is amended by striking "2012" and inserting "2017".*

***SEC. 4004. UPDATING PROGRAM ELIGIBILITY.***

*Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—*

*(1) in the 2d sentence of subsection (a) by striking "households in which each member receives benefits" and inserting "households in which each member receives cash assistance", and*

*(2) in subsection (j) by striking "or who receives benefits under a State program" and inserting "or who receives cash assistance under a State program".*

***SEC. 4005. EXCLUSION OF MEDICAL MARIJUANA FROM EXCESS MEDICAL EXPENSE DEDUCTION.***

*Section 5(e)(5) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(5)) is amended by adding at the end the following:*

*"(C) EXCLUSION OF MEDICAL MARIJUANA.—The Secretary shall promulgate rules to ensure that medical marijuana is not treated as a medical expense for purposes of this paragraph.".*

***SEC. 4006. STANDARD UTILITY ALLOWANCES BASED ON THE RECEIPT OF ENERGY ASSISTANCE PAYMENTS.***

*(a) STANDARD UTILITY ALLOWANCES IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.—Section 5(e)(6)(C) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(6)(C)) is amended—*

*(1) in clause (i) by inserting ", subject to clause (iv)" after "Secretary"; and*

*(2) in clause (iv)(I) by striking "the household still incurs" and all that follows through the end of the subclause and inserting "the payment received by, or made on behalf of, the household exceeds $10 or a higher amount annually, as determined by the Secretary.".*

*(b) CONFORMING AMENDMENT.—Section 2605(f)(2)(A) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)(2)(A)) is amended by inserting before the semicolon at the end ", except that, for purposes of the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), such payments or allowances exceed $10 or a higher amount annually, as determined by the Secretary of Agriculture in accordance with section 5(e)(6)(C)(iv)(I) of that Act (7 U.S.C. 2014(e)(6)(C)(iv)(I))".*

*(c) EFFECTIVE AND IMPLEMENTATION DATE.—*

*(1) IN GENERAL.—Except as provided in paragraph (2), this section and the amendments made by this section shall take effect beginning on October 1, 2013, for all certification periods beginning after that date.*

*(2) STATE OPTION TO DELAY IMPLEMENTATION FOR CURRENT RECIPIENTS.—A State may, at the option of the State, implement a policy that eliminates or minimizes the effect of the amendments made by this section for households that receive a standard utility allowance as of the date of enactment of this Act for not more than a 180-day period beginning on the date on which the amendments made by this sec-*

*tion would otherwise affect the benefits received by a household.*

***SEC. 4007. ELIGIBILITY DISQUALIFICATIONS.***

*Section 6(e)(3)(B) of Food and Nutrition Act of 2008 (7 U.S.C. 2015(e)(3)(B)) is amended by striking "section;" and inserting the following:*

*"section, subject to the condition that the course or program of study—*

*"(i) is part of a program of career and technical education (as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302)) that may be completed in not more than 4 years at an institution of higher education (as defined in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)); or*

*"(ii) is limited to remedial courses, basic adult education, literacy, or English as a second language;".*

***SEC. 4008. ENDING SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS FOR LOTTERY OR GAMBLING WINNERS.***

*(a) IN GENERAL.—Section 6 of the Food and Nutrition Act of 2008 (7 U.S.C. 2015) is amended by adding at the end the following:*

*"(r) INELIGIBILITY FOR BENEFITS DUE TO RECEIPT OF SUBSTANTIAL LOTTERY OR GAMBLING WINNINGS.—*

*"(1) IN GENERAL.—Any household in which a member receives substantial lottery or gambling winnings, as determined by the Secretary, shall lose eligibility for benefits immediately upon receipt of the winnings.*

*"(2) DURATION OF INELIGIBILITY.—A household described in paragraph (1) shall remain ineligible for participation until the household meets the allowable financial resources and income eligibility requirements under subsections (c), (d), (e), (f), (g), (i), (k), (l), (m), and (n) of section 5.*

*"(3) AGREEMENTS.—As determined by the Secretary, each State agency, to the maximum extent practicable, shall establish agreements with entities responsible for the regulation or sponsorship of gaming in the State to determine whether individuals participating in the supplemental nutrition assist-*

*ance program have received substantial lottery or gambling winnings.".*

*(b) CONFORMING AMENDMENTS.—Section 5(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(a)) is amended in the 2d sentence by striking "sections 6(b), 6(d)(2), and 6(g)" and inserting "subsections (b), (d)(2), (g), and (r) of section 6".*

***SEC. 4009. IMPROVING SECURITY OF FOOD ASSISTANCE.***

*Section 7(h)(8) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(8)) is amended—*

*(1) in the heading by striking "CARD FEE" and inserting "OF CARDS";*

*(2) by striking "A State" and inserting the following:*

*"(A) FEES.—A State"; and*

*(3) by adding after subparagraph (A) (as so designated by paragraph (2)) the following:*

*"(B) PURPOSEFUL LOSS OF CARDS.—*

*"(i) IN GENERAL.—Subject to terms and conditions established by the Secretary in accordance with clause (ii), if a household makes excessive requests for replacement of the electronic benefit transfer card of the household, the Secretary may require a State agency to decline to issue a replace-*

*ment card to the household unless the household, upon request of the State agency, provides an explanation for the loss of the card.*

*"(ii) REQUIREMENTS.—The terms and conditions established by the Secretary shall provide that—*

*"(I) the household be given the opportunity to provide the requested explanation and meet the requirements under this paragraph promptly;*

*"(II) after an excessive number of lost cards, the head of the household shall be required to review program rights and responsibilities with State agency personnel authorized to make determinations under section 5(a); and*

*"(III) any action taken, including actions required under section 6(b)(2), other than the withholding of the electronic benefit transfer card until an explanation described in subclause (I) is provided, shall be consistent with the due process protections under section 6(b) or 11(e)(10), as appropriate.*

*"(C) PROTECTING VULNERABLE PERSONS.—In implementing this paragraph, a State agency shall act to protect homeless persons, persons with disabilities, victims of crimes, and other vulnerable persons who lose electronic benefit transfer cards but are not intentionally committing fraud.*

*"(D) EFFECT ON ELIGIBILITY.—While a State may decline to issue an electronic benefits transfer card until a household satisfies the requirements under this paragraph, nothing in this paragraph shall be considered a denial of, or limitation on, the eligibility for benefits under section 5.".*

***SEC. 4010. DEMONSTRATION PROJECTS ON ACCEPTANCE OF BENEFITS OF MOBILE TRANSACTIONS.***

*Section 7(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)) is amended by adding at the end the following:*

*"(14) DEMONSTRATION PROJECTS ON ACCEPTANCE OF BENEFITS OF MOBILE TRANSACTIONS.—*

*"(A) IN GENERAL.—The Secretary shall pilot the use of mobile technologies determined by the Secretary to be appropriate to test the feasibility and implications for program integrity, by*

*allowing retail food stores, farmers markets, and other direct producer-to-consumer marketing outlets to accept benefits from recipients of supplemental nutrition assistance through mobile transactions.*

*"(B) DEMONSTRATION PROJECTS.—To be eligible to participate in a demonstration project under subsection (a), a retail food store, farmers market, or other direct producer-to-consumer marketing outlet shall submit to the Secretary for approval a plan that includes—*

*"(i) a description of the technology;*

*"(ii) the manner by which the retail food store, farmers market or other direct producer-to-consumer marketing outlet will provide proof of the transaction to households;*

*"(iii) the provision of data to the Secretary, consistent with requirements established by the Secretary, in a manner that allows the Secretary to evaluate the impact of the demonstration on participant access, ease of use, and program integrity; and*

*"(iv) such other criteria as the Secretary may require.*

*"(C) DATE OF COMPLETION.—The demonstration projects under this paragraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2015.*

*"(D) REPORT TO CONGRESS.—The Secretary shall submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes a finding, based on the data provided under subparagraph (C) whether or not implementation in all States is in the best interest of the supplemental nutrition assistance program.".*

***SEC. 4011. USE OF BENEFITS FOR PURCHASE OF COMMUNITY-SUPPORTED AGRICULTURE SHARE.***

*Section 10 of the Food and Nutrition Act of 2008 (7 U.S.C. 2019) is amended in the 1st sentence by inserting "agricultural producers who market agricultural products directly to consumers shall be authorized to redeem benefits for the initial cost of the purchase of a community-supported agriculture share," after "food so purchased,".*

***SEC. 4012. RESTAURANT MEALS PROGRAM.***

*(a) IN GENERAL.—Section 11(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)) is amended—*

*(1) in paragraph (22) by striking "and" at the end;*

*(2) in paragraph (23)(C) by striking the period at the end and inserting "; and"; and*

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

*"(24) if the State elects to carry out a program to contract with private establishments to offer meals at concessional prices, as described in paragraphs (3), (4), and (9) of section 3(k)—*

*"(A) the plans of the State agency for operating the program, including—*

*"(i) documentation of a need that eligible homeless, elderly, and disabled clients are underserved in a particular geographic area;*

*"(ii) the manner by which the State agency will limit participation to only those private establishments that the State determines necessary to meet the need identified in clause (i); and*

*"(iii) any other conditions the Secretary may prescribe, such as the level of security necessary to ensure that only eligible recipients participate in the program; and*

*"(B) a report by the State agency to the Secretary annually, the schedule of which shall be established by the Secretary, that includes—*

*"(i) the number of households and individual recipients authorized to participate in the program, including any information on whether the individual recipient is elderly, disabled, or homeless; and*

*"(ii) an assessment of whether the program is meeting an established need, as documented under subparagraph (A)(i).".*

*(b) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. 2018) is amended by adding at the end the following:*

*"(h) PRIVATE ESTABLISHMENTS.—*

*"(1) IN GENERAL.—Subject to paragraph (2), no private establishment that contracts with a State agency to offer meals at concessional prices as described in paragraphs (3), (4), and (9) of section 3(k) may be authorized to accept and redeem benefits unless the Secretary determines that the participation of the private establishment is required to meet a documented need in accordance with section 11(e)(24).*

*"(2) EXISTING CONTRACTS.—*

*"(A) IN GENERAL.—If, on the day before the effective date of this subsection, a State has entered into a contract with a private establishment described in paragraph (1) and the Secretary has not determined that the participation of the private establishment is necessary to meet a documented need in accordance with section 11(e)(24), the Secretary shall allow the operation of the private establishment to continue without that determination of need for a period not to exceed 180 days from the date on which the Secretary establishes determination criteria, by regulation, under section 11(e)(24).*

*"(B) JUSTIFICATION.—If the Secretary determines to terminate a contract with a private establishment that is in effect on the effective date of this subsection, the Secretary shall provide justification to the State in which the private establishment is located for that termination.*

*"(3) REPORT TO CONGRESS.—Not later than 90 days after September 30, 2013, and 90 days after the last day of each fiscal year thereafter, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agri-*

*culture, Nutrition, and Forestry of the Senate on the effectiveness of a program under this subsection using any information received from States under section 11(e)(24) as well as any other information the Secretary may have relating to the manner in which benefits are used.".*

*(c) CONFORMING AMENDMENTS.—Section 3(k) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(k)) is amended by inserting "subject to section 9(h)" after "concessional prices" each place it appears.*

***SEC. 4013. STATE VERIFICATION OPTION.***

*Section 11(p) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(p)) is amended to read as follows:*

*"(p) STATE VERIFICATION OPTION.—In carrying out the supplemental nutrition assistance program, a State agency shall be required to use an income and eligibility, or an immigration status, verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b–7), in accordance with standards set by the Secretary.".*

***SEC. 4014. REPEAL OF GRANT PROGRAM.***

*Section 11(t) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(t)) is repealed.*

***SEC. 4015. DATA EXCHANGE STANDARDIZATION FOR IMPROVED INTEROPERABILITY.***

*(a) DATA EXCHANGE STANDARDIZATION.—Section 11 of the Food and Nutrition Act of 2008 (7 U.S.C. 2020) is amended by adding at the end the following:*

*"(v) DATA EXCHANGE STANDARDIZATION FOR IMPROVED INTEROPERABILITY.—*

*"(1) DATA EXCHANGE STANDARDS.—*

*"(A) DESIGNATION.—The Secretary, in consultation with an interagency work group which shall be established by the Office of Management and Budget, and considering State perspectives, shall, by rule, designate a data exchange standard for any category of information required to be reported under this Act.*

*"(B) DATA EXCHANGE STANDARDS MUST BE NONPROPRIETARY AND INTEROPERABLE.—The data exchange standard designated under subparagraph (A) shall, to the extent practicable, be nonproprietary and interoperable.*

*"(C) OTHER REQUIREMENTS.—In designating data exchange standards under this subsection, the Secretary shall, to the extent practicable, incorporate—*

*"(i) interoperable standards developed and maintained by an international vol-*

*untary consensus standards body, as defined by the Office of Management and Budget, such as the International Organization for Standardization;*

*"(ii) interoperable standards developed and maintained by intergovernmental partnerships, such as the National Information Exchange Model; and*

*"(iii) interoperable standards developed and maintained by Federal entities with authority over contracting and financial assistance, such as the Federal Acquisition Regulatory Council.*

*"(2) DATA EXCHANGE STANDARDS FOR REPORTING.—*

*"(A) DESIGNATION.—The Secretary, in consultation with an interagency work group established by the Office of Management and Budget, and considering State perspectives, shall, by rule, designate data exchange standards to govern the data reporting required under this part.*

*"(B) REQUIREMENTS.—The data exchange standards required by subparagraph (A) shall, to the extent practicable—*

*"(i) incorporate a widely-accepted, nonproprietary, searchable, computer-readable format;*

*"(ii) be consistent with and implement applicable accounting principles; and*

*"(iii) be capable of being continually upgraded as necessary.*

*"(C) INCORPORATION OF NONPROPRIETARY STANDARDS.—In designating reporting standards under this subsection, the Secretary shall, to the extent practicable, incorporate existing nonproprietary standards, such as the eXtensible Markup Language.".*

*(b) EFFECTIVE DATES.—*

*(1) DATA EXCHANGE STANDARDS.—The Secretary of Agriculture shall issue a proposed rule under section 11(v)(1) of the Food and Nutrition Act of 2008 within 12 months after the effective date of this section, and shall issue a final rule under such section after public comment, within 24 months after such effective date.*

*(2) DATA REPORTING STANDARDS.—The reporting standards required under section 11(v)(2) of such Act shall become effective with respect to reports required in the first reporting period, after the effective*

*date of the final rule referred to in paragraph (1) of this subsection, for which the authority for data collection and reporting is established or renewed under the Paperwork Reduction Act.*

***SEC. 4016. REPEAL OF BONUS PROGRAM.***

*Section 16(d) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(d)) is repealed.*

***SEC. 4017. FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.***

*Section 16(h)(1)(A) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)(1)(A)) is amended by striking "$90,000,000" and inserting "$79,000,000".*

***SEC. 4018. MONITORING EMPLOYMENT AND TRAINING PROGRAM.***

*(a) REPORTING MEASURES.—Section 16(h)(5) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)(5)) is amended to read:*

*"(5)(A) IN GENERAL.—The Secretary shall monitor the employment and training programs carried out by State agencies under section 6(d)(4) and assess their effectiveness in—*

*"(i) preparing members of households participating in the supplemental nutrition assistance program for employment, including the ac-*

*quisition of basic skills necessary for employment; and*

*"(ii) increasing the numbers of household members who obtain and retain employment subsequent to their participation in such employment and training programs.*

*"(B) REPORTING MEASURES.—The Secretary, in consultation with the Secretary of Labor, shall develop reporting measures that identify improvements in the skills, training education or work experience of members of households participating in the supplemental nutrition assistance program. Measures shall be based on common measures of performance for federal workforce training programs, so long as they reflect the challenges facing the types of members of households participating in the supplemental nutrition assistance program who participate in a specific employment and training component. The Secretary shall require that each State employment and training plan submitted under section 11(3)(19) identify appropriate reporting measures for each of their proposed components that serve at least 100 people. Such measures may include:*

*"(i) the percentage and number of program participants who received employment and*

*training services and are in unsubsidized employment subsequent to the receipt of those services;*

*"(ii) the percentage and number of program participants who obtain a recognized postsecondary credential, including a registered apprenticeship, or a regular secondary school diploma or its recognized equivalent, while participating in or within 1 year after receiving employment and training services;*

*"(iii) the percentage and number of program participants who are in an education or training program that is intended to lead to a recognized postsecondary credential, including a registered apprenticeship or on-the-job training program, a regular secondary school diploma or its recognized equivalent, or unsubsidized employment;*

*"(iv) subject to the terms and conditions set by the Secretary, measures developed by each State agency to assess the skills acquisition of employment and training program participants that reflect the goals of their specific employment and training program components, which may include, but are not limited to—*

*"(I) the percentage and number of program participants who are meeting program requirements in each component of the State's education and training program; and*

*"(II) the percentage and number of program participants who are gaining skills likely to lead to employment as measured through testing, quantitative or qualitative assessment or other method; and*

*"(v) other indicators as approved by the Secretary.*

*"(C) STATE REPORT.—Each State agency shall annually prepare and submit to the Secretary a report on the State's employment and training program that includes the numbers of supplemental nutrition assistance program participants who have gained skills, training, work or experience that will increase their ability to obtain regular employment using measures identified in subparagraph (B).*

*"(D) MODIFICATIONS TO THE STATE EMPLOYMENT AND TRAINING PLAN.—Subject to the terms and conditions established by the Secretary, if the Secretary determines that the state agency's performance with respect to employment and training outcomes is*

*inadequate, the Secretary may require the State agency to make modifications to their employment and training plan to improve such outcomes.*

*"(E) PERIODIC EVALUATION.—*

*"(i) IN GENERAL.—Subject to terms and conditions established by the Secretary, not later than October 1, 2015, and not less frequently than once every 5 years thereafter, the Secretary shall conduct a study to review existing practice and research to identify employment and training program components and practices that—*

*"(I) effectively assist members of households participating in the supplemental nutrition assistance program in gaining skills, training, work, or experience that will increase their ability to obtain regular employment, and*

*"(II) are best integrated with statewide workforce development systems.*

*"(ii) REPORT TO CONGRESS.—The Secretary shall submit a report that describes the results of the study under clause (i) to the Committee on Agriculture in the House of Representatives, and the Committee on Agriculture, Nutrition and Forestry in the Senate.".*

*(b) EFFECTIVE DATE.—Notwithstanding section 4(c) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(a)), the Secretary shall issue interim final regulations implementing the amendment made by subsection (a) no later than 18 months after the date of enactment of this Act. States shall include such reporting measures in their employment and training plans for the 1st fiscal year thereafter that begins no sooner than 6 months after the date that such regulations are published.*

***SEC. 4019. COOPERATION WITH PROGRAM RESEARCH AND EVALUATION.***

*Section 17 of the Food and Nutrition Act of 2008 (7 U.S.C. 2026) is amended by adding at the end the following:*

*"(l) COOPERATION WITH PROGRAM RESEARCH AND EVALUATION.—States, State agencies, local agencies, institutions, facilities such as data consortiums, and contractors participating in programs authorized under this Act shall cooperate with officials and contractors acting on behalf of the Secretary in the conduct of evaluations and studies under this Act and shall submit information at such time and in such manner as the Secretary may require.".*

***SEC. 4020. AUTHORIZATION OF APPROPRIATIONS.***

*Section 18(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(a)(1)) is amended in the 1st sentence by striking "2012" and inserting "2017".*

***SEC. 4021. LIMITATION ON USE OF BLOCK GRANT TO PUERTO RICO.***

*Section 19(a)(2)(B) of the Food and Nutrition Act of 2008 (7 U.S.C. 2028(a)(2)(B)) is amended by adding at the end the following:*

*"(iii) LIMITATION ON USE OF FUNDS.—None of the funds made available to the Commonwealth of Puerto Rico under this subparagraph may be used to provide nutrition assistance in the form of cash benefits.".*

***SEC. 4022. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.***

*(a) DEFINITION.—Section 25(a)(1)(B)(i) of the Food and Nutrition Act of 2008 (7 U.S.C. 2034(a)(1)(B)(i)) is amended—*

*(1) in subclause (II) by striking "and" at the end;*

*(2) in subclause (III) by striking "or" at the end and inserting "and"; and*

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

*"(IV) to provide incentives for the consumption of fruits and vegetables among low-income individuals; or".*

*(b) ADDITIONAL FUNDING.—Section 25(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2034) is amended by adding at the end the following:*

*"(3) FUNDING.—*

*"(A) IN GENERAL.—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 not less than $10,000,000 for fiscal year 2013 and each fiscal year thereafter. Of the amount made available under this subparagraph for each such fiscal year, $5,000,000 shall be available to carry out subsection (a)(1)(B)(I)(IV).*

*"(B) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section, the funds transferred under subparagraph (A) without further appropriation.*

*"(C) MAINTENANCE OF FUNDING.—The funding provided under subparagraph (A) shall supplement (and not supplant) other Federal funding made available to the Secretary to carry out this section.".*

***SEC. 4023. EMERGENCY FOOD ASSISTANCE.***

*(a) PURCHASE OF COMMODITIES.—Section 27(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)) is amended—*

*(1) in paragraph (1) by striking "2008 through 2012" and inserting "2012 through 2017"; and*

*(2) in paragraph (2)—*

*(A) by striking subparagraphs (A) and (B) and inserting the following:*

*"(A) for fiscal year 2012, $260,250,000;*

*"(B) for fiscal year 2013 the dollar amount of commodities specified in subparagraph (A) adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(u)(4) between June 30, 2011 and June 30, 2012, and subsequently increased by $20,000,000;";*

*(B) in subparagraph (C)—*

*(i) by striking "2010 through 2012, the dollar amount of commodities specified in" and inserting "2014 through 2017, the total amount of commodities under"; and*

*(ii) by striking "2008" and inserting "2012"; and*

*(iii) by striking the period at the end and inserting:"; and"; and*

*(C) by adding at the end the following:*

*"(D) for fiscal year 2013 the dollar amount of commodities specified in subparagraph (B),*

*and for each of the fiscal years 2014 through 2017 the respective dollar amount of commodities specified in subparagraph (C), increased by $5,000,000.".*

*(b) EMERGENCY FOOD PROGRAM INFRASTRUCTURE GRANTS.—Section 209(d) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7511a(d)) is amended by striking "2012" and inserting "2017".*

***SEC. 4024. NUTRITION EDUCATION.***

*Section 28(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036a(b)) is amended by inserting "and physical activity" after "healthy food choices".*

***SEC. 4025. RETAILER TRAFFICKING.***

*The Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:*

***"SEC. 29. RETAILER TRAFFICKING.***

*"(a) PURPOSE.—The purpose of this section is to provide the Department of Agriculture with additional resources to prevent trafficking in violation of this Act by strengthening recipient and retailer program integrity. Additional funds are provided to supplement the Department's payment accuracy, and retailer and recipient integrity activities.*

*"(b) FUNDING.—*

*"(1) IN GENERAL.—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 not less than $5,000,000 for fiscal year 2013 and each fiscal year thereafter.*

*"(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.*

*"(3) MAINTENANCE OF FUNDING.—The funding provided under paragraph (1) shall supplement (and not supplant) other Federal funding for programs carried out under this Act.".*

***SEC. 4026. TECHNICAL AND CONFORMING AMENDMENTS.***

*(a) Section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012) is amended—*

*(1) in subsection (g) by striking "coupon," the last place it appears and inserting "coupon";*

*(2) in subsection (k)(7) by striking "or are" and inserting "and";*

*(3) by striking subsection (l);*

*(4) by redesignating subsections (m) through (t) as subsections (l) through (s), respectively; and*

*(5) by inserting after subsection (s) (as so redesignated) the following:*

*"(t) 'Supplemental nutritional assistance program' means the program operated pursuant to this Act.".*

*(b) Section 4(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(a)) is amended by striking "benefits" the last place it appears and inserting "Benefits".*

*(c) Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—*

*(1) in the last sentence of subsection (i)(2)(D) by striking "section 13(b)(2)" and inserting "section 13(b)"; and*

*(2) in subsection (k)(4)(A) by striking "paragraph (2)(H)" and inserting "paragraph (2)(G)".*

*(d) Section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4)) is amended—*

*(1) in subparagraph (B)(vii) by moving the left margin 2 ems to the left, and*

*(2) in subparagraph(F)(iii) by moving the left margin 4 ems to the left.*

*(e) Section 7(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)) is amended by redesignating the 2d paragraph (12) as paragraph (13).*

*(f) Section 9(a)(3) of the Food and Nutrition Act of 2008 (7 U.S.C. 2018(a)) is amended by moving the left margin 2 ems to the left.*

*(g) Section 12 of the Food and Nutrition Act of 2008 (7 U.S.C. 2021) is amended—*

*(1) in subsection (b)(3)(C) by striking "civil money penalties" and inserting "civil penalties"; and*

*(2) in subsection (g)(1) by striking "(7 U.S.C. 1786)" and inserting "(42 U.S.C. 1786)".*

*(h) Section 15(b)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2024(b)(1)) is amended in the 1st sentence by striking "an benefit" and inserting "a benefit".*

*(i) Section 16(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(a)) is amended in the proviso following paragraph (8) by striking ", as amended.".*

*(j) Section 18(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(e)) is amended in the 1st sentence by striking "sections 7(f)" and inserting "section 7(f)".*

*(k) Section 22(b)(10)(B)(i) of the Food and Nutrition Act of 2008 (7 U.S.C. 2031(b)(10)(B)(i)) is amended in the last sentence by striking "Food benefits" and inserting "Benefits".*

*(l) Section 26(f)(3)(C) of the Food and Nutrition Act of 2008 (7 U.S.C. 2035(f)(3)(C)) is amended by striking "subsection" and inserting "subsections".*

*(m) Section 27(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)(1)) is amended by striking*

*"(Public Law 98–8; 7 U.S.C. 612c note)" and inserting "(7 U.S.C. 7515)".*

*(n) Section 509 of the Older Americans Act of 1965 (42 U.S.C. 3056g) is amended in the section heading by striking "**FOOD STAMP PROGRAMS**" and inserting "**SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM**".*

*(o) Section 4115(c)(2)(H) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1871) is amended by striking "531" and inserting "454".*

*(p) Section 3803(c)(2)(C)(vii) of title 31 of the United States Code is amended by striking "section 3(l)" each place it appears and inserting "section 3(s)".*

*(q) Section 115 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) is amended—*

*(1) in subsection (a)(2) by striking "section 3(l)" and inserting "section 3(s)";*

*(2) in subsection (b)(2) by striking "section 3(l)" and inserting "section 3(s)"; and*

*(3) in subsection (e)(2) by striking "section 3(l)" and inserting "section 3(s)".*

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

*(1) in section 4(a) by striking "Food Stamp Act of 1977" and inserting "Food and Nutrition Act of 2008"; and*

*(2) in section 5—*

*(A) in subsection (i)(1) by striking "Food Stamp Act of 1977" and inserting "Food and Nutrition Act of 2008"; and*

*(B) in subsection (l)(2)(B) by striking "Food Stamp Act of 1977" and inserting "Food and Nutrition Act of 2008".*

*(s) The Social Security Act (42 U.S.C. 301 et seq.) is amended—*

*(1) in the heading of section 453(j)(10) by striking "FOOD STAMP" and inserting "SUPPLEMENTAL NUTRITION ASSISTANCE";*

*(2) in section 1137—*

*(A) in subsection (a)(5)(B) by striking "food stamp" and inserting "supplemental nutrition assistance"; and*

*(B) in subsection (b)(4) by striking "food stamp program under the Food Stamp Act of 1977" and inserting "supplemental nutrition assistance program under the Food and Nutrition Act of 2008"; and*

*(3) in the heading of section 1631(n) by striking "FOOD STAMP" and inserting "SUPPLEMENTAL NUTRITION ASSISTANCE".*

***SEC. 4027. TOLERANCE LEVEL FOR EXCLUDING SMALL ERRORS.***

*The Secretary shall set the tolerance level for excluding small errors for the purposes of section 16(c) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(c))—*

*(1) for fiscal year 2013 at an amount no greater than $25; and*

*(2) for each fiscal year thereafter, the amount specified in paragraph (1) adjusted by the percentage by which the thrifty food plan is adjusted under section 3(u)(4) of such Act between June 30, 2011, and June 30 of the immediately preceding fiscal year.*

***SEC. 4028. COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS PILOT PROGRAM.***

*(a) STUDY.—*

*(1) IN GENERAL.—Prior to establishing the pilot program under subsection (b), the Secretary shall conduct a study to be completed not later than 2 years after the effective date of this section to assess—*

*(A) the capabilities of the Commonwealth of the Northern Mariana Islands to operate the supplemental nutrition assistance program in*

*the same manner in which the program is operated in the States (as defined in section 3 of the Food and Nutrition Act (7 U.S.C. 2011 et seq)); and*

*(B) alternative models of the supplemental nutrition assistance program operation and benefit delivery that best meet the nutrition assistance needs of the Commonwealth of the Northern Mariana Islands.*

*(2) SCOPE.—The study conducted under paragraph (1)(A) will assess the capability of the Commonwealth to fulfill the responsibilities of a State agency, including—*

*(A) extending and limiting participation to eligible households, as prescribed by sections 5 and 6 of the Act;*

*(B) issuing benefits through EBT cards, as prescribed by section 7 of the Act;*

*(C) maintaining the integrity of the program, including operation of a quality control system, as prescribed by section 16(c) of the Act;*

*(D) implementing work requirements, including operating an employment and training program, as prescribed by section 6(d) of the Act; and*

*(E) paying a share of administrative costs with non-Federal funds, as prescribed by section 16(a) of the Act.*

*(b) ESTABLISHMENT.—If the Secretary determines that a pilot program is feasible, the Secretary shall establish a pilot program for the Commonwealth of the Northern Mariana Islands to operate the supplemental nutrition assistance program in the same manner in which the program is operated in the States.*

*(c) SCOPE.—The Secretary shall utilize the information obtained from the study conducted under subsection (a) to establish the scope of the pilot program established under subsection (b).*

*(d) REPORT.—Not later than June 30, 2018, 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 on the pilot program carried out under this section, including an analysis of the feasibility of operating in the Commonwealth of the Northern Mariana Islands the supplemental nutrition assistance program as it is operated in the States.*

*(e) FUNDING.—*

*(1) STUDY.—Of the funds made available under section 18(a)(1) of the Food and Nutrition Act of 2008, the Secretary may use not more than*

*$1,000,000 in each of fiscal years 2013 and 2014 to conduct the study described in subsection (a).*

*(2) PILOT PROGRAM.—Of the funds made available under section 18(a)(1) of the Food and Nutrition Act of 2008, for the purposes of establishing and carrying out the pilot program established under subsection (b) of this section, including the Federal costs for providing technical assistance to the Commonwealth, authorizing and monitoring retail food stores, and assessing pilot operations, the Secretary may use not more than—*

*(A) $13,500,000 in fiscal year 2015; and*

*(B) $8,500,000 in each of fiscal years 2016 and 2017.*

***SEC. 4029. ANNUAL STATE REPORT ON VERIFICATION OF SNAP PARTICIPATION.***

*(a) ANNUAL REPORT.—Not later 1 year after the date specified by the Secretary in the 180-period beginning on the date of the enactment of this Act, and annually thereafter, each State agency that carries out the supplemental nutrition assistance program shall submit to the Secretary a report containing sufficient information for the Secretary to determine whether the State agency has, for the then most recently concluded fiscal year preceding such annual date,*

*verified that households to which such State agency provided such assistance in such fiscal year—*

*(1) did not obtain benefits attributable to a deceased individual; and*

*(2) did not include an individual who was simultaneously included in a household receiving such assistance in another State.*

*(b) PENALTY FOR NONCOMPLIANCE.—For any fiscal year for which a State agency fails to comply with subsection (a), the Secretary shall reduce by 50 percent the amount otherwise payable to such State agency under section 16(a) of the Food and Nutrition Act of 2008 with respect to such fiscal year.*

## *Subtitle B—Commodity Distribution Programs*

### *SEC. 4101. COMMODITY DISTRIBUTION PROGRAM.*

*Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended in the 1st sentence by striking "2012" and inserting "2017".*

### *SEC. 4102. COMMODITY SUPPLEMENTAL FOOD PROGRAM.*

*Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended—*

*(1) in paragraphs (1) and (2)(B) of subsection (a) by striking "2012" each place it appears and inserting "2017";*

*(2) in the 1st sentence of subsection (d)(2) by striking "2012" and inserting "2017";*

*(3) by striking subsection (g) and inserting the following:*

*"(g) ELIGIBILITY.—Except as provided in subsection (m), the States shall only provide assistance under the commodity supplemental food program to low-income individuals aged 60 and older."; and*

*(4) by adding at the end the following:*

*"(m) PHASE-OUT.—Notwithstanding any other provision of law, an individual who receives assistance under the commodity supplemental food program on the day before the effective date of this subsection shall continue to receive that assistance until the date on which the individual no longer qualifies for assistance under the eligibility criteria for the program in effect on the day before the effective date of this subsection.".*

***SEC. 4103. DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.***

*Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the 1st sentence by striking "2012" and inserting "2017".*

***SEC. 4104. PROCESSING OF COMMODITIES.***

*(a) Section 17 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note) is amended by—*

*(1) striking the heading and inserting "**COMMODITY DONATIONS AND PROCESSING**"; and*

*(2) adding at the end the following:*

*"(c) PROCESSING.—For any program included in subsection (b), the Secretary may, notwithstanding any other provision of State or Federal law relating to the procurement of goods and services—*

*"(1) retain title to commodities delivered to a processor, on behalf of a State (including a State distributing agency and a recipient agency), until such time as end products containing such commodities, or similar commodities as approved by the Secretary, are delivered to a State distributing agency or to a recipient agency; and*

*"(2) promulgate regulations to ensure accountability for commodities provided to a processor for processing into end products, and to facilitate processing of commodities into end products for use by recipient agencies. Such regulations may provide that—*

*"(A) a processor that receives commodities for processing into end products, or provides a*

*service with respect to such commodities or end products, in accordance with its agreement with a State distributing agency or a recipient agency, provide to the Secretary a bond or other means of financial assurance to protect the value of such commodities; and*

*"(B) in the event a processor fails to deliver to a State distributing agency or a recipient agency an end product in conformance with the processing agreement entered into under this Act, the Secretary take action with respect to the bond or other means of financial assurance pursuant to regulations promulgated under this paragraph and distribute any proceeds obtained by the Secretary to one or more State distributing agencies and recipient agencies as determined appropriate by the Secretary.".*

*(b) DEFINITIONS.—Section 18 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note) is amended by striking paragraphs (1) and (2) and inserting the following:*

*"(1) The term 'commodities' means agricultural commodities and their products that are donated by the Secretary for use by recipient agencies.*

*"(2) The term 'end product' means a food product that contains processed commodities.".*

*(c) TECHNICAL AND CONFORMING AMENDMENTS.—Section 3 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237) is amended—*

*(1) in subsection (a)—*

*(A) in paragraph (2) by striking subparagraph (B) and inserting the following:*

*"(B) the program established under section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b));"; and*

*(B) in paragraph (3)(D) by striking "the Committee on Education and Labor" and inserting "the Committee on Education and the Workforce";*

*(2) in subsection (b)(1)(A)(ii) by striking "section 32 of the Agricultural Adjustment Act (7 U.S.C. 601 et seq.)" and inserting "section 32 of the Act of August 24, 1935 (7 U.S.C. 612c)";*

*(3) in subsection (e)(1)(D)(iii) by striking subclause (II) and inserting the following:*

*"(II) the program established under section 4(b) of the Food and Nu-*

*trition Act of 2008 (7 U.S.C. 2013(b));"; and*

*(4) in subsection (k) by striking "the Committee on Education and Labor" and inserting "the Committee on Education and the Workforce".*

## *Subtitle C—Miscellaneous*

***SEC. 4201. FARMERS' MARKET NUTRITION PROGRAM.***

*Section 4402 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3007) is amended—*

*(1) in the section heading by striking "**SENIORS**";*

*(2) by amending subsection (a) to read as follows:*

*"(a) FUNDING.—*

*"(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall use to carry out and expand the farmers market nutrition program $20,600,000 for each of fiscal years 2013 through 2017.*

*"(2) ADDITIONAL FUNDING.—There is authorized to be appropriated such sums as are necessary to carry out this subsection for each of fiscal years 2013 through 2017.";*

*(3) in subsection (b)—*

*(A) in the matter preceding paragraph (1), by striking "seniors"; and*

*(B) in paragraph (1) by inserting ", and low-income families who are determined to be at nutritional risk" after "low-income seniors";*

*(4) in subsection (c) by striking "seniors";*

*(5) in subsection (d) by striking "seniors";*

*(6) in subsection (e) by striking "seniors";*

*(7) by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (f), and (g), respectively; and*

*(8) by inserting after subsection (b) the following:*

*"(c) STATE GRANTS AND OTHER ASSISTANCE.—The Secretary shall carry out the Program through grants and other assistance provided in accordance with agreements made with States, for implementation through State agencies and local agencies, that include provisions—*

*"(1) for the issuance of coupons or vouchers to participating individuals;*

*"(2) establishing an appropriate annual percentage limitation on the use of funds for administrative costs; and*

*"(3) specifying other terms and conditions as the Secretary deems appropriate to encourage expanding*

*the participation of small scale farmers in Federal nutrition programs.".*

***SEC. 4202. NUTRITION INFORMATION AND AWARENESS PILOT PROGRAM.***

*Section 4403 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3171 note; Public Law 107–171) is repealed.*

***SEC. 4203. FRESH FRUIT AND VEGETABLE PROGRAM.***

*Section 19 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769a) is amended—*

*(1) in the section heading, by striking "**FRESH**";*

*(2) in subsection (a), by striking "fresh";*

*(3) in subsection (b), by striking "fresh"; and*

*(4) in subsection (e), by striking "fresh".*

***SEC. 4204. ADDITIONAL AUTHORITY FOR PURCHASE OF FRESH FRUITS, VEGETABLES, AND OTHER SPECIALTY FOOD CROPS.***

*Section 10603 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 612c–4) is amended—*

*(1) in subsection (b), by striking "2012" and inserting "2017";*

*(2) by redesignating subsection (c) as subsection (d); and*

*(3) by inserting after subsection (b) the following new subsection:*

*"(c) PILOT GRANT PROGRAM FOR PURCHASE OF FRESH FRUITS AND VEGETABLES.—*

*"(1) IN GENERAL.—Using amounts made available to carry out subsection (b), the Secretary of Agriculture shall conduct a pilot program under which the Secretary will give not more than five participating States the option of receiving a grant in an amount equal to the value of the commodities that the participating State would otherwise receive under this section for each of fiscal years 2013 through 2017.*

*"(2) USE OF GRANT FUNDS.—A participating State receiving a grant under this subsection may use the grant funds solely to purchase fresh fruits and vegetables for distribution to schools and service institutions in the State that participate in the food service programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).*

*"(3) SELECTION OF PARTICIPATING STATES.—The Secretary shall select participating States from applications submitted by the States.*

*"(4) REPORTING REQUIREMENTS.—*

*"(A) SCHOOL AND SERVICE INSTITUTION REQUIREMENT.—Schools and service institutions in a participating State shall keep records of*

*purchases of fresh fruits and vegetables made using the grant funds and report such records to the State.*

*"(B) STATE REQUIREMENT.—Each participating State shall submit to the Secretary a report on the success of the pilot program in the State, including information on—*

*"(i) the amount and value of each type of fresh fruit and vegetable purchased by the State; and*

*"(ii) the benefit provided by such purchases in conducting the school food service in the State, including meeting school meal requirements.".*

***SEC. 4205. ENCOURAGING LOCALLY AND REGIONALLY GROWN AND RAISED FOOD.***

*(a) COMMODITY PURCHASE STREAMLINING.—The Secretary may permit each school food authority with a low annual commodity entitlement value, as determined by the Secretary, to elect to substitute locally and regionally grown and raised food for the authority's allotment, in whole or in part, of commodity assistance for the school meal programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), if—*

*(1) the election is requested by the school food authority;*

*(2) the Secretary determines that the election will reduce State and Federal administrative costs; and*

*(3) the election will provide the school food authority with greater flexibility to purchase locally and regionally grown and raised foods.*

*(b) FARM-TO-SCHOOL DEMONSTRATION PROGRAMS.—*

*(1) IN GENERAL.—The Secretary may establish farm-to-school demonstration programs under which school food authorities, agricultural producers producing for local and regional markets, and other farm-to-school stakeholders will collaborate with the Agriculture Marketing Service to, on a cost neutral basis, source food for the school meal programs under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) from local farmers and ranchers in lieu of the commodity assistance provided to the school food authorities for the school meal programs.*

*(2) REQUIREMENTS.—*

*(A) IN GENERAL.—Each demonstration program carried out under this subsection shall—*

*(i) facilitate and increase the purchase of unprocessed and minimally processed locally and regionally grown and raised agricultural products to be served under the school meal programs;*

*(ii) test methods to improve procurement, transportation, and meal preparation processes for the school meal programs;*

*(iii) assess whether administrative costs can be saved through increased school authority flexibility to source locally and regionally produced foods for the school meal programs; and*

*(iv) undertake rigorous evaluation and share information about results of the demonstration program, including cost savings, with the Secretary, other school food authorities, agricultural producers producing for the local and regional market, and the general public.*

*(B) PLANS.—In order to be selected to carry out a demonstration program under this subsection, a school food authority shall submit to the Secretary a plan at such time and in such manner as the Secretary may require, and con-*

*taining information with respect to the requirements described in clauses (i) through (iv) of subparagraph (A).*

*(3) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to demonstration program participants to assist such participants to acquire bids from potential vendors in a timely and cost-effective manner.*

*(4) LENGTH.—The Secretary shall determine the appropriate length of time for each demonstration program under this subsection.*

*(5) COORDINATION.—The Secretary shall coordinate among relevant agencies of the Department of Agriculture and non-governmental organizations with appropriate expertise to facilitate the provision of training and technical assistance necessary to the successful implementation of demonstration programs carried out under this subsection.*

*(6) NUMBER.—Subject to the availability of funds to carry out this subsection, the Secretary of Agriculture shall implement at least 10 demonstration programs under this subsection.*

*(7) DIVERSITY AND BALANCE.—In carrying out demonstration programs under this subsection, the*

*Secretary shall, to the maximum extent practicable, ensure—*

*(A) geographical diversity;*

*(B) at least half of the demonstration programs are completed in collaboration with school food authorities with small annual commodity entitlements, as determined by the Secretary;*

*(C) at least half of the demonstration programs are completed in rural or tribal communities;*

*(D) equitable treatment of school food authorities with a high percentage of students eligible for free or reduced price lunches, as determined by the Secretary; and*

*(E) at least one of the demonstration programs is completed on a military installation as defined in section 2687(e)(1) of title 10, United States Code.*

# *TITLE V—CREDIT*

## *Subtitle A—Farm Ownership Loans*

***SEC. 5001. ELIGIBILITY FOR FARM OWNERSHIP LOANS.***

*(a) IN GENERAL.—Section 302(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a)) is amended—*

*(1) by striking "(a) IN GENERAL.—The" and inserting the following:*

*"(a) IN GENERAL.—*

*"(1) ELIGIBILITY REQUIREMENTS.—The";*

*(2) in the 1st sentence, by inserting after "limited liability companies" the following: ", and such other legal entities as the Secretary deems appropriate,";*

*(3) in the 2nd sentence, by redesignating clauses (1) through (4) as clauses (A) through (D), respectively;*

*(4) in each of the 2nd and 3rd sentences, by striking "and limited liability companies" each place it appears and inserting "limited liability companies, and such other legal entities";*

*(5) in the 3rd sentence, by striking "(3)" and "(4)" and inserting "(C)" and "(D)", respectively; and*

*(6) by adding at the end the following:*

*"(2) SPECIAL DEEMING RULES.—*

*"(A) ELIGIBILITY OF CERTAIN OPERATING-ONLY ENTITIES.—An entity that is or will become only the operator of a family farm is deemed to meet the owner-operator requirements of paragraph (1) if the individuals that are the*

*owners of the family farm own more than 50 percent (or such other percentage as the Secretary determines is appropriate) of the entity.*

*"(B) ELIGIBILITY OF CERTAIN EMBEDDED ENTITIES.—An entity that is an owner-operator described in paragraph (1), or an operator described in subparagraph (A) of this paragraph that is owned, in whole or in part, by other entities, is deemed to meet the direct ownership requirement imposed under paragraph (1) if at least 75 percent of the ownership interests of each embedded entity of such entity is owned directly or indirectly by the individuals that own the family farm.".*

*(b) DIRECT FARM OWNERSHIP EXPERIENCE REQUIREMENT.—Section 302(b)(1) of such Act (7 U.S.C. 1922(b)(1)) is amended by inserting "or has other acceptable experience for a period of time, as determined by the Secretary," after "3 years".*

*(c) CONFORMING AMENDMENTS.—*

*(1) Section 304(c)(2) of such Act (7 U.S.C. 1924(c)(2)) by striking "paragraphs (1) and (2) of section 302(a)" and inserting "clauses (A) and (B) of section 302(a)(1)".*

*(2) Section 310D of such Act (7 U.S.C. 1934) is amended—*

*(A) by inserting after "partnership" the following: ", or such other legal entities as the Secretary deems appropriate,"; and*

*(B) by striking "or partners" each place it appears and inserting "partners, or owners".*

***SEC. 5002. CONSERVATION LOAN AND LOAN GUARANTEE PROGRAM.***

*(a) ELIGIBILITY.—Section 304(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924(c)) is amended by inserting after "limited liability companies" the following: ", or such other legal entities as the Secretary deems appropriate,".*

*(b) LIMITATION ON LOAN GUARANTEE AMOUNT.—Section 304(e) of such Act (7 U.S.C. 1924(e)) is amended by striking "75 percent" and inserting "90 percent".*

*(c) EXTENSION OF PROGRAM.—Section 304(h) of such Act (7 U.S.C. 1924(h)) is amended by striking "2012" and inserting "2017".*

***SEC. 5003. DOWN PAYMENT LOAN PROGRAM.***

*(a) IN GENERAL.—Section 310E(b)(1)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935(b)(1)(C)) is amended by striking "$500,000" and inserting "$667,000".*

*(b) TECHNICAL CORRECTION.—Section 310E(b) of such Act (7 U.S.C. 1935(b)) is amended by striking the 2nd paragraph (2).*

***SEC. 5004. ELIMINATION OF MINERAL RIGHTS APPRAISAL REQUIREMENT.***

*Section 307 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927) is amended by striking subsection (d) and redesignating subsection (e) as subsection (d).*

## *Subtitle B—Operating Loans*

***SEC. 5101. ELIGIBILITY FOR FARM OPERATING LOANS.***

*Section 311(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(a)) is amended—*

*(1) by striking "(a) IN GENERAL.—The" and inserting the following:*

*"(a) IN GENERAL.—*

*"(1) ELIGIBILITY REQUIREMENTS.—The";*

*(2) in the 1st sentence, by inserting after "limited liability companies" the following: ", and such other legal entities as the Secretary deems appropriate,";*

*(3) in the 2nd sentence, by redesignating clauses (1) through (4) as clauses (A) through (D), respectively;*

*(4) in each of the 2nd and 3rd sentences, by striking "and limited liability companies" each place it appears and inserting "limited liability companies, and such other legal entities";*

*(5) in the 3rd sentence, by striking "(3)" and "(4)" and inserting "(C)" and "(D)", respectively; and*

*(6) by adding at the end the following:*

*"(2) SPECIAL DEEMING RULE.—An entity that is an operator described in paragraph (1) that is owned, in whole or in part, by other entities, is deemed to meet the direct ownership requirement imposed under paragraph (1) if at least 75 percent of the ownership interests of each embedded entity of such entity is owned directly or indirectly by the individuals that own the family farm.".*

***SEC. 5102. ELIMINATION OF RURAL RESIDENCY REQUIREMENT FOR OPERATING LOANS TO YOUTH.***

*Section 311(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)(1)) is amended by striking "who are rural residents".*

***SEC. 5103. AUTHORITY TO WAIVE PERSONAL LIABILITY FOR YOUTH LOANS DUE TO CIRCUMSTANCES BEYOND BORROWER CONTROL.***

*Section 311(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(b)) is amended by adding at the end the following:*

*"(5) The Secretary may, on a case by case basis, waive the personal liability of a borrower for a loan made under this subsection if any default on the loan was due to circumstances beyond the control of the borrower.".*

***SEC. 5104. MICROLOANS.***

*(a) IN GENERAL.—Section 313 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1943) is amended by adding at the end the following:*

*"(c) MICROLOANS.—*

*"(1) IN GENERAL.—Subject to paragraph (2), the Secretary may establish a program to make or guarantee microloans.*

*"(2) LIMITATION.—The Secretary shall not make or guarantee a microloan under this subsection that exceeds $35,000 or that would cause the total principal indebtedness outstanding at any 1 time for microloans made under this chapter to any 1 borrower to exceed $70,000.*

*"(3) APPLICATIONS.—To the maximum extent practicable, the Secretary shall limit the administra-*

*tive burdens and streamline the application and approval process for microloans under this subsection.*

*"(4) COOPERATIVE LENDING PROJECTS.—*

*"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary may contract with community-based and nongovernmental organizations, State entities, or other intermediaries, as the Secretary determines appropriate—*

*"(i) to make or guarantee a microloan under this subsection; and*

*"(ii) to provide business, financial, marketing, and credit management services to borrowers.*

*"(B) REQUIREMENTS.—Before contracting with an entity described in subparagraph (A), the Secretary—*

*"(i) shall review and approve—*

*"(I) the loan loss reserve fund for microloans established by the entity; and*

*"(II) the underwriting standards for microloans of the entity; and*

*"(ii) establish such other requirements for contracting with the entity as the Secretary determines necessary.".*

*(b) EXCEPTIONS FOR DIRECT LOANS.—Section 311(c)(2) of such Act (7 U.S.C. 1941(c)(2)) is amended to read as follows:*

*"(2) EXCEPTIONS.—In this subsection, the term 'direct operating loan' shall not include—*

*"(A) a loan made to a youth under subsection (b); or*

*"(B) a microloan made to a young beginning farmer or rancher or a military veteran farmer, as defined by the Secretary.".*

*(c) Section 312(a) of such Act (7 U.S.C. 1942(a)) is amended by inserting "(including a microloan, as defined by the Secretary)" after "A direct loan".*

*(d) Section 316(a)(2) of such Act (7 U.S.C. 1946(a)(2)) is amended by inserting "a microloan to a beginning farmer or rancher or military veteran farmer or" after "The interest rate on".*

## *Subtitle C—Emergency Loans*

***SEC. 5201. ELIGIBILITY FOR EMERGENCY LOANS.***

*Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended—*

*(1) by striking "owner-operators (in the case of loans for a purpose under subtitle A) or operators (in the case of loans for a purpose under subtitle B)" each place it appears and inserting "(in the case of farm*

*ownership loans in accordance with subtitle A) owner-operators or operators, or (in the case of loans for a purpose under subtitle B) operators";*

*(2) by inserting after "limited liability companies" the 1st place it appears the following: ", or such other legal entities as the Secretary deems appropriate"; and*

*(3) by inserting after "limited liability companies" the 2nd place it appears the following: ", or other legal entities";*

*(4) by striking "and limited liability companies," and inserting "limited liability companies, and such other legal entities";*

*(5) by striking "ownership and operator" and inserting "ownership or operator"; and*

*(6) by adding at the end the following: "An entity that is an owner-operator or operator described in this subsection is deemed to meet the direct ownership requirement imposed under this subsection if at least 75 percent of the ownership interests of each embedded entity of such entity is owned directly or indirectly by the individuals that own the family farm.".*

# *Subtitle D—Administrative Provisions*

***SEC. 5301. BEGINNING FARMER AND RANCHER INDIVIDUAL DEVELOPMENT ACCOUNTS PILOT PROGRAM.***

*Section 333B(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983b(h)) is amended by striking "2012" and inserting "2017".*

***SEC. 5302. ELIGIBLE BEGINNING FARMERS AND RANCHERS.***

*(a) CONFORMING AMENDMENTS RELATING TO CHANGES IN ELIGIBILITY RULES.—Section 343(a)(11) of such Act (7 U.S.C. 1991(a)(11)) is amended—*

*(1) by inserting after "joint operation," the 1st place it appears the following: "or such other legal entity as the Secretary deems appropriate,";*

*(2) by striking "or joint operators" each place it appears and inserting "joint operators, or owners"; and*

*(3) by inserting after "joint operation," the 2nd and 3rd place it appears the following: "or such other legal entity,".*

*(b) MODIFICATION OF ACREAGE OWNERSHIP LIMITATION.—Section 343(a)(11)(F) of such Act (7 U.S.C. 1991(a)(11)(F)) is amended by striking "median acreage" and inserting "average acreage".*

***SEC. 5303. LOAN AUTHORIZATION LEVELS.***

*Section 346(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(1)) is amended in the matter preceding subparagraph (A) by striking "2012" and inserting "2017".*

***SEC. 5304. PRIORITY FOR PARTICIPATION LOANS.***

*Section 346(b)(2)(A)(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(2)(A)(i)) is amended by adding at the end the following:*

*"(III) PRIORITY.—In order to maximize the number of borrowers served under this clause, the Secretary—*

*"(aa) shall give priority to applicants who apply under the down payment loan program under section 310E or joint financing arrangements under section 307(a)(3)(D); and*

*"(bb) may offer other financing options under this subtitle to applicants only if the Secretary determines that down payment or other participation loan options are not a viable approach for the applicants.".*

***SEC. 5305. LOAN FUND SET-ASIDES.***

*Section 346(b)(2)(A)(ii)(III) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(2)(A)(ii)(III)) is amended—*

*(1) by striking "2012" and inserting "2017"; and*

*(2) by striking "of the total amount".*

***SEC. 5306. CONFORMING AMENDMENT TO BORROWER TRAINING PROVISION, RELATING TO ELIGIBILITY CHANGES.***

*Section 359(c)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a(c)(2)) is amended by striking "section 302(a)(2) or 311(a)(2)" and inserting "section 302(a)(1)(B) or 311(a)(1)(B)".*

## *Subtitle E—State Agricultural Mediation Programs*

***SEC. 5401. STATE AGRICULTURAL MEDIATION PROGRAMS.***

*Section 506 of the Agricultural Credit Act of 1987 (7 U.S.C. 5106) is amended by striking "2015" and inserting "2017".*

## *Subtitle F—Loans to Purchasers of Highly Fractionated Land*

***SEC. 5501. LOANS TO PURCHASERS OF HIGHLY FRACTIONATED LAND.***

*The first section of Public Law 91–229 (25 U.S.C. 488) is amended in subsection (b)(1) by striking "pursuant to*

*section 205(c) of the Indian Land Consolidation Act (25 U.S.C. 2204(c))" and inserting "or to intermediaries in order to establish revolving loan funds for the purchase of highly fractionated land".*

# *TITLE VI—RURAL DEVELOPMENT*

## *Subtitle A—Consolidated Farm and Rural Development Act*

### *SEC. 6001. WATER, WASTE DISPOSAL, AND WASTEWATER FACILITY GRANTS.*

*Section 306(a)(2)(B)(vii) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)(B)(vii)) by striking "$30,000,000 for each of fiscal years 2008 through 2012" and inserting "$15,000,000 for each of fiscal years 2013 through 2017".*

### *SEC. 6002. RURAL BUSINESS OPPORTUNITY GRANTS.*

*Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended by striking "$15,000,000 for each of fiscal years 2008 through 2012" and inserting "$15,000,000 for each of fiscal years 2013 through 2017".*

### *SEC. 6003. ELIMINATION OF RESERVATION OF COMMUNITY FACILITIES GRANT PROGRAM FUNDS.*

*Section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) is amended by striking subparagraph (C).*

***SEC. 6004. RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.***

*Section 306(a)(22) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(22)) is amended to read as follows:*

*"(22) RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.—*

*"(A) IN GENERAL.—The Secretary shall continue a national rural water and wastewater circuit rider program that—*

*"(i) is consistent with the activities and results of the program conducted before the date of enactment of this paragraph, as determined by the Secretary; and*

*"(ii) receives funding from the Secretary, acting through the Rural Utilities Service.*

*"(B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $20,000,000 for fiscal year 2013 and each fiscal year thereafter.".*

***SEC. 6005. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL COMMUNITY FACILITIES.***

*Section 306(a)(25)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(25)(C)) is amended by striking "$10,000,000 for each of fiscal years*

*2008 through 2012" and inserting "$5,000,000 for each of fiscal years 2013 through 2017".*

***SEC. 6006. EMERGENCY AND IMMINENT COMMUNITY WATER ASSISTANCE GRANT PROGRAM.***

*Section 306A(i)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)(2)) is amended by striking "$35,000,000 for each of fiscal years 2008 through 2012" and inserting "$27,000,000 for each of fiscal years 2013 through 2017".*

***SEC. 6007. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.***

*Section 306E(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926e(d)) is amended by striking "$10,000,000 for each of fiscal years 2008 through 2012" and inserting "$5,000,000 for each of fiscal years 2013 through 2017".*

***SEC. 6008. RURAL BUSINESS AND INDUSTRY LOAN PROGRAM.***

*(a) FLEXIBILITY FOR THE BUSINESS AND LOAN PROGRAM.—Section 310B(a)(2)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(2)(A)) is*

*amended by inserting "including working capital" after "employment".*

*(b) GREATER FLEXIBILITY FOR ADEQUATE COLLATERAL THROUGH ACCOUNTS RECEIVABLE.—Section 310B(g)(7) of such Act (7 U.S.C. 1932(g)(7)) is amended by adding at the end the following: "In the discretion of the Secretary, if the Secretary determines that the action would not create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government, the Secretary may take account receivables as security for the obligations entered into in connection with loans and a borrower may use account receivables as collateral to secure a loan made or guaranteed under this subsection.".*

*(c) REGULATIONS.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall promulgate such regulations as are necessary to implement the amendments made by this section.*

***SEC. 6009. RURAL COOPERATIVE DEVELOPMENT GRANTS.***

*Section 310B(e)(12) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(12)) is amended by striking "$50,000,000 for each of fiscal years 2008 through 2012" and inserting "$40,000,000 for each of fiscal years 2013 through 2017".*

***SEC. 6010. LOCALLY OR REGIONALLY PRODUCED AGRICULTURAL FOOD PRODUCTS.***

*Section 310B(g)(9)(B)(v)(I) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)(9)(B)(v)(I)) is amended—*

*(1) by striking "2012" and inserting "2017"; and*

*(2) by inserting "and not more than 7 percent" after "5 percent".*

***SEC. 6011. INTERMEDIARY RELENDING PROGRAM.***

*(a) IN GENERAL.—Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922–1936a) is amended by adding at the end the following:*

***"SEC. 310H. INTERMEDIARY RELENDING PROGRAM.***

*"(a) IN GENERAL.—The Secretary shall make loans to the entities, for the purposes, and subject to the terms and conditions specified in the 1st, 2nd, and last sentences of section 623(a) of the Community Economic Development Act of 1981 (42 U.S.C. 9812(a)).*

*"(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For loans under subsection (a), there are authorized to be appropriated to the Secretary not more than $10,000,000 for each of fiscal years 2013 through 2017.".*

*(b) CONFORMING AMENDMENTS.—Section 1323(b)(2) of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1932 note) is amended—*

*(1) in subparagraph (A), by adding "and" at the end;*

*(2) in subparagraph (B), by striking "; and" and inserting a period; and*

*(3) by striking subparagraph (C).*

***SEC. 6012. ENHANCING PUBLIC/PRIVATE PARTNERSHIPS TO SUPPORT RURAL WATER AND WASTE DISPOSAL INFRASTRUCTURE.***

*Section 333 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983) is amended—*

*(1) by striking "require";*

*(2) in paragraph (1), by inserting "require" after "(1)";*

*(3) in paragraph (2), by inserting ", require" after "314";*

*(4) in paragraph (3), by inserting "require" after "loans,";*

*(5) in paragraph (4)—*

*(A) by inserting "require" after "(4)"; and*

*(B) by striking "and" after the semicolon;*

*(6) in paragraph (5)—*

*(A) by inserting "require" after "(5)"; and*

*(B) by striking the period at the end and inserting "; and"; and*

*(7) by adding at the end the following:*

*"(6) with respect to water and waste disposal direct and guaranteed loans provided under section 306, encourage, to the maximum extent practicable, private or cooperative lenders to finance rural water and waste disposal facilities by—*

*"(A) maximizing the use of loan guarantees to finance eligible projects in rural communities where the population exceeds 5,500;*

*"(B) maximizing the use of direct loans to finance eligible projects in rural communities where the impact on rate payers will be material when compared to financing with a loan guarantee;*

*"(C) establishing and applying a materiality standard when determining the difference in impact on rate payers between a direct loan and a loan guarantee;*

*"(D) in the case of projects that require interim financing in excess of $500,000, requiring that such projects initially seek such financing from private or cooperative lenders; and*

*"(E) determining if an existing direct loan borrower can refinance with a private or cooperative lender, including with a loan guarantee, prior to providing a new direct loan.".*

***SEC. 6013. SIMPLIFIED APPLICATIONS.***

*(a) IN GENERAL.—Section 333A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a) is amended by adding at the end the following:*

*"(h) SIMPLIFIED APPLICATION FORMS.—Except as provided in subsection (g)(2) of this section, the Secretary shall, to the maximum extent practicable, develop a simplified application process, including a single page application where possible, for grants and relending authorized under sections 306, 306C, 306D, 306E, 310B(b), 310B(c), 310B(e), 310B(f), 310H, 379B, and 379E.".*

*(b) REPORT TO THE CONGRESS.—Within 2 years after the date of the enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a written report that contains an evaluation of the implementation of the amendment made by subsection (a).*

***SEC. 6014. REAUTHORIZATION OF STATE RURAL DEVELOPMENT COUNCILS.***

*Section 378(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008m(h)) is amended by striking "2012" and inserting "2017".*

***SEC. 6015. GRANTS FOR NOAA WEATHER RADIO TRANSMITTERS.***

*Section 379B(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008p(d)) is amended to read as follows:*

*"(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 6016. RURAL MICROENTREPRENEUR ASSISTANCE PROGRAM.***

*Section 379E(d)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008s(d)(2)) is amended by striking "$40,000,000 for each of fiscal years 2009 through 2012" and inserting "$20,000,000 for each of fiscal years 2013 through 2017".*

***SEC. 6017. DELTA REGIONAL AUTHORITY.***

*(a) AUTHORIZATION OF APPROPRIATIONS.—Section 382M(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–12(a)) is amended by striking "$30,000,000 for each of fiscal years 2008 through 2012" and inserting "$12,000,000 for each of fiscal years 2013 through 2017".*

*(b) TERMINATION OF AUTHORITY.—Section 382N of such Act (7 U.S.C. 2009aa–13) is amended by striking "2012" and inserting "2017".*

***SEC. 6018. NORTHERN GREAT PLAINS REGIONAL AUTHORITY.***

*(a) AUTHORIZATION OF APPROPRIATIONS.—Section 383N(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb–12(a)) is amended by striking "$30,000,000 for each of fiscal years 2008 through 2012" and inserting "$2,000,000 for each of fiscal years 2013 through 2017".*

*(b) TERMINATION OF AUTHORITY.—Section 383O of such Act (7 U.S.C. 2009bb–13) is amended by striking "2012" and inserting "2017".*

***SEC. 6019. RURAL BUSINESS INVESTMENT PROGRAM.***

*Section 384S of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc–18) is amended by striking "$50,000,000 for the period of fiscal years 2008 through 2012" and inserting "$20,000,000 for each of fiscal years 2013 through 2017".*

## *Subtitle B—Rural Electrification Act of 1936*

***SEC. 6101. RELENDING FOR CERTAIN PURPOSES.***

*(a) IN GENERAL.—The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended—*

*(1) in section 2(a), by inserting "(including relending for this purpose as provided in section 4)" after "efficiency";*

*(2) in section 4(a), by inserting "(including relending to ultimate consumers for this purpose by borrowers enumerated in the proviso in this section)" after "efficiency"; and*

*(3) in section 313(b)(2)(B)—*

*(A) by inserting "(acting through the Rural Utilities Service)" after "Secretary"; and*

*(B) by inserting "energy efficiency (including relending to ultimate consumers for this purpose)," after "promoting".*

*(b) CURRENT AUTHORITY.—The authority provided in this section is in addition to any other relending authority of the Secretary under the Rural Electrification Act of 1936 (7 U.S.C. 901 et. seq.) or any other law.*

*(c) ADMINISTRATION.—The Secretary (acting through the Rural Utilities Service) shall continue to carry out section 313 of the Rural Electrification Act of 1936 (7 U.S.C. 940c) in the same manner as on the day before enactment of this Act until such time as any regulations necessary to carry out the amendments made by this section are fully implemented.*

***SEC. 6102. FEES FOR CERTAIN LOAN GUARANTEES.***

*The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by inserting after section 4 the following:*

***"SEC. 5. FEES FOR CERTAIN LOAN GUARANTEES.***

*"(a) IN GENERAL.—For electrification baseload generation loan guarantees, the Secretary shall, at the request of the borrower, charge an upfront fee to cover the costs of the loan guarantee.*

*"(b) FEE.—The fee described in subsection (a) for a loan guarantee shall be equal to the costs of the loan guarantee (within the meaning of section 502(5)(C) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)(C))).*

*"(c) LIMITATION.—Funds received from a borrower to pay the fee described in this section shall not be derived from a loan or other debt obligation that is made or guaranteed by the Federal Government.".*

***SEC. 6103. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.***

*Section 313A(f) of the Rural Electrification Act of 1936 (7 U.S.C. 940c–1(f)) is amended by striking "2012" and inserting "2017".*

***SEC. 6104. EXPANSION OF 911 ACCESS.***

*Section 315(d) of the Rural Electrification Act of 1936 (7 U.S.C. 940e(d)) is amended by striking "2012" and inserting "2017".*

***SEC. 6105. ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.***

*Section 601 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) is amended—*

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

*"(2) PRIORITIES.—In making or guaranteeing loans under paragraph (1), the Secretary shall give—*

*"(A) the highest priority to applicants that offer to provide broadband service to the greatest proportion of households that, prior to the provision of the broadband service, had no incumbent service provider; and*

*"(B) priority to applicants that offer in their applications to provide broadband service not predominantly for business service, but where at least 25 percent of customers in the proposed service territory are commercial interests.";*

*(2) in subsection (d)—*

*(A) in paragraph (5)—*

*(i) by striking "and" at the end of subparagraph (B);*

*(ii) by striking the period at the end of subparagraph (C) and inserting a semicolon; and*

*(iii) by adding at the end the following:*

*"(D) the amount and type of support requested; and*

*"(E) a list of the census block groups or tracts proposed to be so served."; and*

*(B) by adding at the end the following:*

*"(8) ADDITIONAL PROCESS.—The Secretary shall establish a process under which an incumbent service provider which, as of the date of the publication of notice under paragraph (5) with respect to an application submitted by the provider, is providing broadband service to a remote rural area, may (but shall not be required to) submit to the Secretary, not less than 15 and not more than 30 days after that date, information regarding the broadband services that the provider offers in the proposed service territory, so that the Secretary may assess whether the application meets the requirements of this section with respect to eligible projects.";*

*(3) in subsection (e), by adding at the end the following:*

*"(3) REQUIREMENT.—In considering the technology needs of customers in a proposed service territory, the Secretary shall take into consideration the*

*upgrade or replacement cost for the construction or acquisition of facilities and equipment in the territory.''; and*

*(4) in each of subsections (k)(1) and (l), by striking ''2012'' and inserting ''2017''.*

## *Subtitle C—Miscellaneous*

***SEC. 6201. DISTANCE LEARNING AND TELEMEDICINE.***

*(a) AUTHORIZATION OF APPROPRIATIONS.—Section 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking ''$100,000,000 for each of fiscal years 2008 through 2012'' and inserting ''$65,000,000 for each of fiscal years 2013 through 2017''.*

*(b) CONFORMING AMENDMENT.—Section 1(b) of Public Law 102–551 (7 U.S.C. 950aaa note) is amended by striking ''2012'' and inserting ''2017''.*

***SEC. 6202. VALUE-ADDED AGRICULTURAL MARKET DEVELOPMENT PROGRAM GRANTS.***

*Section 231(b)(7) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1632a(b)(7)) is amended—*

*(1) in subparagraph (A)—*

*(A) by striking ''2008'' and inserting ''2012''; and*

*(B) by striking ''$15,000,000'' and inserting ''$50,000,000''; and*

*(2) in subparagraph (B), by striking "2012" and inserting "2017".*

***SEC. 6203. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.***

*Section 6402(i) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1632b(i)) is amended by striking "$6,000,000 for each of fiscal years 2008 through 2012" and inserting "$1,000,000 for each of fiscal years 2013 through 2017".*

***SEC. 6204. PROGRAM METRICS.***

*(a) IN GENERAL.—The Secretary of Agriculture shall collect data regarding economic activities created through grants and loans, including any technical assistance provided as a component of the grant or loan program, and measure the short and long term viability of award recipients and any entities to whom those recipients provide assistance using award funds under section 231 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106–224), section 9007 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107), section 313(b)(2) of the Rural Electrification Act of 1936 (7 U.S.C. 940c(b)(2)), or section 306(a)(11), 310B(c), 310B(e), 310B(g), 310H, or 379E, or subtitle E, of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11), 1932(c), 1932(e), 1932(g), 2008s, or 2009 through 2009m).*

*(b) DATA.—The data collected under subsection (a) shall include information collected from recipients both during the award period and after the period as determined by the Secretary, but not less than 2 years after the award period ends.*

*(c) REPORT.—Not later than 4 years after the date of enactment of this Act, and every 2 years thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that contains the data described in subsection (a). The report shall include detailed information regarding—*

*(1) actions taken by the Secretary to utilize the data;*

*(2) the number of jobs, including self-employment and the value of salaries and wages;*

*(3) how the provision of funds from the grant or loan involved affected the local economy;*

*(4) any benefit, such as an increase in revenue or customer base; and*

*(5) such other information as the Secretary deems appropriate.*

***SEC. 6205. STUDY OF RURAL TRANSPORTATION ISSUES.***

*(a) IN GENERAL.—The Secretary of Agriculture and the Secretary of Transportation shall publish an updated*

*version of the study described in section 6206 of the Food, Conservation, and Energy Act of 2008.*

*(b) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture and the Secretary of Transportation shall submit to the Congress the updated version of the study required by subsection (a).*

***SEC. 6206. AGRICULTURAL TRANSPORTATION POLICY.***

*The Secretary of Agriculture shall participate on behalf of the interests of agriculture and rural America in all policy development proceedings or other proceedings of the Surface Transportation Board that may establish freight rail transportation policy affecting agriculture and rural America.*

***SEC. 6207. CERTAIN FEDERAL ACTIONS NOT TO BE CONSIDERED MAJOR FOR PURPOSES OF ENVIRONMENTAL REVIEW.***

*In the case of a loan, loan guarantee, or grant program in the rural development mission area of the Department of Agriculture, an action of the Secretary before, on, or after the date of enactment of this Act that does not involve the provision by the Department of Agriculture of Federal dollars or a Federal loan guarantee, including—*

*(1) the approval by the Department of Agriculture of the decision of a borrower to commence a privately funded activity;*

*(2) a lien accommodation or subordination;*

*(3) a debt settlement or restructuring; or*

*(4) the restructuring of a business entity by a borrower,*

*shall not be considered a major Federal action.*

# *TITLE VII—RESEARCH, EXTENSION, AND RELATED MATTERS*

## *Subtitle A—National Agricultural Research, Extension, and Teaching Policy Act of 1977*

### *SEC. 7101. OPTION TO NOT BE INCLUDED AS HISPANIC-SERVING AGRICULTURAL COLLEGE OR UNIVERSITY.*

*Section 1404(10)(A) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(10)(A)) is amended—*

*(1) in the matter preceding clause (i), by striking "that";*

*(2) in clause (i)—*

*(A) by inserting "that" before "qualify"; and*

*(B) by striking "and" at the end;*

*(3) in clause (ii)—*

*(A) by inserting "that" before "offer"; and*

*(B) by striking the period at the end and inserting "; and"; and*

*(4) by adding at the end the following new clause:*

*"(iii) with respect to which the Secretary has not received a statement of the declaration of the intent of a college or university to not be considered a Hispanic-serving agricultural college or university.".*

***SEC. 7102. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.***

*(a) EXTENSION OF TERMINATION DATE.—Section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking "2012" and inserting "2017".*

*(b) DUTIES OF NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.—Section 1408(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(c)) is amended—*

*(1) in paragraph (3), by striking "and" at the end;*

*(2) in paragraph (4)(C), by striking the period at the end and inserting "; and"; and*

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

*"(5) consult with industry groups on agricultural research, extension, education, and economics, and make recommendations to the Secretary based on that consultation.".*

***SEC. 7103. SPECIALTY CROP COMMITTEE.***

*Section 1408A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a(c)) is amended—*

*(1) in paragraph (1), by striking "Measures" and inserting "Programs";*

*(2) by striking paragraph (2);*

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

*(4) in paragraph (2) (as so redesignated)—*

*(A) in the matter preceding subparagraph (A), by striking "Programs that would" and inserting "Research, extension, and teaching programs designed to improve competitiveness in the*

*specialty crop industry, including programs that would";*

*(B) in subparagraph (D), by inserting "including improving the quality and taste of processed specialty crops" before the semicolon; and*

*(C) in subparagraph (G), by inserting "the remote sensing and the" before "mechanization".*

***SEC. 7104. VETERINARY SERVICES GRANT PROGRAM.***

*The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1415A (7 U.S.C. 3151a) the following new section:*

***"SEC. 1415B. VETERINARY SERVICES GRANT PROGRAM.***

*"(a) DEFINITIONS.—In this section:*

*"(1) QUALIFIED ENTITY.—The term 'qualified entity' means—*

*"(A) a for-profit or nonprofit entity located in the United States that, or an individual who, operates a veterinary clinic providing veterinary services—*

*"(i) in a rural area, as defined in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)); and*

*"(ii) in a veterinarian shortage situation;*

*"(B) a State, national, allied, or regional veterinary organization or specialty board recognized by the American Veterinary Medical Association;*

*"(C) a college or school of veterinary medicine accredited by the American Veterinary Medical Association;*

*"(D) a university research foundation or veterinary medical foundation;*

*"(E) a department of veterinary science or department of comparative medicine accredited by the Department of Education;*

*"(F) a State agricultural experiment station; or*

*"(G) a State, local, or tribal government agency.*

*"(2) VETERINARIAN SHORTAGE SITUATION.—The term 'veterinarian shortage situation' means a veterinarian shortage situation as determined by the Secretary under section 1415A.*

*"(b) ESTABLISHMENT.—*

*"(1) COMPETITIVE GRANTS.—The Secretary shall carry out a program to make competitive grants to qualified entities that carry out programs or activities described in paragraph (2) for the purpose of de-*

*veloping, implementing, and sustaining veterinary services.*

*"(2) ELIGIBILITY REQUIREMENTS.—A qualified entity shall be eligible to receive a grant described in paragraph (1) if the entity carries out programs or activities that the Secretary determines will—*

*"(A) substantially relieve veterinarian shortage situations;*

*"(B) support or facilitate private veterinary practices engaged in public health activities; or*

*"(C) support or facilitate the practices of veterinarians who are providing or have completed providing services under an agreement entered into with the Secretary under section 1415A(a)(2).*

*"(c) AWARD PROCESSES AND PREFERENCES.—*

*"(1) APPLICATION, EVALUATION, AND INPUT PROCESSES.—In administering the grant program established under this section, the Secretary shall—*

*"(A) use an appropriate application and evaluation process, as determined by the Secretary; and*

*"(B) seek the input of interested persons.*

*"(2) COORDINATION PREFERENCE.—In selecting recipients of grants to be used for any of the purposes*

*described in subsection (d)(1), the Secretary shall give a preference to qualified entities that provide documentation of coordination with other qualified entities, with respect to any such purpose.*

*"(3) CONSIDERATION OF AVAILABLE FUNDS.—In selecting recipients of grants to be used for any of the purposes described in subsection (d), the Secretary shall take into consideration the amount of funds available for grants and the purposes for which the grant funds will be used.*

*"(4) NATURE OF GRANTS.—A grant awarded under this section shall be considered to be a competitive research, extension, or education grant.*

*"(d) USE OF GRANTS TO RELIEVE VETERINARIAN SHORTAGE SITUATIONS AND SUPPORT VETERINARY SERVICES.—*

*"(1) IN GENERAL.—Except as provided in paragraph (2), a qualified entity may use funds provided by a grant awarded under this section to relieve veterinarian shortage situations and support veterinary services for any of the following purposes:*

*"(A) To promote recruitment (including for programs in secondary schools), placement, and retention of veterinarians, veterinary techni-*

*cians, students of veterinary medicine, and students of veterinary technology.*

*"(B) To allow veterinary students, veterinary interns, externs, fellows, and residents, and veterinary technician students to cover expenses (other than the types of expenses described in section 1415A(c)(5)) to attend training programs in food safety or food animal medicine.*

*"(C) To establish or expand accredited veterinary education programs (including faculty recruitment and retention), veterinary residency and fellowship programs, or veterinary internship and externship programs carried out in coordination with accredited colleges of veterinary medicine.*

*"(D) To provide continuing education and extension, including veterinary telemedicine and other distance-based education, for veterinarians, veterinary technicians, and other health professionals needed to strengthen veterinary programs and enhance food safety.*

*"(E) To provide technical assistance for the preparation of applications submitted to the Secretary for designation as a veterinarian shortage situation under this section or section 1415A.*

*"(2) QUALIFIED ENTITIES OPERATING VETERINARY CLINICS.—A qualified entity described in subsection (a)(1)(A) may only use funds provided by a grant awarded under this section to establish or expand veterinary practices, including—*

*"(A) equipping veterinary offices;*

*"(B) sharing in the reasonable overhead costs of such veterinary practices, as determined by the Secretary; or*

*"(C) establishing mobile veterinary facilities in which a portion of the facilities will address education or extension needs.*

*"(e) SPECIAL REQUIREMENTS FOR CERTAIN GRANTS.—*

*"(1) TERMS OF SERVICE REQUIREMENTS.—*

*"(A) IN GENERAL.—Funds provided through a grant made under this section to a qualified entity described in subsection (a)(1)(A) and used by such entity under subsection (d)(2) shall be subject to an agreement between the Secretary and such entity that includes a required term of service for such entity (including a qualified entity operating as an individual), as prospectively established by the Secretary.*

*"(B) CONSIDERATIONS.—In establishing a term of service under subparagraph (A), the Secretary shall consider only—*

*"(i) the amount of the grant awarded; and*

*"(ii) the specific purpose of the grant.*

*"(2) BREACH REMEDIES.—*

*"(A) IN GENERAL.—An agreement under paragraph (1) shall provide remedies for any breach of the agreement by the qualified entity referred to in paragraph (1)(A), including repayment or partial repayment of the grant funds, with interest.*

*"(B) WAIVER.—The Secretary may grant a waiver of the repayment obligation for breach of contract if the Secretary determines that such qualified entity demonstrates extreme hardship or extreme need.*

*"(C) TREATMENT OF AMOUNTS RECOVERED.—Funds recovered under this paragraph shall—*

*"(i) be credited to the account available to carry out this section; and*

*"(ii) remain available until expended without further appropriation.*

*"(f) PROHIBITION ON USE OF GRANT FUNDS FOR CONSTRUCTION.—Except as provided in subsection (d)(2), funds made available for grants under this section may not be used—*

*"(1) to construct a new building or facility; or*

*"(2) to acquire, expand, remodel, or alter an existing building or facility, including site grading and improvement and architect fees.*

*"(g) REGULATIONS.—Not later than 1 year after the date of the enactment of this section, the Secretary shall promulgate regulations to carry out this section.*

*"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section $10,000,000 for fiscal year 2013 and each fiscal year thereafter, to remain available until expended.".*

***SEC. 7105. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURE SCIENCES EDUCATION.***

*Section 1417(m) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(m)) is amended by striking "section $60,000,000" and all that follows and inserting the following: "section—*

*"(1) $60,000,000 for each of fiscal years 1990 through 2012; and*

*"(2) $40,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7106. POLICY RESEARCH CENTERS.***

*Section 1419A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155) is amended—*

*(1) in the section heading, by inserting "**AGRICULTURAL AND FOOD**" before "**POLICY**";*

*(2) in subsection (a), in the matter preceding paragraph (1)—*

*(A) by striking "Secretary may" and inserting "Secretary shall, acting through the Office of the Chief Economist,";*

*(B) by striking "make grants, competitive grants, and special research grants to, and enter into cooperative agreements and other contracting instruments with," and inserting "make competitive grants to or enter into cooperative agreements with"; and*

*(C) by inserting "with a history of providing unbiased, nonpartisan economic analysis to Congress" after "subsection (b)";*

*(3) in subsection (b), by striking "other research institutions" and all that follows through "shall be el-*

*igible" and inserting "and other public research institutions and organizations shall be eligible";*

*(4) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively;*

*(5) by inserting after subsection (b), the following new subsection:*

*"(c) PREFERENCE.—In awarding grants under this section, the Secretary shall give a preference to policy research centers that have extensive databases, models, and demonstrated experience in providing Congress with agricultural market projections, rural development analysis, agricultural policy analysis, and baseline projections at the farm, multiregional, national, and international levels."; and*

*(6) by striking subsection (e) (as redesignated by paragraph (4)) and inserting the following new subsection:*

*"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—*

*"(1) such sums as are necessary for each of fiscal years 1996 through 2012; and*

*"(2) $5,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7107. REPEAL OF HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.***

*Section 1424 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174) is repealed.*

***SEC. 7108. REPEAL OF PILOT RESEARCH PROGRAM TO COMBINE MEDICAL AND AGRICULTURAL RESEARCH.***

*Section 1424A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a) is repealed.*

***SEC. 7109. NUTRITION EDUCATION PROGRAM.***

*Section 1425(f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(f)) is amended by striking "2012" and inserting "2017".*

***SEC. 7110. CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.***

*Section 1433 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195) is amended by striking the section designation and heading and all that follows through subsection (a) and inserting the following:*

***"SEC. 1433. APPROPRIATIONS FOR CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.***

*"(a) AUTHORIZATION OF APPROPRIATIONS.—*

*"(1) IN GENERAL.—There are authorized to be appropriated to support continuing animal health and disease research programs at eligible institutions—*

*"(A) $25,000,000 for each of fiscal years 1991 through 2012; and*

*"(B) $15,000,000 for each of fiscal years 2013 through 2017.*

*"(2) USE OF FUNDS.—Funds made available under this section shall be used—*

*"(A) to meet the expenses of conducting animal health and disease research, publishing and disseminating the results of such research, and contributing to the retirement of employees subject to the Act of March 4, 1940 (7 U.S.C. 331);*

*"(B) for administrative planning and direction; and*

*"(C) to purchase equipment and supplies necessary for conducting the research described in subparagraph (A).".*

**SEC. 7111. REPEAL OF APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS.**

*(a) REPEAL.—Section 1434 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196) is repealed.*

*(b) CONFORMING AMENDMENTS.—*

*(1) MATCHING FUNDS.—Section 1438 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3200) is amended in the first sentence by striking ", exclusive of the funds provided for research on specific national or regional animal health and disease problems under the provisions of section 1434 of this title,".*

*(2) AUTHORIZATION OF APPROPRIATIONS FOR EXISTING AND CERTAIN NEW AGRICULTURAL RESEARCH PROGRAMS.—Section 1463(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(c)) is amended by striking "sections 1433 and 1434" and inserting "section 1433".*

**SEC. 7112. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.**

*Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C.*

*3222b(b)) is amended by striking "2012" and inserting "2017".*

***SEC. 7113. GRANTS TO UPGRADE AGRICULTURE AND FOOD SCIENCE FACILITIES AND EQUIPMENT AT INSULAR AREA LAND-GRANT INSTITUTIONS.***

*(a) SUPPORTING TROPICAL AND SUBTROPICAL AGRICULTURAL RESEARCH.—*

*(1) IN GENERAL.—Section 1447B(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b–2(a)) is amended to read as follows:*

*"(a) PURPOSE.—It is the intent of Congress to assist the land-grant colleges and universities in the insular areas in efforts to—*

*"(1) acquire, alter, or repair facilities or relevant equipment necessary for conducting agricultural research; and*

*"(2) support tropical and subtropical agricultural research, including pest and disease research.".*

*(2) CONFORMING AMENDMENT.—Section 1447B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b–2) is amended in the heading—*

*(A) by inserting "**AND SUPPORT TROPICAL AND SUBTROPICAL AGRICULTURAL RESEARCH**" after "**EQUIPMENT**"; and*

*(B) by striking "**INSTITUTIONS**" and inserting "**COLLEGES AND UNIVERSITIES**".*

*(b) EXTENSION.—Section 1447B(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b–2(d)) is amended by striking "2012" and inserting "2017".*

***SEC. 7114. REPEAL OF NATIONAL RESEARCH AND TRAINING VIRTUAL CENTERS.***

*Section 1448 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is repealed.*

***SEC. 7115. HISPANIC-SERVING INSTITUTIONS.***

*Section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) is amended by striking "2012" and inserting "2017".*

***SEC. 7116. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.***

*Section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)) is amended to read as follows:*

*"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—*

*"(1) such sums as are necessary for each of fiscal years 1999 through 2012; and*

*"(2) $5,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7117. REPEAL OF RESEARCH EQUIPMENT GRANTS.***

*Section 1462A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310a) is repealed.*

***SEC. 7118. UNIVERSITY RESEARCH.***

*Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended in both of subsections (a) and (b) by striking "2012" and inserting "2017".*

***SEC. 7119. EXTENSION SERVICE.***

*Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking "2012" and inserting "2017".*

***SEC. 7120. AUDITING, REPORTING, BOOKKEEPING, AND ADMINISTRATIVE REQUIREMENTS.***

*Section 1469 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3315) is amended—*

*(1) in subsection (a)—*

*(A) in paragraph (2), by adding "and" at the end;*

*(B) by striking paragraph (3); and*

*(C) by redesignating paragraph (4) as paragraph (3);*

*(2) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively; and*

*(3) by inserting after subsection (a) the following new subsection:*

*"(b) ADMINISTRATIVE EXPENSES.—*

*"(1) IN GENERAL.—Except as provided in paragraph (2) and notwithstanding any other provision of law, the Secretary may retain not more than 4 percent of amounts made available for agricultural research, extension, and teaching assistance programs for the administration of those programs authorized under this Act or any other Act.*

*"(2) EXCEPTIONS.—The limitation on administrative expenses under paragraph (1) shall not apply to peer panel expenses under subsection (d) or any other provision of law related to the administration of agricultural research, extension, and teaching assistance programs that contains a limitation on administrative expenses that is less than the limitation under paragraph (1).".*

***SEC. 7121. SUPPLEMENTAL AND ALTERNATIVE CROPS.***

*(a) AUTHORIZATION OF APPROPRIATIONS AND TERMINATION.—Section 1473D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d) is amended—*

*(1) in subsection (a), by striking "2012" and inserting "2017"; and*

*(2) by adding at the end the following new subsection:*

*"(e) There are authorized to be appropriated to carry out this section—*

*"(1) such sums as are necessary for fiscal year 2012; and*

*"(2) $1,000,000 for each of fiscal years 2013 through 2017.".*

*(b) COMPETITIVE GRANTS.—Section 1473D(c)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(c)(1)) is amended by striking "use such research funding, special or competitive grants, or other means, as the Secretary determines," and inserting "make competitive grants".*

***SEC. 7122. CAPACITY BUILDING GRANTS FOR NLGCA INSTITUTIONS.***

*Section 1473F(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7*

*U.S.C. 3319i(b)) is amended by striking "2012" and inserting "2017".*

***SEC. 7123. AQUACULTURE ASSISTANCE PROGRAMS.***

*(a) COMPETITIVE GRANTS.—Section 1475(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322(b)) is amended in the matter preceding paragraph (1), by inserting "competitive" before "grants".*

*(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended to read as follows:*

***"SEC. 1477. AUTHORIZATION OF APPROPRIATIONS.***

*"(a) IN GENERAL.—There are authorized to be appropriated to carry out this subtitle—*

*"(1) $7,500,000 for each of fiscal years 1991 through 2012; and*

*"(2) $5,000,000 for each of fiscal years 2013 through 2017.*

*"(b) PROHIBITION ON USE.—Funds made available under this section may not be used to acquire or construct a building.".*

***SEC. 7124. RANGELAND RESEARCH PROGRAMS.***

*Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C.*

*3336(a)) is amended by striking "subtitle" and all that follows and inserting the following: "subtitle—*

*"(1) $10,000,000 for each of fiscal years 1991 through 2012; and*

*"(2) $2,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7125. SPECIAL AUTHORIZATION FOR BIOSECURITY PLANNING AND RESPONSE.***

*Section 1484(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3351(a)) is amended by striking "response such sums as are necessary" and all that follows and inserting the following: "response—*

*"(1) such sums as are necessary for each of fiscal years 2002 through 2012; and*

*"(2) $10,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7126. DISTANCE EDUCATION AND RESIDENT INSTRUCTION GRANTS PROGRAM FOR INSULAR AREA INSTITUTIONS OF HIGHER EDUCATION.***

*(a) DISTANCE EDUCATION GRANTS FOR INSULAR AREAS.—*

*(1) COMPETITIVE GRANTS.—Section 1490(a) of the National Agricultural Research, Extension, and*

*Teaching Policy Act of 1977 (7 U.S.C. 3362(a)) is amended by striking "or noncompetitive".*

*(2) AUTHORIZATION OF APPROPRIATIONS.—Section 1490(f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3362(f)) is amended by striking "section" and all that follows and inserting the following: "section—*

*"(1) such sums as are necessary for each of fiscal years 2002 through 2012; and*

*"(2) $2,000,000 for each of fiscal years 2013 through 2017.".*

*(b) RESIDENT INSTRUCTION GRANTS FOR INSULAR AREAS.—Section 1491(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3363(c)) is amended by striking "such sums as are necessary" and all that follows and inserting the following: "to carry out this section—*

*"(1) such sums as are necessary for each of fiscal years 2002 through 2012; and*

*"(2) $2,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7127. MATCHING FUNDS REQUIREMENT.***

*(a) IN GENERAL.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7*

*U.S.C. 3101 et seq.) is amended by adding at the end the following new subtitle:*

## *"Subtitle P—General Provisions*

***"SEC. 1492. MATCHING FUNDS REQUIREMENT.***

*"(a) MATCHING FUNDS REQUIREMENT.—The recipient of a competitive grant that is awarded by the Secretary under a covered law and that involves applied research or extension that is commodity-specific or State-specific shall provide funds, in-kind contributions, or a combination of both, from sources other than funds provided through such grant in an amount at least equal to the amount of such grant.*

*"(b) WAIVER AUTHORITY.—The Secretary may waive the matching funds requirement under subsection (a) with respect to a competitive grant that involves applied research or extension that the National Agricultural Research, Extension, Education, and Economics Advisory Board has determined is a national priority under section 1408(c).*

*"(c) DEFINITIONS.—In this section:*

*"(1) APPLIED RESEARCH.—The term 'applied research' has the meaning given such term in section 251(f)(1)(B) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1)(B)).*

*"(2) COVERED LAW.—The term 'covered law' means each of the following provisions of law:*

*"(A) This title.*

*"(B) Title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5801 et seq.).*

*"(C) The Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601 et seq.).*

*"(D) Section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f).*

*"(E) Part III of subtitle E of title VII of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 3202 et seq.).*

*"(F) The Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i).".*

*(b) CONFORMING AMENDMENT.—Paragraph (9) of section 2(b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)) is amended—*

*(1) by striking subparagraph (B);*

*(2) in the heading, by inserting "FOR EQUIPMENT GRANTS" after "FUNDS";*

*(3) by striking "(A) EQUIPMENT GRANTS.—"; and*

*(4) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively, and moving the margins of such subparagraphs two ems to the left.*

*(c) APPLICATION TO AMENDMENTS.—*

*(1) NEW GRANTS.—Section 1492 of the National Agricultural, Research, Extension, and Teaching Policy Act of 1977, as added by subsection (a), shall apply with respect to grants described in such section awarded after October 1, 2012, unless the provision of a covered law under which such grants are awarded specifically exempts such grants from the matching funds requirement under such section.*

*(2) EXISTING GRANTS.—A matching funds requirement in effect on or before October 1, 2012, under a covered law shall continue to apply to a grant awarded under such provision of law on or before that date.*

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

### *SEC. 7201. BEST UTILIZATION OF BIOLOGICAL APPLICATIONS.*

*Section 1624 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5814) is amended in the first sentence—*

*(1) by striking "$40,000,000 for each fiscal year"; and*

*(2) by inserting "$40,000,000 for each of fiscal years 2012 through 2017" after "chapter".*

***SEC. 7202. INTEGRATED MANAGEMENT SYSTEMS.***

*Section 1627(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5821(d)) is amended to read as follows:*

*"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section through the National Institute of Food and Agriculture $20,000,000 for each of fiscal years 2012 through 2017.".*

***SEC. 7203. SUSTAINABLE AGRICULTURE TECHNOLOGY DEVELOPMENT AND TRANSFER PROGRAM.***

*Section 1628(f) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831(f)) is amended to read as follows:*

*"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—*

*"(1) such sums as are necessary for fiscal year 2012; and*

*"(2) $5,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7204. NATIONAL TRAINING PROGRAM.***

*Section 1629(i) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5832(i)) is amended to read as follows:*

*"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the National Training Program $20,000,000 for each of fiscal years 2012 through 2017.".*

***SEC. 7205. NATIONAL GENETICS RESOURCES PROGRAM.***

*Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended—*

*(1) by striking "such funds as may be necessary"; and*

*(2) by striking "subtitle" and all that follows and inserting the following: "subtitle—*

*"(1) such sums as are necessary for each of fiscal years 1991 through 2012; and*

*"(2) $1,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7206. REPEAL OF NATIONAL AGRICULTURAL WEATHER INFORMATION SYSTEM.***

*Subtitle D of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5851 et seq.) is repealed.*

***SEC. 7207. REPEAL OF RURAL ELECTRONIC COMMERCE EXTENSION PROGRAM.***

*Section 1670 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5923) is repealed.*

***SEC. 7208. REPEAL OF AGRICULTURAL GENOME INITIATIVE.***

*Section 1671 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924) is repealed.*

***SEC. 7209. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.***

*Section 1672 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is amended—*

*(1) in the first sentence of subsection (a), by striking "subsections (e) through (i)" and inserting "subsections (e) through (g)";*

*(2) in subsection (b)(2), in the first sentence, by striking "subsections (e) through (i)" and inserting "subsections (e) through (g)";*

*(3) in subsection (c)(2)—*

*(A) in subparagraph (A), by striking "or" at the end;*

*(B) in subparagraph (B), by striking the period at the end and inserting "; or"; and*

*(C) by adding at the end the following new subparagraph:*

*"(C) the project involves a pest that has been designated as a pest of public health signifi-*

*cance by the Environmental Protection Agency and the Centers for Disease Control and Prevention, as described in section 2(nn) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136(nn)).";*

*(4) by striking subsections (e), (f), and (i);*

*(5) by redesignating subsections (g), (h), and (j) as subsections (e), (f), and (h), respectively;*

*(6) in subsection (e) (as redesignated by paragraph (5))—*

*(A) in the heading, by inserting ", BED BUGS, AND OTHER PESTS" after "TERMITE"; and*

*(B) by inserting ", bed bugs, and other pests, including pests that the Secretary determines are a risk to public health" after "termites" each place it appears in paragraphs (1), (2)(A), and (3);*

*(7) in subsection (f) (as redesignated by paragraph (5))—*

*(A) by striking "2012" each place it appears in paragraphs (1)(B), (2)(B), and (3) and inserting "2017"; and*

*(B) in paragraph (4)—*

*(i) in subparagraph (A), by inserting "and honey bee health disorders" after "collapse"; and*

*(ii) in subparagraph (B), by inserting ", including best management practices" after "strategies";*

*(8) by inserting after subsection (f) (as redesignated by paragraph (5)), the following new subsection:*

*"(g) BED BUG CONTROL.—*

*"(1) AUTHORIZATION AND USE OF GRANTS.—The Secretary, in consultation with a task force appointed under subsection (b)(2), shall award grants under this subsection for purposes of—*

*"(A) developing more efficacious methods of detecting, preventing, and managing bed bugs; and*

*"(B) conducting basic and applied bed bug biology research.*

*"(2) GRANTS.—*

*"(A) REQUESTS FOR PROPOSALS.—The Secretary shall, not later than 180 days after the date of the enactment of this subsection and in consultation with the task force, publish a request for openly competitive grant proposals for*

*research projects for the purposes described in paragraph (1).*

*"(B) AWARD OF GRANTS.—Not later than 180 days after the date of such publication, the Secretary shall—*

*"(i) evaluate the grant proposals referred to in subparagraph (A) in consultation with the task force; and*

*"(ii) award grants to entities that submitted grant proposals for research projects the Secretary determines are meritorious for the purposes described in paragraph (1).*

*"(C) NOTIFICATION REQUIREMENT.—The Secretary shall notify the task force of any award made under subparagraph (B) not later than 30 days after awarding such grant.*

*"(3) CONSULTATION AND COORDINATION.—To expedite the approval or registration under section 3, section 18, or section 24 of the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. 136a, 136p, and 136v) of the methods identified or discovered through research projects funded under this subsection, the Secretary shall consult and coordinate with the Administrator of the Environmental Protection Agency regarding—*

*"(A) the awarding of grants under this subsection; and*

*"(B) the evaluation of the results of such research projects."; and*

*(9) in subsection (h) (as redesignated by paragraph (5)), by striking "2012" and inserting "2017".*

***SEC. 7210. REPEAL OF NUTRIENT MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.***

*Section 1672A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925a) is repealed.*

***SEC. 7211. ORGANIC AGRICULTURE RESEARCH AND EXTENSION INITIATIVE.***

*Section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b) is amended—*

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

*"(e) FARM BUSINESS MANAGEMENT ENCOURAGED.—Following the completion of a peer review process for grant proposals received under this section, the Secretary shall provide a priority to grant proposals found in the review process to be scientifically meritorious using the same criteria the Secretary uses to give priority to grants under section 1672D(b)."; and*

*(2) in subsection (f)—*

*(A) in paragraph (1)—*

*(i) in subparagraph (A), by striking "and" at the end;*

*(ii) in subparagraph (B), by striking the period at the end and inserting "; and"; and*

*(iii) by adding at the end the following new subparagraph:*

*"(C) $16,000,000 for each of fiscal years 2013 through 2017."; and*

*(B) in paragraph (2), by striking "2012" and inserting "2017".*

***SEC. 7212. REPEAL OF AGRICULTURAL BIOENERGY FEEDSTOCK AND ENERGY EFFICIENCY RESEARCH AND EXTENSION INITIATIVE.***

*(a) REPEAL.—Section 1672C of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925e) is repealed.*

*(b) CONFORMING AMENDMENT.—Section 251(f)(1)(D) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1)(D)) is amended—*

*(1) by striking clause (xi); and*

*(2) by redesignating clauses (xii) and (xiii) as clauses (xi) and (xii), respectively.*

***SEC. 7213. FARM BUSINESS MANAGEMENT.***

*Section 16f72D(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925f(d)) is amended by striking "such sums as are necessary to carry out this section." and inserting the following: "to carry out this section—*

*"(1) such sums as are necessary for fiscal year 2012; and*

*"(2) $5,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7214. REGIONAL CENTERS OF EXCELLENCE.***

*The Food, Agriculture, Conservation, and Trade Act of 1990 is amended by inserting after section 1672D (7 U.S.C. 5925f) the following new section:*

***"SEC. 1673. REGIONAL CENTERS OF EXCELLENCE.***

*"(a) FUNDING PRIORITIES.—The Secretary shall prioritize regional centers of excellence established for specific agricultural commodities for the receipt of funding for any competitive research or extension program administered by the Secretary.*

*"(b) COMPOSITION.—A regional center of excellence is composed of 1 or more of the eligible entities specified in section 2(b)(7) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(7)).*

*"(c) CRITERIA FOR REGIONAL CENTERS OF EXCELLENCE.—The criteria for consideration to be recognized as a regional center of excellence shall include efforts—*

*"(1) to ensure coordination and cost effectiveness by reducing unnecessarily duplicative efforts regarding research, teaching, and extension;*

*"(2) to leverage available resources by using public/private partnerships among agricultural industry groups, institutions of higher education, and the Federal Government;*

*"(3) to implement teaching initiatives to increase awareness and effectively disseminate solutions to target audiences through extension activities;*

*"(4) to increase the economic returns to rural communities by identifying, attracting, and directing funds to high-priority agricultural issues; and*

*"(5) to improve teaching capacity and infrastructure at colleges and universities (including land-grant institutions, schools of forestry, schools of veterinary medicine, and NLGCA Institutions).".*

***SEC. 7215. REPEAL OF RED MEAT SAFETY RESEARCH CENTER.***

*Section 1676 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5929) is repealed.*

***SEC. 7216. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.***

*Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended—*

*(1) by striking "is" and inserting "are"; and*

*(2) by striking "section" and all that follows and inserting the following: "section—*

*"(A) $6,000,000 for each of fiscal years 1999 through 2012; and*

*"(B) $3,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7217. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.***

*Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking "2012" and inserting "2017".*

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

***SEC. 7301. RELEVANCE AND MERIT OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION FUNDED BY THE DEPARTMENT.***

*Section 103(a)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7613(a)(2)) is amended—*

*(1) in the heading by striking "MERIT REVIEW OF EXTENSION" and inserting "RELEVANCE AND MERIT REVIEW OF RESEARCH, EXTENSION,";*

*(2) in subparagraph (A)—*

*(A) by inserting "relevance and" before "merit"; and*

*(B) by striking "extension or education" and inserting "research, extension, or education"; and*

*(3) in subparagraph (B), by inserting "on a continuous basis" after "procedures".*

***SEC. 7302. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.***

*Section 406(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(f)) is amended by striking "2012" and inserting "2017".*

***SEC. 7303. REPEAL OF COORDINATED PROGRAM OF RESEARCH, EXTENSION, AND EDUCATION TO IMPROVE VIABILITY OF SMALL AND MEDIUM SIZE DAIRY, LIVESTOCK, AND POULTRY OPERATIONS.***

*(a) REPEAL.—Section 407 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7627) is repealed.*

*(b) CONFORMING AMENDMENT.—Section 251(f)(1)(D) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1)(D)), as amended by section 7212(b), is further amended—*

*(1) by striking clause (xi) (as redesignated by section 7212(b)); and*

*(2) by redesignating clause (xii) (as redesignated by section 7212(b)) as clause (xi).*

***SEC. 7304. REPEAL OF BOVINE JOHNE'S DISEASE CONTROL PROGRAM.***

*Section 409 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7629) is repealed.*

***SEC. 7305. GRANTS FOR YOUTH ORGANIZATIONS.***

*Section 410(d) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7630(d)) is amended by striking "section such sums as are necessary" and all that follows and inserting the following: "section—*

*"(1) such sums as are necessary for each of fiscal years 2008 through 2012; and*

*"(2) $3,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7306. SPECIALTY CROP RESEARCH INITIATIVE.***

*Section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632) is amended—*

*(1) in subsection (b)—*

*(A) in paragraph (1), by striking "and genomics" and inserting "genomics, and other methods"; and*

*(B) in paragraph (3), by inserting "handling and processing," after "production efficiency,";*

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

*"(d) RESEARCH PROJECTS.—In carrying out this section, the Secretary shall award competitive grants on the basis of—*

*"(1) an initial scientific peer review conducted by a panel of subject matter experts from Federal agencies, non-Federal entities, and the specialty crop industry; and*

*"(2) a final funding determination made by the Secretary based on a review and ranking for merit, relevance, and impact conducted by a panel of specialty crop industry representatives for the specific specialty crop."; and*

*(3) in subsection (h)—*

*(A) in paragraph (1)—*

*(i) by striking "(1) IN GENERAL.—Of the funds" and inserting the following:*

*"(1) MANDATORY FUNDING.—*

*"(A) IN GENERAL.—Of the funds"; and*

*(ii) by adding at the end the following new subparagraph:*

*"(B) SUBSEQUENT FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section—*

*"(i) $25,000,000 for fiscal year 2013;*

*"(ii) $30,000,000 for each of fiscal years 2014 and 2015;*

*"(iii) $65,000,000 for fiscal year 2016; and*

*"(iv) $50,000,000 for fiscal year 2017 and each fiscal year thereafter."; and*

*(B) in paragraph (2), by striking "2012" and inserting "2017".*

***SEC. 7307. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE PROGRAM.***

*Section 604(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7642(e)) is amended by striking "2012" and inserting "2017".*

***SEC. 7308. REPEAL OF NATIONAL SWINE RESEARCH CENTER.***

*Section 612 of the Agricultural Research, Extension, and Education Reform Act of 1998 (Public Law 105–185; 112 Stat. 605) is repealed.*

***SEC. 7309. OFFICE OF PEST MANAGEMENT POLICY.***

*Section 614(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is amended—*

*(1) by striking "such sums as are necessary"; and*

*(2) by striking "section" and all that follows and inserting the following: "section—*

*"(1) such sums as are necessary for each of fiscal years 1999 through 2012; and*

*"(2) $3,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7310. REPEAL OF STUDIES OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.***

*Subtitle C of title VI of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7671 et seq.) is repealed.*

## *Subtitle D—Other Laws*

***SEC. 7401. CRITICAL AGRICULTURAL MATERIALS ACT.***

*Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended—*

*(1) by striking "such sums as are necessary"; and*

*(2) by striking "Act" and all that follows and inserting the following: "Act—*

*"(1) such sums as are necessary for each of fiscal years 1991 through 2012; and*

*"(2) $2,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7402. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.***

*(a) DEFINITION OF 1994 INSTITUTIONS.—Section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended—*

*(1) in paragraph (8), by striking "Memorial";*

*(2) in paragraph (26), by striking "Community";*

*(3) by striking paragraphs (5), (10), and (27);*

*(4) by redesignating paragraphs (1), (2), (3), (4), (6), (7), (8), (9), (11), (12), (13), (14), (15), (16), (17), (18), (19), (20), (21), (22), (23), (24), (25), (26), (28), (29), (30), (31), (32), (33), and (34) as paragraphs (2), (3), (4), (8), (9), (10), (5), (11), (12), (13), (14), (16), (18), (19), (20), (21), (23), (24), (25), (26), (33), (27), (28), (29), (30), (31), (32), (34), (35),*

*(36), and (15) respectively, and transferring the paragraphs so as to appear in numerical order;*

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

*"(1) Aaniih Nakoda College.";*

*(6) by inserting after paragraph (5) (as so redesignated), the following new paragraphs:*

*"(6) College of the Muscogee Nation.*

*"(7) Comanche Nation College.";*

*(7) by inserting after paragraph (16) (as so redesignated) the following new paragraph:*

*"(17) Keweenaw Bay Ojibwa Community College."; and*

*(8) by inserting after paragraph (21) (as so redesignated) the following new paragraph:*

*"(22) Navajo Technical College.".*

*(b) ENDOWMENT FOR 1994 INSTITUTIONS.—Section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended in the first sentence by striking "2012" and inserting "2017".*

*(c) INSTITUTIONAL CAPACITY BUILDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)*

*is amended by striking "2012" each place it appears in subsections (b)(1) and (c) and inserting "2017".*

*(d) RESEARCH GRANTS.—*

*(1) AUTHORIZATION OF APPROPRIATIONS.—Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended in the first sentence by striking "2012" and inserting "2017".*

*(2) RESEARCH GRANT REQUIREMENTS.—Section 536(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking "with at least 1 other land-grant college or university" and all that follows and inserting the following: "with—*

*"(1) the Agricultural Research Service of the Department of Agriculture; or*

*"(2) at least 1—*

*"(A) other land-grant college or university (exclusive of another 1994 Institution);*

*"(B) non-land-grant college of agriculture (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); or*

*"(C) cooperating forestry school (as defined in that section).".*

***SEC. 7403. RESEARCH FACILITIES ACT.***

*Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking "2012" and inserting "2017".*

***SEC. 7404. REPEAL OF CARBON CYCLE RESEARCH.***

*Section 221 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 6711) is repealed.*

***SEC. 7405. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANT ACT.***

*(a) EXTENSION.—Section 2(b)(11)(A) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(11)(A)) is amended in the matter preceding clause (i) by striking "2012" and inserting "2017".*

*(b) PRIORITY AREAS.—Section 2(b)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(2)) is amended—*

*(1) in subparagraph (A)—*

*(A) in clause (vi), by striking "and" at the end;*

*(B) in clause (vii), by striking the period at the end and inserting "; and"; and*

*(C) by adding at the end the following new clause:*

*"(viii) plant-based foods that are major sources of nutrients of concern (as determined by the Secretary).";*

*(2) in subparagraph (B)—*

*(A) in clause (vii), by striking "and" at the end;*

*(B) in clause (viii), by striking the period at the end and inserting a semicolon; and*

*(C) by adding at the end the following new clauses:*

*"(ix) the research and development of surveillance methods, vaccines, vaccination delivery systems, or diagnostic tests for zoonotic diseases in wildlife reservoirs presenting a potential concern to public health or domestic livestock; and*

*"(x) the identification of animal drug needs and the generation and dissemination of data for safe and effective therapeutic applications of animal drugs for minor species and minor uses of such drugs in major species.";*

*(3) in subparagraph (C)—*

*(A) in clause (ii), by inserting before the semicolon ", including the effects of plant-based foods that are major sources of nutrients of concern on diet and health";*

*(B) in clause (iii), by inserting before the semicolon ", including plant-based foods that are major sources of nutrients of concern";*

*(C) in clause (iv), by inserting before the semicolon ", including postharvest practices conducted with respect to plant-based foods that are major sources of nutrients of concern"; and*

*(D) in clause (v), by inserting before the period ", including improving the functionality of plant-based foods that are major sources of nutrients of concern";*

*(4) in subparagraph (D)—*

*(A) by redesignating clauses (iv), (v), and (vi) as clauses (v), (vi), and (vii), respectively; and*

*(B) by inserting after clause (iii) the following new clause:*

*"(iv) the effectiveness of conservation practices and technologies designed to address nutrient losses and improve water quality;"; and*

*(5) in subparagraph (F)—*

*(A) in the matter preceding clause (i), by inserting "economics," after "trade,";*

*(B) by redesignating clauses (v) and (vi) as clauses (vi) and (vii), respectively; and*

*(C) by inserting after clause (iv) the following new clause:*

*"(v) the economic costs, benefits, and viability of producers adopting conservation practices and technologies designed to improve water quality;".*

*(c) GENERAL ADMINISTRATION.—Section 2(b)(4) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(4)) is amended—*

*(1) in subparagraph (D), by striking "and" at the end;*

*(2) in subparagraph (E), by striking the period at the end and inserting "; and"; and*

*(3) by adding at the end the following new subparagraph:*

*"(F) establish procedures under which a commodity board established under a commodity promotion law (as such term is defined under section 501(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401(a))) or a State commodity board (or other equivalent State entity) may directly submit to the Secretary proposals for requests for applica-*

*tions to specifically address particular issues related to the priority areas specified in paragraph (2).".*

*(d) SPECIAL CONSIDERATIONS.—Section 2(b)(6) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(6)) is amended—*

*(1) in subparagraph (C), by striking "and" at the end;*

*(2) in subparagraph (D), by striking the period at the end and inserting "; and"; and*

*(3) by adding at the end the following new subparagraph:*

*"(E) to eligible entities to carry out the specific research proposals submitted under procedures established under paragraph (4)(F).".*

*(e) INTER-REGIONAL RESEARCH PROJECT NUMBER 4.—Section 2(e) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(e)) is amended—*

*(1) in paragraph (1)(A), by striking "minor use pesticides" and inserting "pesticides for minor agricultural use and for use on specialty crops (as defined in section 3 of the Specialty Crop Competitiveness Act of 2004 (7 U.S.C. 1621 note)"; and*

*(2) in paragraph (4)—*

*(A) in subparagraph (A), by inserting "and for use on specialty crops" after "minor agricultural use";*

*(B) in subparagraph (B), by striking "and" at the end;*

*(C) by redesignating subparagraph (C) as subparagraph (G); and*

*(D) by inserting after subparagraph (B) the following new subparagraphs:*

*"(C) prioritize potential pest management technology for minor agricultural use and for use on specialty crops;*

*"(D) conduct research to develop the data necessary to facilitate pesticide registrations, reregistrations, and associated tolerances;*

*"(E) assist in removing trade barriers caused by residues of pesticides registered for minor agricultural use and for use on domestically grown specialty crops;*

*"(F) assist in the registration and reregistration of pest management technologies for minor agricultural use and for use on specialty crops; and".*

*(f) EMPHASIS ON SUSTAINABLE AGRICULTURE.—Section 2 of the Competitive, Special, and Facilities Research*

*Grant Act (7 U.S.C. 450i) is amended by striking subsection (k).*

***SEC. 7406. RENEWABLE RESOURCES EXTENSION ACT OF 1978.***

*(a) AUTHORIZATION OF APPROPRIATIONS.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended in the first sentence by striking "2012" and inserting "2017".*

*(b) TERMINATION DATE.—Section 8 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 note; Public Law 95–306) is amended by striking "2012" and inserting "2017".*

***SEC. 7407. NATIONAL AQUACULTURE ACT OF 1980.***

*Section 10 of the National Aquaculture Act of 1980 (16 U.S.C. 2809) is amended by striking "2012" each place it appears and inserting "2017".*

***SEC. 7408. REPEAL OF USE OF REMOTE SENSING DATA.***

*Section 892 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 5935) is repealed.*

***SEC. 7409. REPEAL OF REPORTS UNDER FARM SECURITY AND RURAL INVESTMENT ACT OF 2002.***

*(a) REPEAL OF REPORT ON PRODUCERS AND HANDLERS FOR ORGANIC PRODUCTS.—Section 7409 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925b note; Public Law 107–171) is repealed.*

*(b) REPEAL OF REPORT ON GENETICALLY MODIFIED PEST-PROTECTED PLANTS.—Section 7410 of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171; 116 Stat. 462) is repealed.*

*(c) REPEAL OF STUDY ON NUTRIENT BANKING.—Section 7411 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925a note; Public Law 107–171) is repealed.*

***SEC. 7410. BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.***

*Section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f) is amended—*

*(1) in subsection (c)—*

*(A) in paragraph (1), by striking subparagraphs (A) through (R) and inserting the following new subparagraphs:*

*"(A) basic livestock, forest management, and crop farming practices;*

*"(B) innovative farm, ranch, and private, nonindustrial forest land transfer strategies;*

*"(C) entrepreneurship and business training;*

*"(D) financial and risk management training (including the acquisition and management of agricultural credit);*

*"(E) natural resource management and planning;*

*"(F) diversification and marketing strategies;*

*"(G) curriculum development;*

*"(H) mentoring, apprenticeships, and internships;*

*"(I) resources and referral;*

*"(J) farm financial benchmarking;*

*"(K) assisting beginning farmers or ranchers in acquiring land from retiring farmers and ranchers;*

*"(L) agricultural rehabilitation and vocational training for veterans; and*

*"(M) other similar subject areas of use to beginning farmers or ranchers.";*

*(B) in paragraph (7), by striking "and community-based organizations" and inserting ", community-based organizations, and school-based agricultural educational organizations";*

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

*"(8) MILITARY VETERAN BEGINNING FARMERS AND RANCHERS.—*

*"(A) IN GENERAL.—Not less than 5 percent of the funds used to carry out this subsection for a fiscal year shall be used to support programs and services that address the needs of military veteran beginning farmers and ranchers.*

*"(B) COORDINATION PERMITTED.—A recipient of a grant under this section using the grant as described in subparagraph (A) may coordinate with a recipient of a grant under section 1680 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933) in addressing the needs of military veteran beginning farmers and ranchers with disabilities."; and*

*(D) by adding at the end the following new paragraph:*

*"(11) LIMITATION ON INDIRECT COSTS.—A recipient of a grant under this section may not use more than 10 percent of the funds provided by the grant for the indirect costs of carrying out the initiatives described in paragraph (1).";*

*(2) in subsection (h)(1)—*

*(A) in subparagraph (A), by striking "and" at the end;*

*(B) in subparagraph (B), by striking the period at the end and inserting "; and"; and*

*(C) by adding at the end the following new subparagraph:*

*"(C) $10,000,000 for each of fiscal years 2013 through 2017, to remain available until expended."; and*

*(3) in subsection (h)(2), by striking "2012" and inserting "2017".*

***SEC. 7411. INCLUSION OF NORTHERN MARIANA ISLANDS AS A STATE UNDER MCINTIRE-STENNIS COOPERATIVE FORESTRY ACT.***

*Section 8 of Public Law 87–788 (commonly known as the McIntire-Stennis Cooperative Forestry Act; 16 U.S.C. 582a–7) is amended by striking "and Guam" and inserting "Guam, and the Commonwealth of the Northern Mariana Islands".*

# *Subtitle E—Food, Conservation, and Energy Act of 2008*

## *PART 1—AGRICULTURAL SECURITY*

***SEC. 7501. AGRICULTURAL BIOSECURITY COMMUNICATION CENTER.***

*Section 14112(c) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8912(c)) is amended to read as follows:*

*"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—*

*"(1) such sums as are necessary for each of fiscal years 2008 through 2012; and*

*"(2) $2,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7502. ASSISTANCE TO BUILD LOCAL CAPACITY IN AGRICULTURAL BIOSECURITY PLANNING, PREPARATION, AND RESPONSE.***

*Section 14113 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8913) is amended—*

*(1) in subsection (a)(2)—*

*(A) by striking "such sums as may be necessary"; and*

*(B) by striking "subsection" and all that follows and inserting the following: "subsection—*

*"(1) such sums as are necessary for each of fiscal years 2008 through 2012; and*

*"(2) $15,000,000 for each of fiscal years 2013 through 2017."; and*

*(2) in subsection (b)(2), by striking "is authorized to be appropriated to carry out this subsection" and all that follows and inserting the following: "are authorized to be appropriated to carry out this subsection—*

*"(1) $25,000,000 for each of fiscal years 2008 through 2012; and*

*"(2) $15,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7503. RESEARCH AND DEVELOPMENT OF AGRICULTURAL COUNTERMEASURES.***

*Section 14121(b) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8921(b)) is amended by striking "is authorized to be appropriated to carry out this section" and all that follows and inserting the following: "are authorized to be appropriated to carry out this section—*

*"(1) $50,000,000 for each of fiscal years 2008 through 2012; and*

*"(2) $15,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7504. AGRICULTURAL BIOSECURITY GRANT PROGRAM.***

*Section 14122(e) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8922(e)) is amended—*

*(1) by striking "sums as are necessary"; and*

*(2) by striking "section" and all that follows and inserting the following: "section—*

*"(1) such sums as are necessary for each of fiscal years 2008 through 2012, to remain available until expended; and*

*"(2) $5,000,000 for each of fiscal years 2013 through 2017, to remain available until expended.".*

## *PART 2—MISCELLANEOUS*

### *SEC. 7511. ENHANCED USE LEASE AUTHORITY PILOT PROGRAM.*

*Section 308 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 3125a) is amended—*

*(1) in subsection (b)(6)(A), by striking "5 years" and inserting "9 years"; and*

*(2) in subsection (d)(2), by striking "1, 3, and 5 years" and inserting "5, 7, and 9 years".*

### *SEC. 7512. GRAZINGLANDS RESEARCH LABORATORY.*

*Section 7502 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2019) is amended by striking "5-year period" and inserting "9-year period".*

### *SEC. 7513. BUDGET SUBMISSION AND FUNDING.*

*Section 7506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7614c) is amended—*

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

*"(a) DEFINITIONS.—In this section:*

*"(1) COVERED PROGRAM.—The term 'covered program' means—*

*"(A) each research program carried out by the Agricultural Research Service or the Economic Research Service for which annual appro-*

*priations are requested in the annual budget submission of the President; and*

*"(B) each competitive program carried out by the National Institute of Food and Agriculture for which annual appropriations are requested in the annual budget submission of the President.*

*"(2) REQUEST FOR AWARDS.—The term 'request for awards' means a funding announcement published by the National Institute of Food and Agriculture that provides detailed information on funding opportunities at the Institute, including the purpose, eligibility, restriction, focus areas, evaluation criteria, regulatory information, and instructions on how to apply for such opportunities."; and*

*(2) by adding at the end the following new subsections:*

*"(e) ADDITIONAL PRESIDENTIAL BUDGET SUBMISSION REQUIREMENT.—*

*"(1) IN GENERAL.—Each year, the President shall submit to Congress, together with the annual budget submission of the President, the information described in paragraph (2) for each funding request for a covered program.*

*"(2) INFORMATION DESCRIBED.—The information described in this paragraph includes—*

*"(A) baseline information, including with respect to each covered program—*

*"(i) the funding level for the program for the fiscal year preceding the year the annual budget submission of the President is submitted;*

*"(ii) the funding level requested in the annual budget submission of the President, including any increase or decrease in the funding level; and*

*"(iii) an explanation justifying any change from the funding level specified in clause (i) to the level specified in clause (ii);*

*"(B) with respect to each covered program that is carried out by the Economic Research Service or the Agricultural Research Service, the location and staff years of the program;*

*"(C) the proposed funding levels to be allocated to, and the expected publication date, scope, and allocation level for, each request for awards to be published under or associated with—*

*"(i) each priority area specified in section 2(b)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(2));*

*"(ii) each research and extension project carried out under section 1621(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5811(a));*

*"(iii) each grant to be awarded under section 1672B(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b(a));*

*"(iv) each grant awarded under section 412(d) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632(d)); and*

*"(v) each grant awarded under 7405(c)(1) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f(c)(1)); or*

*"(D) any other information the Secretary determines will increase congressional oversight with respect to covered programs.*

*"(3) PROHIBITION.—Unless the President submits the information described in paragraph (2)(C)*

*for a fiscal year, the President may not carry out any program during the fiscal year that is authorized under—*

*"(A) section 2(b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b));*

*"(B) section 1621 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5811);*

*"(C) section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b);*

*"(D) section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632); or*

*"(E) section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f).*

*"(f) REPORT OF THE SECRETARY OF AGRICULTURE.—Each year on a date that is not later than the date on which the President submits the annual budget, the Secretary shall submit to Congress a report containing a description of the agricultural research, extension, and education activities carried out by the Federal Government during the fiscal year that immediately precedes the year for which the report is submitted, including—*

*"(1) a review of the extent to which those activities—*

*"(A) are duplicative or overlap within the Department of Agriculture; or*

*"(B) are similar to activities carried out by—*

*"(i) other Federal agencies;*

*"(ii) the States (including the District of Columbia, the Commonwealth of Puerto Rico and other territories or possessions of the United States);*

*"(iii) institutions of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)); or*

*"(iv) the private sector; and*

*"(2) for each report submitted under this section on or after January 1, 2013, a 5-year projection of national priorities with respect to agricultural research, extension, and education, taking into account domestic needs.".*

***SEC. 7514. REPEAL OF RESEARCH AND EDUCATION GRANTS FOR THE STUDY OF ANTIBIOTIC-RESISTANT BACTERIA.***

*Section 7521 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 3202) is repealed.*

***SEC. 7515. REPEAL OF FARM AND RANCH STRESS ASSISTANCE NETWORK.***

*Section 7522 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 5936) is repealed.*

***SEC. 7516. REPEAL OF SEED DISTRIBUTION.***

*Section 7523 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 415–1) is repealed.*

***SEC. 7517. NATURAL PRODUCTS RESEARCH PROGRAM.***

*Section 7525(e) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 5937(e)) is amended to read as follows:*

*"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $7,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 7518. SUN GRANT PROGRAM.***

*(a) IN GENERAL.—Section 7526 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8114) is amended—*

*(1) in subsection (a)(4)(B), by striking "the Department of Energy" and inserting "other appropriate Federal agencies (as determined by the Secretary)";*

*(2) in subsection (c)(1)—*

*(A) in subparagraph (B), by striking "multistate" and all that follows through the period and inserting "integrated, multistate research, extension, and education programs on technology development and technology implementation.";*

*(B) by striking subparagraph (C); and*

*(C) by redesignating subparagraph (D) as subparagraph (C);*

*(3) in subsection (d)—*

*(A) in paragraph (1)—*

*(i) by striking "in accordance with paragraph (2)";*

*(ii) by striking "gasification" and inserting "bioproducts"; and*

*(iii) by striking "the Department of Energy" and inserting "other appropriate Federal agencies";*

*(B) by striking paragraph (2); and*

*(C) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and*

*(4) in subsection (g), by striking "2012" and inserting "2017".*

*(b) CONFORMING AMENDMENTS.—Section 7526(f)(1) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8114(f)(1)) is amended by striking "subsection (c)(1)(D)(i)" and inserting "subsection (c)(1)(C)(i)".*

***SEC. 7519. REPEAL OF STUDY AND REPORT ON FOOD DESERTS.***

*Section 7527 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2039) is repealed.*

***SEC. 7520. REPEAL OF AGRICULTURAL AND RURAL TRANSPORTATION RESEARCH AND EDUCATION.***

*Section 7529 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 5938) is repealed.*

***SEC. 7521. CONVEYANCE OF LAND COMPRISING SUBTROPICAL HORTICULTURE RESEARCH STATION.***

*(a) DEFINITIONS.—In this section:*

*(1) COUNTY.—The term "County" means Miami-Dade County in the State of Florida.*

*(2) PROPERTY.—The term "Property" means approximately 2 acres, more or less, of the federally owned land comprising the Subtropical Horticulture Research Station in the County, which—*

*(A) has been mutually delineated by the Secretary and the authorized representative of the County; and*

*(B) fronts on SW 67th Avenue in Palmetto Bay, Florida.*

*(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.*

*(b) PROPERTY CONVEYANCE.—*

*(1) IN GENERAL.—Not later than 120 days after the date on which the County deposits the consideration under paragraph (2) and cost reimbursement provided in this section with the Department of Agriculture, the Secretary shall convey and quitclaim to the County, all rights, title, and interests of the United States in the Property, subject to easements and rights of record and such other reservations, terms, and conditions as the Secretary may prescribe.*

*(2) CONSIDERATION.—*

*(A) IN GENERAL.—As consideration for the conveyance of the Property, the County shall pay to the Secretary an amount in cash equal to the market value of the property.*

*(B) APPRAISAL.—To determine the market value of the Property, the Secretary shall have the Property appraised for the highest and best*

*use of the Property in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions developed by the Interagency Land Acquisition Conference. The approved appraisal shall at all times be the property of the United States.*

*(3) CORRECTIONS.—With the agreement of the County, the Secretary may make minor corrections or modifications to the legal description of the Property.*

*(4) COSTS.—*

*(A) TRANSACTION COSTS.—Except as provided in subparagraph (C), the County shall, at closing for the conveyance of the Property under this section, pay or reimburse the Secretary, as appropriate, for the reasonable transaction and administrative personnel costs associated with the conveyance authorized by this section, including the transaction costs of appraisal, title, hazardous substances examination, and closing costs.*

*(B) ADMINISTRATIVE COSTS.—In addition to transaction costs under subparagraph (A), the County shall pay administrative costs in the liquidated amount of $50,000.*

*(C) ATTORNEYS' FEES.—The County and the Secretary shall each bear their own attorneys' fees.*

*(5) SURVEY.—The County shall, at its cost, survey the exterior boundaries of the Subtropical Horticulture Research Station and the Property in accordance with Federal survey standards and to the satisfaction of the Secretary, and shall provide to the Secretary certified originals with signature and raised seal.*

*(6) RELEASE.—The County, by a recordable instrument that the Secretary determines is satisfactory, shall release the Department of Agriculture from the instrument dated September 8, 2006, titled "Unity of Title".*

*(7) SECURITY FENCING.—On or before closing for the conveyance of the Property under this section, the County shall, at its cost, contract for the construction of a security fence located on the boundary between the Property and the adjacent land administered by the Secretary. The fence shall be of materials and standards approved in advance by the Secretary. The Secretary may approve temporary security structures for use during construction phases of the fence.*

*(8) OTHER TERMS.—The Secretary and the County may otherwise effect the purpose of this section on such additional terms as are mutually acceptable and which are not inconsistent with the provisions of this section.*

*(c) RECEIPTS.—*

*(1) IN GENERAL.—The Secretary shall deposit all funds received from the conveyance authorized under this section, including the market value consideration and the reimbursement for costs, into the Treasury of the United States to be credited to the appropriation for the Agricultural Research Service.*

*(2) USE OF FUNDS.—Notwithstanding any limitation in applicable appropriation Acts for the Department of Agriculture or the Agricultural Research Service, all funds deposited into the Treasury pursuant to subsection (b) shall be available to the Secretary until expended, without further appropriation, for the operation, upkeep, and maintenance of the Subtropical Horticulture Research Station.*

***SEC. 7522. CONCESSIONS, FEES, AND VOLUNTARY SERVICES AT NATIONAL ARBORETUM.***

*Section 6 of the Act of March 4, 1927 (20 U.S.C. 196) is amended—*

*(1) in subsection (a)(1), by inserting "or non-profit organizations that support the purpose of the National Arboretum" after "mission of the National Arboretum"; and*

*(2) by adding at the end the following new subsection:*

*"(d) RECOGNITION OF DONORS.—A non-profit organization granted a concession under subsection (a)(1) may recognize donors if such recognition is approved in advance by the Secretary.".*

***SEC. 7523. COTTON DISEASE RESEARCH REPORT.***

*Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the fungus fusarium oxysporum f. sp. vasinfectum race 4 (referred to in this section as "FOV Race 4") and the impact of such fungus on cotton, including—*

*(1) an overview of the threat FOV Race 4 poses to the cotton industry in the United States;*

*(2) the status and progress of Federal research initiatives to detect, contain, or eradicate FOV Race 4, including current FOV Race 4-specific research projects; and*

*(3) a comprehensive strategy to combat FOV Race 4 that establishes—*

*(A) detection and identification goals;*

*(B) containment goals;*

*(C) eradication goals; and*

*(D) a plan to partner with the cotton industry in the United States to maximize resources, information sharing, and research responsiveness and effectiveness.*

***SEC. 7524. MISCELLANEOUS TECHNICAL CORRECTIONS.***

*Sections 7408 and 7409 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2013) are both amended by striking "Title III of the Department of Agriculture Reorganization Act of 1994" and inserting "Title III of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994".*

# *TITLE VIII—FORESTRY*

## *Subtitle A—Repeal of Certain Forestry Programs*

***SEC. 8001. FOREST LAND ENHANCEMENT PROGRAM.***

*(a) REPEAL.—Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is repealed.*

*(b) CONFORMING AMENDMENT.—Section 8002 of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171; 16 U.S.C. 2103 note) is amended by striking subsection (a).*

*(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2012.*

***SEC. 8002. WATERSHED FORESTRY ASSISTANCE PROGRAM.***

*(a) REPEAL.—Section 6 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103b) is repealed.*

*(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.*

***SEC. 8003. EXPIRED COOPERATIVE NATIONAL FOREST PRODUCTS MARKETING PROGRAM.***

*Section 18 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2112) is repealed.*

***SEC. 8004. HISPANIC-SERVING INSTITUTION AGRICULTURAL LAND NATIONAL RESOURCES LEADERSHIP PROGRAM.***

*(a) REPEAL.—Section 8402 of the Food, Conservation, and Energy Act of 2008 (16 U.S.C. 1649a) is repealed.*

*(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.*

***SEC. 8005. TRIBAL WATERSHED FORESTRY ASSISTANCE PROGRAM.***

*(a) REPEAL.—Section 303 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6542) is repealed.*

*(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.*

***SEC. 8006. SEPARATE FOREST SERVICE DECISIONMAKING AND APPEALS PROCESS.***

*Section 322 of the Department of the Interior and Related Agencies Appropriations Act, 1993 (Public Law 102–*

*381; 16 U.S.C. 1612 note) is repealed. Section 428 of division E of the Consolidated Appropriations Act, 2012 (Public Law 112–74; 125 Stat. 1046; 16 U.S.C. 6515 note) shall not apply to any project or activity implementing a land and resource management plan developed under section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) that is categorically excluded from documentation in an environmental assessment or an environmental impact statement under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).*

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

***SEC. 8101. FOREST LEGACY PROGRAM.***

*Subsection (m) of section 7 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103c) is amended to read as follows:*

*"(m) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated—*

*"(1) such sums as are necessary for fiscal year 2012; and*

*"(2) $55,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 8102. COMMUNITY FOREST AND OPEN SPACE CONSERVATION PROGRAM.***

*Subsection (g) of section 7A of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103d) is amended to read as follows:*

*"(g) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated—*

*"(1) such sums as are necessary for fiscal year 2012; and*

*"(2) $1,500,000 for each of fiscal years 2013 through 2017.".*

## *Subtitle C—Reauthorization of Other Forestry-Related Laws*

***SEC. 8201. RURAL REVITALIZATION TECHNOLOGIES.***

*Section 2371(d)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6601(d)(2)) is amended by striking "2012" and inserting "2017".*

***SEC. 8202. OFFICE OF INTERNATIONAL FORESTRY.***

*Subsection (d) of section 2405 of the Global Climate Change Prevention Act of 1990 (7 U.S.C. 6704) is amended to read as follows:*

*"(d) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated—*

*"(1) such sums as are necessary for each of fiscal years 1996 through 2012; and*

*"(2) $6,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 8203. CHANGE IN FUNDING SOURCE FOR HEALTHY FORESTS RESERVE PROGRAM.***

*Section 508 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6578) is amended—*

*(1) in subsection (a), by striking "IN GENERAL" and inserting "FISCAL YEARS 2009 THROUGH 2012";*

*(2) by redesignating subsection (b) as subsection (d); and*

*(3) by inserting after subsection (a) the following new subsections:*

*"(b) FISCAL YEARS 2013 THROUGH 2017.—There is authorized to be appropriated to the Secretary of Agriculture to carry out this section $9,750,000 for each of fiscal years 2013 through 2017.*

*"(c) ADDITIONAL SOURCE OF FUNDS.—In addition to funds appropriated pursuant to the authorization of appropriations in subsection (b) for a fiscal year, the Secretary may use such amount of the funds appropriated for that fiscal year to carry out the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a et seq.) as the Secretary determines necessary to cover the cost of technical assistance, management, and enforcement responsibilities for land en-*

*rolled in the healthy forests reserve program pursuant to subsections (a) and (b) of section 504.".*

***SEC. 8204. STEWARDSHIP END RESULT CONTRACTING PROJECT AUTHORITY.***

*Section 347(a) of the Department of the Interior and Related Agencies Appropriations Act, 1999 (as contained in section 101(e) of division A of Public Law 105–277; 16 U.S.C. 2104 note) is amended by striking "2013" and inserting "2017".*

## *Subtitle D—National Forest Critical Area Response*

***SEC. 8301. DEFINITIONS.***

*In this title:*

*(1) CRITICAL AREA.—The term "critical area" means an area of the National Forest System designated by the Secretary under section 8302*

*(2) NATIONAL FOREST SYSTEM.—The term "National Forest System" has the meaning given that term in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a)).*

*(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.*

***SEC. 8302. DESIGNATION OF CRITICAL AREAS.***

*(a) DESIGNATION REQUIREMENTS.—The Secretary of Agriculture shall designate critical areas within the National Forest System for the purposes of addressing—*

*(1) deteriorating forest health conditions in existence as of the date of the enactment of this Act due to insect infestation, drought, disease, or storm damage; and*

*(2) the future risk of insect infestations or disease outbreaks through preventative treatments.*

*(b) DESIGNATION METHOD.—In considering National Forest System land for designation as a critical area, the Secretary shall use—*

*(1) for purposes of subsection (a)(1), the most recent annual forest health aerial surveys of mortality and defoliation; and*

*(2) for purposes of subsection (a)(2), the National Insect and Disease Risk Map.*

*(c) TIME FOR INITIAL DESIGNATIONS.—The first critical areas shall be designated by the Secretary not later than 60 days after the date of the enactment of this Act.*

*(d) DURATION OF DESIGNATION.—The designation of a critical area shall expire not later than 10 years after the date of the designation.*

***SEC. 8303. APPLICATION OF EXPEDITED PROCEDURES AND ACTIVITIES OF THE HEALTHY FORESTS RESTORATION ACT OF 2003 TO CRITICAL AREAS.***

*(a) APPLICABILITY.—Subject to subsections (b) through (e), title I of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6511 et seq.) (including the environmental analysis requirements of section 104 of that Act (16 U.S.C. 6514), the special administrative review process under section 105 of that Act (16 U.S.C. 6515), and the judicial review process under section 106 of that Act (16 U.S.C. 6516)), shall apply to all Forest Service projects and activities carried out in a critical area.*

*(b) APPLICATION OF OTHER LAW.—Section 322 of Public Law 102–381 (16 U.S.C. 1612 note; 106 Stat. 1419) shall not apply to projects conducted in accordance with this section.*

*(c) REQUIRED MODIFICATIONS.—In applying title I of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6511 et seq.) to Forest Service projects and activities in a critical area, the Secretary shall make the following modifications:*

*(1) The authority shall apply to the entire critical area, including land that is outside of a wildland-urban interface area or that does not satisfy any of the other eligibility criteria specified in section 102(a) of that Act (16 U.S.C. 6512(a)).*

*(2) All projects and activities of the Forest Service, including necessary connected actions (as described in section 1508.25(a)(1) of title 40, Code of Federal Regulations (or a successor regulation)), shall be considered to be authorized hazardous fuel reduction projects for purposes of applying the title.*

*(d) SMALLER PROJECTS.—*

*(1) IN GENERAL.—Except as provided in paragraph (2), a project conducted in a critical area in accordance with this section that comprises less than 10,000 acres shall be—*

*(A) considered an action categorically excluded from the requirements for an environmental assessment or an environmental impact statement under section 1508.4 of title 40, Code of Federal Regulations (or a successor regulation); and*

*(B) exempt from the special administrative review process under section 105 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6515).*

*(2) EXCLUSION OF CERTAIN AREAS.—Paragraph (1) does not apply to—*

*(A) a component of the National Wilderness Preservation System;*

*(B) any Federal land on which, by Act of Congress or Presidential proclamation, the removal of vegetation is restricted or prohibited;*

*(C) a congressionally designated wilderness study area; or*

*(D) an area in which activities under paragraph (1) would be inconsistent with the applicable land and resource management plan.*

*(e) FOREST MANAGEMENT PLANS.—All projects and activities carried out in a critical area pursuant to this subtitle shall be consistent with the land and resource management plan established under section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) for the unit of the National Forest System containing the critical area.*

***SEC. 8304. GOOD NEIGHBOR AUTHORITY.***

*(a) DEFINITIONS.—In this section:*

*(1) ELIGIBLE STATE.—The term "eligible State" means a State that contains National Forest System land.*

*(2) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.*

*(3) STATE FORESTER.—The term "State forester" means the head of a State agency with jurisdiction over State forestry programs in an eligible State.*

*(b) COOPERATIVE AGREEMENTS AND CONTRACTS.—*

*(1) IN GENERAL.—The Secretary may enter into a cooperative agreement or contract (including a sole source contract) with a State forester to authorize the State forester to provide the forest, rangeland, and watershed restoration and protection services described in paragraph (2) on National Forest System land in the eligible State.*

*(2) AUTHORIZED SERVICES.—The forest, rangeland, and watershed restoration and protection services referred to in paragraph (1) include the conduct of—*

*(A) activities to treat insect infected trees;*

*(B) activities to reduce hazardous fuels; and*

*(C) any other activities to restore or improve forest, rangeland, and watershed health, including fish and wildlife habitat.*

*(3) STATE AS AGENT.—Except as provided in paragraph (6), a cooperative agreement or contract entered into under paragraph (1) may authorize the State forester to serve as the agent for the Secretary in providing the restoration and protection services authorized under that paragraph.*

*(4) SUBCONTRACTS.—In accordance with applicable contract procedures for the eligible State, a*

*State forester may enter into subcontracts to provide the restoration and protection services authorized under a cooperative agreement or contract entered into under paragraph (1).*

*(5) TIMBER SALES.—Subsections (d) and (g) of section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a) shall not apply to services performed under a cooperative agreement or contract entered into under paragraph (1).*

*(6) RETENTION OF NEPA RESPONSIBILITIES.—Any decision required to be made under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to any restoration and protection services to be provided under this section by a State forester on National Forest System land shall not be delegated to a State forester or any other officer or employee of the eligible State.*

*(7) APPLICABLE LAW.—The restoration and protection services to be provided under this section shall be carried out on a project-to-project basis under existing authorities of the Forest Service.*

# *Subtitle E—Miscellaneous Provisions*

***SEC. 8401. REVISION OF STRATEGIC PLAN FOR FOREST INVENTORY AND ANALYSIS.***

*(a) REVISION REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall revise the strategic plan for forest inventory and analysis initially prepared pursuant to section 3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642(e)) to address the requirements imposed by subsection (b).*

*(b) ELEMENTS OF REVISED STRATEGIC PLAN.—In revising the strategic plan, the Secretary of Agriculture shall describe in detail the organization, procedures, and funding needed to achieve each of the following:*

*(1) Complete the transition to a fully annualized forest inventory program and include inventory and analysis of interior Alaska.*

*(2) Implement an annualized inventory of trees in urban settings, including the status and trends of trees and forests, and assessments of their ecosystem services, values, health, and risk to pests and diseases.*

*(3) Report information on renewable biomass supplies and carbon stocks at the local, State, re-*

*gional, and national level, including by ownership type.*

*(4) Engage State foresters and other users of information from the forest inventory and analysis in reevaluating the list of core data variables collected on forest inventory and analysis plots with an emphasis on demonstrated need.*

*(5) Improve the timeliness of the timber product output program and accessibility of the annualized information on that database.*

*(6) Foster greater cooperation among the forest inventory and analysis program, research station leaders, and State foresters and other users of information from the forest inventory and analysis.*

*(7) Promote availability of and access to non-Federal resources to improve information analysis and information management.*

*(8) Collaborate with the Natural Resources Conservation Service, National Aeronautics and Space Administration, National Oceanic and Atmospheric Administration, and United States Geological Survey to integrate remote sensing, spatial analysis techniques, and other new technologies in the forest inventory and analysis program.*

*(9) Understand and report on changes in land cover and use.*

*(10) Expand existing programs to promote sustainable forest stewardship through increased understanding, in partnership with other Federal agencies, of the over 10 million family forest owners, their demographics, and the barriers to forest stewardship.*

*(11) Implement procedures to improve the statistical precision of estimates at the sub-State level.*

*(c) SUBMISSION OF REVISED STRATEGIC PLAN.—The Secretary of Agriculture shall submit the revised strategic plan to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.*

***SEC. 8402. FOREST SERVICE PARTICIPATION IN ACES PROGRAM.***

*The Secretary of Agriculture, acting through the Chief of the Forest Service, may use funds derived from conservation-related programs executed on National Forest System lands to utilize the Agriculture Conservation Experienced Services Program established pursuant to section 1252 of the Food Security Act of 1985 (16 U.S.C. 3851) to provide technical services for conservation-related programs and authorities carried out by the Secretary on National Forest System lands.*

# *TITLE IX—ENERGY*

***SEC. 9001. DEFINITION OF RENEWABLE ENERGY SYSTEM.***

*Section 9001 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101) is amended by—*

*(1) striking paragraph (4) and inserting the following:*

*"(4) BIOBASED PRODUCT.—*

*"(A) IN GENERAL.—The term 'biobased product' means a product determined by the Secretary to be a commercial or industrial product (other than food or feed) that is—*

*"(i) composed, in whole or in significant part, of biological products, including renewable domestic agricultural materials and forestry materials; or*

*"(ii) an intermediate ingredient or feedstock.*

*"(B) INCLUSION.—The term 'biobased product', with respect to forestry materials, includes forest products that meet biobased content requirements, notwithstanding the market share the product holds, the age of the product, or whether the market for the product is new or emerging.";*

*(2) redesignating paragraphs (9), (10), (11), (12), (13), and (14) as paragraphs (10), (11), (12), (13), (14), and (16);*

*(3) inserting after paragraph (8), the following new paragraph:*

*"(9) FOREST PRODUCT.—*

*"(A) IN GENERAL.—The term 'forest product' means a product made from materials derived from the practice of forestry or the management of growing timber.*

*"(B) INCLUSIONS.—The term 'forest product' includes—*

*"(i) pulp, paper, paperboard, pellets, and wood products; and*

*"(ii) any recycled products derived from forest materials."; and*

*(4) inserting after paragraph (14) (as so redesignated), the following new paragraph:*

*"(15) RENEWABLE ENERGY SYSTEM.—*

*"(A) IN GENERAL.—Subject to subparagraph (B), the term 'renewable energy system' means a system that—*

*"(i) produces usable energy from a renewable energy source; and*

*"(ii) may include distribution components necessary to move energy produced by such system to the initial point of sale.*

*"(B) LIMITATION.—A system described in subparagraph (A) may not include a mechanism for dispensing energy at retail.".*

***SEC. 9002. BIOBASED MARKETS PROGRAM.***

*Section 9002(h) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102(h)) is amended—*

*(1) in the heading of paragraph (1), by inserting "FOR FISCAL YEARS 2008 THROUGH 2012" after "FUNDING";*

*(2) in the heading of paragraph (2), by inserting "FOR FISCAL YEARS 2009 THROUGH 2012" after "FUNDING"; and*

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

*"(3) FISCAL YEARS 2013 THROUGH 2017.—There are authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 9003. BIOREFINERY ASSISTANCE.***

*(a) PROGRAM ADJUSTMENTS.—Section 9003 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103) is amended—*

*(1) in subsection (c), by striking "to eligible entities" and all that follows through "guarantees for loans" and inserting "to eligible entities guarantees for loans";*

*(2) by striking subsection (d);*

*(3) by redesignating subsections (e), (f), (g), and (h) as subsections (d), (e), (f), and (g), respectively; and*

*(4) in subsection (d) (as so redesignated)—*

*(A) by striking "subsection (c)(2)" each place it appears and inserting "subsection (c)"; and*

*(B) in paragraph (2)(C), by striking "subsection (h)" and inserting "subsection (g)".*

*(b) FUNDING.—Section 9003(g) of the Farm Security and Rural Investment Act of 2002, as redesignated by subsection (a)(3), is amended—*

*(1) in the heading of paragraph (1), by inserting "FOR FISCAL YEARS 2009 AND 2010" after "FUNDING";*

*(2) in the heading of paragraph (2), by inserting "FOR FISCAL YEARS 2009 THROUGH 2012" after "FUNDING"; and*

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

*"(3) FISCAL YEARS 2013 THROUGH 2017.—There are authorized to be appropriated to carry out this section $75,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 9004. REPEAL OF REPOWERING ASSISTANCE PROGRAM AND TRANSFER OF REMAINING FUNDS.***

*(a) REPEAL.—Subject to subsection (b), section 9004 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8104) is repealed.*

*(b) USE OF REMAINING FUNDING FOR RURAL ENERGY FOR AMERICA PROGRAM.—Funds made available pursuant to subsection (d) of such section 9004 that are unobligated on the day before the date of the enactment of this section shall—*

*(1) remain available until expended;*

*(2) be used by the Secretary of Agriculture to carry out financial assistance for energy efficiency improvements and renewable energy systems under section 9007(a)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107(a)(2)); and*

*(3) be in addition to any other funds made available to carry out that program.*

***SEC. 9005. BIOENERGY PROGRAM FOR ADVANCED BIOFUELS.***

*Section 9005(g) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8105(c)) is amended—*

*(1) in the heading of paragraph (1), by inserting "FOR FISCAL YEARS 2009 THROUGH 2012" after "FUNDING";*

*(2) in the heading of paragraph (2), by inserting "FOR FISCAL YEARS 2009 THROUGH 2012" after "FUNDING";*

*(3) by redesignating paragraph (3) as paragraph (4); and*

*(4) by inserting after paragraph (2) the following new paragraph:*

*"(3) FISCAL YEARS 2013 THROUGH 2017.—There are authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 9006. BIODIESEL FUEL EDUCATION PROGRAM.***

*Subsection (d) of section 9006 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106(d)) is amended to read as follows:*

*"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 9007. RURAL ENERGY FOR AMERICA PROGRAM.***

*(a) PROGRAM ADJUSTMENTS.—*

*(1) REPEAL OF FEASIBILITY STUDIES.—Section 9007(c) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107(c)) is amended by striking paragraph (3).*

*(2) TIERED APPLICATION PROCESS.—Section 9007(c) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107(c)) is further amended by—*

*(A) redesignating paragraph (2) as paragraph (3); and*

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

*"(2) TIERED APPLICATION PROCESS.—In carrying out this subsection, the Secretary shall establish a three-tiered application, evaluation, and oversight process that varies based on the cost of the proposed project with the process most simplified for projects referred to in subparagraph (A), more comprehensive for projects referred to in subparagraph (B), and most comprehensive for projects referred to in subparagraph (C). The three tiers for such process shall be as follows:*

*"(A) TIER 1.—Projects for which the cost of the project funded under this subsection is not more than $80,000.*

*"(B) TIER 2.—Projects for which the cost of the project funded under this subsection is more than $80,000 but less than $200,000.*

*"(C) TIER 3.—Projects for which the cost of the project funded under this subsection is $200,000 or more.".*

*(b) FUNDING.—Section 9007(g) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107(g)) is amended—*

*(1) in the heading of paragraph (1), by inserting "FOR FISCAL YEARS 2009 THROUGH 2012" after "FUNDING";*

*(2) in the heading of paragraph (2), by inserting "FOR FISCAL YEARS 2009 THROUGH 2012" after "FUNDING";*

*(3) in the heading of paragraph (3), by inserting "FOR FISCAL YEARS 2009 THROUGH 2012" after "FUNDING"; and*

*(4) by adding at the end the following new paragraph:*

*"(4) FISCAL YEARS 2013 THROUGH 2017.—There are authorized to be appropriated to carry out*

*this section $45,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT.***

*Section 9008(h) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8108(h)) is amended—*

*(1) in the heading of paragraph (1), by inserting "FOR FISCAL YEARS 2009 THROUGH 2012" after "FUNDING";*

*(2) in the heading of paragraph (2), by inserting "FOR FISCAL YEARS 2009 THROUGH 2012" after "FUNDING"; and*

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

*"(3) FISCAL YEARS 2013 THROUGH 2017.—There are authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 9009. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIOENERGY PRODUCERS.***

*Section 9010(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8110(b)) is amended—*

*(1) in paragraph (1)(A), by striking "2012" and inserting "2017"; and*

*(2) in paragraph (2)(A), by striking "2012" and inserting "2017".*

***SEC. 9010. BIOMASS CROP ASSISTANCE PROGRAM.***

*Section 9011 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8111) is amended—*

*(1) in subsection (a)—*

*(A) by striking paragraph (6); and*

*(B) by redesignating paragraphs (7) and (8) as paragraphs (6) and (7), respectively;*

*(2) in subsection (b)—*

*(A) by striking "Program to" and all that follows through "support the establishment" and inserting "Program to support the establishment";*

*(B) by striking "; and" and inserting a period; and*

*(C) by striking paragraph (2);*

*(3) in subsection (c)—*

*(A) in paragraph (2)(B)—*

*(i) in clause (viii), by striking "; and" and inserting a semicolon;*

*(ii) by redesignating clause (ix) as clause (x); and*

*(iii) by inserting after clause (viii) the following new clause:*

*"(ix) existing project areas that have received funding under this section and the continuation of funding of such project*

*areas to advance the maturity of such project areas; and"; and*

*(B) in paragraph (5)(C)(ii)—*

*(i) by striking subclause (III); and*

*(ii) by redesignating subclauses (IV) and (V) as subclauses (III) and (IV), respectively;*

*(4) by striking subsection (d);*

*(5) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively; and*

*(6) in subsection (e) (as so redesignated)—*

*(A) by striking "(e) FUNDING.—Of the funds" and inserting "(e) FUNDING.—*

*"(1) FISCAL YEARS 2008 THROUGH 2012.—Of the funds"; and*

*(B) by adding at the end the following new paragraph:*

*"(2) FISCAL YEARS 2013 THROUGH 2017.—*

*"(A) IN GENERAL.—Subject to subparagraph (B), there are authorized to be appropriated to carry out this section $75,000,000 for each of fiscal years 2013 through 2017.*

*"(B) MULTIYEAR CONTRACTS.—For each multiyear contract entered into by the Secretary during a fiscal year under this section, the Sec-*

*retary shall ensure that sufficient funds are obligated from the appropriation for that fiscal year to fully cover all payments required by the contract for all years of the contract.".*

***SEC. 9011. COMMUNITY WOOD ENERGY PROGRAM.***

*Section 9013(e) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8113(e)) is amended by striking "carry out this section" and all that follows and inserting the following: "carry out this section—*

*"(1) $5,000,000 for each of fiscal years 2009 through 2012; and*

*"(2) $2,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 9012. REPEAL OF BIOFUELS INFRASTRUCTURE STUDY.***

*Section 9002 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2095) is repealed.*

***SEC. 9013. REPEAL OF RENEWABLE FERTILIZER STUDY.***

*Section 9003 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2096) is repealed.*

# *TITLE X—HORTICULTURE*

***SEC. 10001. SPECIALTY CROPS MARKET NEWS ALLOCATION.***

*Section 10107(b) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 1622b(b)) is amended by striking "2012" and inserting "2017".*

***SEC. 10002. REPEAL OF GRANT PROGRAM TO IMPROVE MOVEMENT OF SPECIALTY CROPS.***

*Section 10403 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 1622c) is repealed.*

***SEC. 10003. FARMERS MARKET AND LOCAL FOOD PROMOTION PROGRAM.***

*Section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005) is amended—*

*(1) in the section heading, by inserting "**AND LOCAL FOOD**" after "**FARMERS' MARKET**";*

*(2) in subsection (a)—*

*(A) by inserting "and Local Food" after "Farmers' Market";*

*(B) by striking "farmers' markets and to promote"; and*

*(C) by striking the period and inserting "and assist in the development of local food business enterprises.";*

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

*"(1) IN GENERAL.—The purposes of the Program are to increase domestic consumption of, and consumer access to, locally and regionally produced agricultural products by assisting in the development, improvement, and expansion of—*

*"(A) domestic farmers' markets, roadside stands, community-supported agriculture programs, agritourism activities, and other direct producer-to-consumer market opportunities; and*

*"(B) local and regional food business enterprises that process, distribute, aggregate, and store locally or regionally produced food products.";*

*(4) in subsection (c)(1)—*

*(A) by inserting "or other agricultural business entity" after "cooperative"; and*

*(B) by inserting ", including a community supported agriculture network or association" after "association";*

*(5) by redesignating subsection (e) as subsection (g);*

*(6) by inserting after subsection (d) the following new subsections:*

*"(e) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to applications sub-*

*mitted by eligible entities that include proposals for projects that—*

*"(1) benefit underserved communities;*

*"(2) develop market opportunities for small and mid-sized farm and ranch operations; and*

*"(3) include a strategic plan to maximize the use of funds to build capacity for local and regional food systems in a community.*

*"(f) FUNDS REQUIREMENTS FOR ELIGIBLE ENTITIES.—*

*"(1) MATCHING FUNDS.—An entity receiving a grant under this section for a project to carry out a purpose described in subsection (b)(1)(B) shall provide matching funds in the form of cash or an in-kind contribution in an amount equal to 25 percent of the total cost of such project.*

*"(2) LIMITATION ON USE OF FUNDS.—An eligible entity may not use a grant or other assistance provided under this section for the purchase, construction, or rehabilitation of a building or structure."; and*

*(7) in subsection (g) (as redesignated by paragraph (5))—*

*(A) in paragraph (1)—*

*(i) in subparagraph (B), by striking "and" at the end;*

*(ii) in subparagraph (C), by striking the period at the end and inserting "; and"; and*

*(iii) by adding at the end the following new subparagraph:*

*"(D) $20,000,000 for each of fiscal years 2013 through 2017.";*

*(B) by striking paragraphs (2) and (4);*

*(C) by redesignating paragraph (3) as paragraph (5); and*

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

*"(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2013 through 2017.*

*"(3) USE OF FUNDS.—Of the funds made available to carry out this section for a fiscal year, 50 percent of such funds shall be used for the purposes described in subparagraph (A) of subsection (b)(1) and 50 percent of such funds shall be used for the purposes described in subparagraph (B) of such subsection.*

*"(4) LIMITATION ON ADMINISTRATIVE EXPENSES.—Not more than 5 percent of the total amount made available to carry out this section for a fiscal year may be used for administrative expenses.".*

***SEC. 10004. ORGANIC AGRICULTURE.***

*(a) ORGANIC PRODUCTION AND MARKET DATA INITIATIVES.—Section 7407(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925c(d)) is amended—*

*(1) by redesignating paragraph (2) as paragraph (3);*

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

*"(2) MANDATORY FUNDING.—In addition to funds made available under paragraph (1), of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $5,000,000, to remain available until expended."; and*

*(3) in paragraph (3) (as redesignated by paragraph (1))—*

*(A) by striking "paragraph (1)" and inserting "paragraphs (1) and (2)"; and*

*(B) by striking "2012" and inserting "2017".*

*(b) MODERNIZATION AND TECHNOLOGY UPGRADE FOR NATIONAL ORGANIC PROGRAM.—Section 2122 of the Organic Foods Production Act of 1990 (7 U.S.C. 6521) is amended by adding at the end the following new subsection:*

*"(c) MODERNIZATION AND TECHNOLOGY UPGRADE FOR NATIONAL ORGANIC PROGRAM.—The Secretary shall modernize database and technology systems of the national organic program.".*

*(c) AUTHORIZATION OF APPROPRIATIONS FOR NATIONAL ORGANIC PROGRAM.—Section 2123 of the Organic Foods Production Act of 1990 (7 U.S.C. 6522) is amended—*

*(1) in subsection (b)—*

*(A) in paragraph (5), by striking "and" at the end;*

*(B) by redesignating paragraph (6) as paragraph (7); and*

*(C) by inserting after paragraph (5) the following new paragraph:*

*"(6) $11,000,000 for each of fiscal years 2013 through 2017; and"; and*

*(2) by adding at the end the following new subsection:*

*"(c) MODERNIZATION AND TECHNOLOGY UPGRADE FOR NATIONAL ORGANIC PROGRAM.—Of the funds of the*

*Commodity Credit Corporation and in addition to any other funds made available to carry out section 2122(c), the Secretary shall use to carry out such section $5,000,000 for fiscal year 2013, to remain available until expended.".*

*(d) NATIONAL ORGANIC CERTIFICATION COST-SHARE PROGRAM.—Section 10606 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523) is repealed.*

***SEC. 10005. INVESTIGATIONS AND ENFORCEMENT OF THE ORGANIC FOODS PRODUCTION ACT OF 1990.***

*The Organic Foods Production Act of 1990 is amended by inserting after section 2122 (7 U.S.C. 6521) the following new section:*

***"SEC. 2122A. INVESTIGATIONS AND ENFORCEMENT.***

*"(a) INVESTIGATION.—*

*"(1) IN GENERAL.—The Secretary may take such investigative actions as the Secretary considers to be necessary to carry out this title—*

*"(A) to verify the accuracy of any information reported or made available under this title; and*

*"(B) to determine, with regard to actions, practices, or information required under this title, whether a person covered by this title has committed a violation of any provision of this title.*

*"(2) INVESTIGATIVE POWERS.—The Secretary may administer oaths and affirmations, subpoena witnesses, compel attendance of witnesses, take evidence, and require the production of any records required to be maintained under section 2112(d) or 2116(c) that are relevant to the investigation.*

*"(b) UNLAWFUL ACT.—It shall be unlawful and a violation of this title for any person covered by this title—*

*"(1) to refuse to provide information required by the Secretary under this title; or*

*"(2) to violate—*

*"(A) a suspension or revocation of the organic certification of a producer or handler; or*

*"(B) a suspension or revocation of the accreditation of a certifying agent.*

*"(c) ENFORCEMENT.—*

*"(1) SUSPENSION.—*

*"(A) IN GENERAL.—The Secretary may, after notice and opportunity for an expedited administrative hearing, suspend the organic certification of a producer or handler, or accreditation of a certifying agent, if the Secretary has reason to believe that a person producing or handling an agricultural product, or a certifying agent, has violated or is violating any provision*

*of this title. The decision to suspend a certification under this subparagraph by the Secretary may be appealed to a United States district court not later than 30 days after such decision is made and shall not take effect until judicial review of such decision is completed.*

*"(B) CONTINUATION OF SUSPENSION THROUGH APPEAL.—If the Secretary determines subsequent to an investigation that a violation of this title by a person covered by this title has occurred, the suspension shall remain in effect until the Secretary issues a revocation of the certification of the person or of the accreditation of the certifying agent, covered by this title, after an expedited administrative appeal under section 2121 has been completed.*

*"(2) REVOCATION.—After notice and opportunity for an administrative appeal under section 2121, if a violation of this title is determined to have occurred, the Secretary shall revoke the organic certification of the producer or handler, or the accreditation of the certifying agent.*

*"(d) APPEAL.—*

*"(1) IN GENERAL.—A revocation of a certification or an accreditation under subsection (c)(2)*

*shall be final and conclusive unless the affected person files an appeal of the revocation, if the affected person so elects, to a United States district court as provided in section 2121(b) not later than 30 days after the date of the revocation under subsection (c)(2).*

*"(2) STANDARD.—A revocation of a certification or an accreditation under subsection (c)(2) shall be set aside only if the revocation of such certification or such accreditation is clearly erroneous.*

*"(e) NONCOMPLIANCE.—*

*"(1) IN GENERAL.—If a person covered by this title fails to obey a revocation of a certification or an accreditation under subsection (c)(2) after such revocation has become final and conclusive or after the appropriate United States district court has entered a final judgment in favor of the Secretary, the United States may apply to the appropriate United States district court for enforcement of such revocation.*

*"(2) ENFORCEMENT.—If the court determines that the revocation was lawfully made and duly served and that the person violated the revocation, the court shall enforce the revocation.*

*"(3) CIVIL PENALTY.—If the court finds that the person violated the revocation of a certification or an accreditation under subsection (c)(2), the person shall*

*be subject to one or more of the penalties provided in subsections (a) and (b) of section 2120.".*

***SEC. 10006. FOOD SAFETY EDUCATION INITIATIVES.***

*Section 10105(c) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7655a(c)) is amended by striking "2012" and inserting "2017".*

***SEC. 10007. SPECIALTY CROP BLOCK GRANTS.***

*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)—*

*(A) by striking "subsection (j)" and inserting "subsection (l)"; and*

*(B) by striking "2012" and inserting "2017";*

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

*"(b) GRANTS BASED ON VALUE AND ACREAGE.—Subject to subsection (c), for each State whose application for a grant for a fiscal year that is accepted by the Secretary under subsection (f), the amount of the grant for such fiscal year to the State under this section shall bear the same ratio to the total amount made available under subsection (l)(1) for such fiscal year as—*

*"(1) the average of the most recent available value of specialty crop production in the State and the acreage of specialty crop production in the State, as demonstrated in the most recent Census of Agriculture data; bears to*

*"(2) the average of the most recent available value of specialty crop production in all States and the acreage of specialty crop production in all States, as demonstrated in the most recent Census of Agriculture data.";*

*(3) by redesignating subsection (j) as subsection (l);*

*(4) by inserting after subsection (i) the following new subsections:*

*"(j) MULTISTATE PROJECTS.—Not later than 180 days after the effective date of the Federal Agriculture Reform and Risk Management Act of 2012, the Secretary of Agriculture shall issue guidance for the purpose of making grants to multistate projects under this section for projects involving—*

*"(1) food safety;*

*"(2) plant pests and disease;*

*"(3) research;*

*"(4) crop-specific projects addressing common issues; and*

*"(5) any other area that furthers the purposes of this section, as determined by the Secretary.*

*"(k) ADMINISTRATION.—*

*"(1) DEPARTMENT.—The Secretary of Agriculture may not use more than 3 percent of the funds made available to carry out this section for a fiscal year for administrative expenses.*

*"(2) STATES.—A State receiving a grant under this section may not use more than 8 percent of the funds received under the grant for a fiscal year for administrative expenses."; and*

*(5) in subsection (l) (as redesignated by paragraph (3))—*

*(A) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively, and moving such subparagraphs two ems to the right;*

*(B) by striking "Of the funds" and inserting the following:*

*"(1) IN GENERAL.—Of the funds";*

*(C) in paragraph (1) (as so designated)—*

*(i) in subparagraph (B) (as redesignated by subparagraph (A)), by striking "and" at the end;*

*(ii) in subparagraph (C) (as redesignated by subparagraph (A)), by striking the period at the end and inserting "; and"; and*

*(iii) by adding at the end the following new subparagraph:*

*"(D) $70,000,000 for fiscal year 2013 and each fiscal year thereafter."; and*

*(D) by adding at the end the following new paragraph:*

*"(2) MULTISTATE PROJECTS.—Of the funds made available under paragraph (1), the Secretary may use to carry out subsection (j), to remain available until expended—*

*"(A) $1,000,000 for fiscal year 2013;*

*"(B) $2,000,000 for fiscal year 2014;*

*"(C) $3,000,000 for fiscal year 2015;*

*"(D) $4,000,000 for fiscal year 2016; and*

*"(E) $5,000,000 for fiscal year 2017.".*

***SEC. 10008. REPORT ON SPECIALTY CROP PRODUCTION BY CERTAIN FARMERS.***

*(a) REPORT REQUIRED.—The Secretary of Agriculture shall, in consultation with interested persons, submit to the Committee on Agriculture of the House of Representatives a report on specialty crop production by small-holder,*

*women, minority, and socially disadvantaged producers (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e))) throughout the United States, including—*

*(1) an assessment of—*

*(A) the number of such producers in the United States;*

*(B) the economic and social challenges such producers have in increasing production capacity and value; and*

*(C) the resources needed to increase or add value to the production of such producers;*

*(2) a list of the resources available at the Department of Agriculture to provide assistance to such producers;*

*(3) an evaluation of private sector resources and initiatives that could be used to increase production capacity and value for the crops grown by such producers; and*

*(4) an evaluation of how geographic differences affect opportunities available to small-holder producers.*

*(b) UPDATES AND COMPLETION.—The Secetary shall submit the completed report required under subsection (a) not later than one year after the date of the enactment of*

*the Federal Agriculture Reform and Risk Management Act of 2012. Beginning on such date of enactment, the Secretary shall update the Committee on Agriculture of the House of Representatives every 90 days on the progress made toward completing the report.*

***SEC. 10009. REPORT ON HONEY.***

*(a) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture, in consultation with persons affected by the potential establishment of a Federal standard for the identity of honey, shall submit to the Commissioner of Food and Drugs a report describing how an appropriate Federal standard for the identity of honey would be in the interest of consumers, the honey industry, and United States agriculture.*

*(b) CONSIDERATIONS.—In preparing the report required under subsection (a), the Secretary shall take into consideration the March, 2006, Standard of Identity citizens petition filed with the Food and Drug Administration, including any current industry amendments or clarifications necessary to update such petition.*

***SEC. 10010. BULK SHIPMENTS OF APPLES TO CANADA.***

*(a) BULK SHIPMENT OF APPLES TO CANADA.—Section 4 of the Export Apple Act (7 U.S.C. 584) is amended—*

*(1) by striking "Apples in" and inserting "(a) Apples in"; and*

*(2) by adding at the end the following new subsection:*

*"(b) Apples may be shipped to Canada in bulk bins without complying with the provisions of this Act.".*

*(b) DEFINITION OF BULK BIN.—Section 9 of the Export Apple Act (7 U.S.C. 589) is amended by adding at the end the following new paragraph:*

*"(5) The term 'bulk bin' means a bin that contains a quantity of apples weighing more than 100 pounds.".*

*(c) REGULATIONS.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Agriculture shall issue regulations to carry out the amendments made by this section*

***SEC. 10011. INCLUSION OF OLIVE OIL IN IMPORT CONTROLS UNDER THE AGRICULTURAL ADJUSTMENT ACT.***

*Section 8e(a) of the Agricultural Adjustment Act (7 U.S.C. 608e–1(a)) is amended by inserting "olive oil," after "olives (other than Spanish-style green olives),".*

***SEC. 10012. PETITIONS TO DETERMINE ORGANISM NOT A PLANT PEST.***

*(a) PETITION TO DETERMINE ORGANISM NOT A PLANT PEST.—The Plant Protection Act is amended by inserting after section 411 (7 U.S.C. 7711) the following new section:*

***"SEC. 411A. PETITION TO DETERMINE ORGANISM NOT A PLANT PEST.***

*"(a) PETITION.—A person may petition the Secretary for a determination that an organism that is subject to regulation by the Secretary as a plant pest under this Act is not a plant pest for purposes of this Act.*

*"(b) REVIEW OF PETITION.—*

*"(1) ASSESSMENT AND ANALYSIS REQUIRED.—In reviewing a petition submitted under subsection (a), the Secretary shall conduct the following with respect to an organism that is the subject of the petition:*

*"(A) PLANT PEST RISK ASSESSMENT.—An assessment of the likelihood that such organism is a plant pest.*

*"(B) ENVIRONMENTAL ANALYSIS.—An analysis of any likely adverse effects of such organism on the soil, water, air quality, non-target organisms, and listed threatened and endangered species and the critical habitat of such species for the environment in which such organism is likely to be grown or otherwise used under the conditions specified in such petition.*

*"(2) DETERMINATION.—The Secretary shall issue a determination that an organism is not a plant pest for purposes of this Act if the Secretary determines, based on sound science and the plant pest risk assess-*

*ment conducted under paragraph (1)(A), that an organism is not likely to be a plant pest.*

*"(3) REVIEW PERIOD.—*

*"(A) INITIAL REVIEW PERIOD.—Not later than one year after the date on which the Secretary determines that a petition submitted under subsection (a) is complete, the Secretary shall complete the plant pest risk assessment and the environmental analysis required under paragraph (1) and issue a determination with respect to such petition under paragraph (2).*

*"(B) EXTENSION.—The Secretary may extend the one-year review period referred to in subparagraph (A) for a petition for one additional period of not more than 180 days if the Secretary determines that additional review is necessary. The Secretary shall notify the person who submitted the petition, in writing, of the reasons for the extension and an estimate of the time period necessary to complete the review.*

*"(4) EFFECT OF FAILURE TO MEET TIME PERIOD.—Notwithstanding any other provision of law, if after completing the plant pest risk assessment, but not the environmental analysis, required under paragraph (1), the Secretary finds that there is no reason*

*to believe that an organism is a plant pest and does not grant or deny a petition submitted under subsection (a) with respect to such organism within the time period required under paragraph (3), such organism shall be deemed not to be a plant pest for purposes of this Act.*

*"(5) EFFECT ON PESTICIDE REGISTRATION.—In the case of an organism containing a plant-incorporated protectant (as defined in section 174.3 of title 40, Code of Federal Regulations, or any successor regulation) with respect to which an application for registration of the plant-incorporated protectant is pending under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a et seq.), a determination made under paragraph (2) that an organism is not a plant pest or the deeming that an organism is not a plant pest under paragraph (4) shall not be effective until the registration of the plant-incorporated protectant contained in such organism is approved under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a et seq.). If such registration is not approved, a determination made under paragraph (2) that an organism is not a plant pest or a deeming that an organism is not a plant pest under paragraph (4) shall not become effective.*

*"(6) SUBSEQUENT AUTHORITY TO REGULATE.—Notwithstanding a determination that an organism is not a plant pest under paragraph (2) or that such organism has been deemed not to be a plant pest under paragraph (4), the Secretary may issue a determination, based on information discovered after the date of such determination or the date on which the organism was so deemed and sound science, that an organism is a plant pest for purposes of this Act.*

*"(7) PUBLIC NOTICE.—*

*"(A) NOTICE.—The Secretary shall publish notice in the Federal Register of—*

*"(i) the grant or denial of a petition submitted under subsection (a) with respect to an organism; or*

*"(ii) the deeming that such organism is not a plant pest under paragraph (4).*

*"(B) RISK ASSESSMENTS AND ENVIRONMENTAL ANALYSIS.—The Secretary shall provide to the person who submitted a petition under subsection (a), and make available to the public, the risk assessment and environmental analysis prepared under paragraph (1) with respect to such petition.*

*"(c) APPLICABILITY OF ENVIRONMENTAL ANALYSIS CONDUCTED FOR PETITION TO DETERMINE ORGANISM NOT A PLANT PEST.—*

*"(1) EXCLUSIVE ANALYSIS PERFORMED.—Notwithstanding any other provision of law, the environmental analysis required under subsection (b)(1) and as specifically described in such subsection shall be the only analysis or procedure regarding the effects on the environment of an organism that is the subject of a petition submitted under subsection (a) required or authorized by law with respect to reviewing and taking action on such a petition.*

*"(2) PROHIBITION ON USE OF FUNDS FOR OTHER ANALYSES.—No funds made available by any Act shall be obligated, expended, or used for any analysis or procedure regarding the effects on the environment of an organism conducted for purposes of this section other than the environmental analysis required under subsection (b)(1).*

*"(3) PROHIBITION ON SOLICITATION OF FUNDS FOR ENVIRONMENTAL ANALYSIS.—The Secretary shall not require or solicit any financial assistance from a person submitting a petition under subsection (a) for any analysis or procedure regarding the effects on the environment of an organism or for any other analysis*

*or procedure not specifically authorized by subsection (b)(1).*

*"(d) USE OF DATA FROM PERMITS FOR PURPOSES OF PETITION FOR A DETERMINATION THAT AN ORGANISM NOT A PLANT PEST.—Notwithstanding any other provision of law, the Secretary shall use data collected under a permit issued by the Secretary under section 411(a) with respect to an organism, among other relevant data, for purposes of the review of a petition submitted under subsection (a) with respect to such organism.".*

*(b) AUTHORITY OF REVIEW FOR AND ENVIRONMENTAL ANALYSIS APPLICABLE TO PERMITS.—Section 411 of the Plant Protection Act (7 U.S.C. 7711) is amended—*

*(1) by redesignating subsections (c), (d), and (e) as subsections (e), (f), and (g), respectively; and*

*(2) by inserting after subsection (b), the following new subsections:*

*"(c) LIMITATION ON ANALYSES AND PROCEDURES FOR PERMITS.—Notwithstanding any other provision of law, the analyses or procedures required under the regulations issued by the Secretary under the Federal Plant Pest Act and continued in effect in accordance with section 438(c) shall be the only analyses or procedures required or authorized by law with respect to reviewing and taking action*

*on an application for a permit submitted under subsection (a).*

*"(d) ENVIRONMENTAL ANALYSIS APPLICABLE TO CERTAIN PERMITS.—Notwithstanding any other provision of law, in reviewing an application for a permit submitted under subsection (a) that is not excluded from environmental review under regulations issued by the Secretary in effect on the date of the enactment of this subsection (or any successor regulations), the Secretary shall conduct an environmental analysis described in section 411A(b)(1)(B). Such analysis shall be the only environmental analysis or procedure required or authorized by law with respect to reviewing and taking action on such an application.".*

*(c) TRANSITIONAL PROVISIONS.—*

*(1) COMPLETENESS.—*

*(A) COMPLETENESS OF PETITIONS.—Notwithstanding any other provision of law, including section 411A of the Plant Protection Act (as added by subsection (a)), if the Secretary of Agriculture determined that a petition submitted before the date of the enactment of this section under section 340.6 of title 7, Code of Federal Regulations, for a determination that an organism is not a plant pest was complete before such date, the Secretary shall consider such peti-*

*tion to be complete and maintain the status such petition had in the process for the review of such petition on such date under section 340.6 of title 7, Code of Federal Regulations.*

*(B) COMPLETENESS OF APPLICATIONS FOR PERMITS.—Notwithstanding any other provision of law, including subsection (c) of section 411 of the Plant Protection Act (7 U.S.C. 7711) (as amended by subsection (b)), if the Secretary of Agriculture determined that an application for a permit submitted under subsection (a) of such section (7 U.S.C. 7711) before the date of the enactment of this section was complete before such date, the Secretary shall consider such application to be complete and maintain the status such application had in the process for the review of such application on such date under subsection (a) of such section.*

*(2) USE OF ENVIRONMENTAL ANALYSIS.—*

*(A) USE OF ENVIRONMENTAL ANALYSIS FOR PETITIONS.—Notwithstanding any other provision of law, the Secretary of Agriculture shall use any environmental analysis conducted for purposes of a petition submitted under section 340.6 of title 7, Code of Federal Regulations, be-*

*fore the date of the enactment of this section with respect to an organism to the greatest extent possible to complete the environmental analysis conducted under section 411A of the Plant Protection Act (as added by subsection (a)) for purposes of a petition submitted under subsection (a) of such section with respect to such organism.*

*(B) USE OF ENVIRONMENTAL ANALYSIS FOR APPLICATIONS FOR PERMITS.—Notwithstanding any other provision of law, the Secretary of Agriculture shall use any environmental analysis conducted for purposes of an application for a permit submitted under subsection (a) of section 411 of the Plant Protection Act (7 U.S.C. 7711) before the date of the enactment of this section with respect to such organism to the greatest extent possible to complete the environmental analysis conducted under subsection (d) of such section (as amended by subsection (b)) with respect to such organism.*

*(3) SPECIAL CONSIDERATION FOR REVIEW OF CERTAIN PETITIONS.—*

*(A) PENDING PETITIONS WITHOUT A COMPLETED PLANT PEST RISK ASSESSMENT.—Notwithstanding section 411A(b)(3) of the Plant*

*Protection Act (as added by subsection (a)), the Secretary of Agriculture shall determine the length of the period for the review of petitions submitted under section 340.6 of title 7, Code of Federal Regulations, before the date of the enactment of this section for which a plant pest risk assessment has not been completed on or before such date of enactment.*

*(B) PENDING PETITIONS WITH A COMPLETED PLANT PEST RISK ASSESSMENT.—*

*(i) DEEMING OF CERTAIN PETITIONS.—Notwithstanding any other provision of law, with respect to each covered petition, if the Secretary finds that there is no reason to believe that the organism that is the subject of such covered petition is a plant pest and the Secretary does not grant or deny such covered petition not later than 90 days after the date of the enactment of this section, such organism shall be deemed not to be a plant pest for purposes of the Plant Protection Act (7 U.S.C. 7701 et seq.).*

*(ii) COVERED PETITION DEFINED.—In this subparagraph, the term "covered peti-*

*tion" means a petition submitted before the date of the enactment of this section under section 340.6 of title 7, Code of Federal Regulations, for a determination that an organism is not a plant pest for which a plant pest risk assessment and an environmental assessment have been published and a notice and comment period on each assessment has been completed as of such date of enactment.*

*(4) REGULATIONS.—Not later than 180 days after the date of the enactment of this section, the Secretary of Agriculture shall issue such regulations as the Secretary considers necessary to carry out the amendments made by this section.*

***SEC. 10013. CONSOLIDATION OF PLANT PEST AND DISEASE MANAGEMENT AND DISASTER PREVENTION PROGRAMS.***

*(a) RELOCATION OF LEGISLATIVE LANGUAGE RELATING TO NATIONAL CLEAN PLANT NETWORK.—Section 420 of the Plant Protection Act (7 U.S.C. 7721) is amended—*

*(1) by redesignating subsection (e) as subsection (f); and*

*(2) by inserting after subsection (d) the following new subsection:*

*"(e) NATIONAL CLEAN PLANT NETWORK.—*

*"(1) IN GENERAL.—The Secretary shall establish a program to be known as the 'National Clean Plant Network' (referred to in this subsection as the 'Program').*

*"(2) REQUIREMENTS.—Under the Program, the Secretary shall establish a network of clean plant centers for diagnostic and pathogen elimination services—*

*"(A) to produce clean propagative plant material; and*

*"(B) to maintain blocks of pathogen-tested plant material in sites located throughout the United States.*

*"(3) AVAILABILITY OF CLEAN PLANT SOURCE MATERIAL.—Clean plant source material produced or maintained under the Program may be made available to—*

*"(A) a State for a certified plant program of the State; and*

*"(B) private nurseries and producers.*

*"(4) CONSULTATION AND COLLABORATION.—In carrying out the Program, the Secretary shall—*

*"(A) consult with—*

*"(i) State departments of agriculture; and*

*"(ii) land-grant colleges and universities and NLGCA Institutions (as those terms are defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); and*

*"(B) 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.".*

*(b) FUNDING.—Subsection (f) of section 420 of the Plant Protection Act (7 U.S.C. 7721) (as so redesignated) is amended—*

*(1) in paragraph (3), by striking "and" at the end;*

*(2) in paragraph (4), by striking "and each fiscal year thereafter." and inserting "; and"; and*

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

*"(5) $71,500,000 for fiscal year 2013 and each fiscal year thereafter.".*

*(c) REPEAL OF EXISTING PROVISION.—Section 10202 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7761) is repealed.*

*(d) CLARIFICATION OF USE OF FUNDS FOR TECHNICAL ASSISTANCE.—Section 420 of the Plant Protection Act (7 U.S.C. 7721) (as amended by subsection (a)) is amended by adding at the end the following new subsection:*

*"(g) RELATIONSHIP TO OTHER LAW.—The use of Commodity Credit Corporation funds under this section to provide technical assistance shall not be considered an allotment or fund transfer from the Commodity Credit Corporation for purposes of the limit on expenditures for technical assistance imposed by section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i).".*

***SEC. 10014. AUTHORITY FOR REGULATION OF PLANTS.***

*(a) REGULATION OF PLANTS UNDER PLANT PROTECTION ACT.—Subject to subsection (b), any living stage of a plant, including any nucleic acid or other genetic material as contained in such plant, shall be exclusively subject to regulation under statutes under which the Secretary of Agriculture is authorized to issue regulations with respect to plants, including the Plant Protection Act (7 U.S.C. 7701 et seq.).*

*(b) REGULATION OF CERTAIN PESTICIDAL SUBSTANCES UNDER FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT.—A pesticidal substance contained in a plant shall be subject to regulation as a plant-incorporated protectant (as defined in section 174.3 of title 40, Code of*

*Federal Regulations, or any successor regulation) under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.).*

*(c) REQUIREMENTS FOR REGULATION OF CERTAIN PESTICIDAL SUBSTANCES UNDER FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT.—The regulations issued by the Administrator of the Environmental Protection Agency with respect to plant-incorporated protectants under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.), including section 3(c)(1)(C) of such Act (7 U.S.C. 136a(c)(1)(C)), section 3(c)(2)(A) of such Act (7 U.S.C. 136a(c)(2)(A)), section 7 of such Act (7 U.S.C. 136e), section 8 of such Act (7 U.S.C. 136f), section 9 of such Act (7 U.S.C. 136g), and section 17 of such Act (7 U.S.C. 136o), shall—*

*(1) be based on sound science;*

*(2) use the least burdensome requirements; and*

*(3) provide for exemptions from the requirements otherwise applicable to pesticides that are not plant-incorporated protectants.*

*(d) DEFINITIONS.—In this section:*

*(1) PLANT.—The term "plant" has the meaning given such term in section 403 of the Plant Protection Act (7 U.S.C. 7702).*

*(2) PESTICIDAL SUBSTANCE.—The term "pesticidal substance" means a substance or a mixture of substances that—*

*(A) is contained in any living stage of a plant that—*

*(i) as of the date of the enactment of this subsection, is subject to part 340 of title 7, Code of Federal Regulations; or*

*(ii) has been determined not to be a plant pest under section 411A(b)(2) or deemed not to be a plant pest under section 411A(b)(4); and*

*(B) is intended for preventing, destroying, repelling, or mitigating any pest.*

***SEC. 10015. REPORT TO CONGRESS ON REGULATION OF BIOTECHNOLOGY.***

*Not later than one year after the date of the enactment of this section, the Secretary, in consultation with the Secretary of Health and Human Services and the Administrator of the Environmental Protection Agency, shall submit to Congress a report on the measures taken and proposed to be taken by the Secretaries and the Administrator to provide for balanced and appropriate regulatory oversight of agricultural biotechnology products, by—*

*(1) reducing regulatory burdens on research conducted by academic institutions, small businesses, and public entities in developing lower-cost plant and animal sources of food, feed, fuel, and fiber developed through biotechnology, with special emphasis on minor use crops, orphan crops, and sources of protein;*

*(2) identifying categories of products developed through biotechnology for which a history of safe use has been established and providing with respect to such products reduced data requirements, expedited review periods, exemptions from regulation, and other measures, as appropriate, based on sound science; and*

*(3) developing and implementing a cohesive national policy for the low-level presence of agronomic biotechnology material in crops, including grain and other commodity crops, for food, feed, and processing.*

***SEC. 10016. PESTICIDE REGISTRATION IMPROVEMENT.***

*(a) MAINTENANCE FEES.—*

*(1) FEES.—Section 4(i) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a–1(i)) is amended—*

*(A) in paragraph (5)—*

*(i) in subparagraph (C), by striking "aggregate amount of" and all that follows through the end of the subparagraph and*

*inserting "aggregate amount of $27,800,000 for each of fiscal years 2013 through 2017.";*

*(ii) in subparagraph (D)—*

*(I) in clause (i), by striking "shall be" and all that follows through the semicolon and inserting "shall be $115,500 for each of fiscal years 2013 through 2017;"; and*

*(II) in clause (ii), by striking "shall be" and all that follows through the period and inserting "shall be $184,800 for each of fiscal years 2013 through 2017.";*

*(iii) in subparagraph (E)(i)—*

*(I) in subclause (I), by striking "shall be" and all that follows through the semicolon and inserting "shall be $70,600 for each of fiscal years 2013 through 2017;"; and*

*(II) in subclause (II), by striking "shall be" and all that follows through the period and inserting "shall be $122,100 for each of fiscal years 2013 through 2017.";*

*(iv) by redesignating subparagraphs (F), (G), and (H) as subparagraphs (G), (H), and (I), respectively;*

*(v) by inserting after subparagraph (E), the following new subparagraph:*

*"(F) FEE REDUCTION FOR CERTAIN SMALL BUSINESSES.—*

*"(i) WAIVER.—Except as provided in clause (ii), the Administrator shall waive 25 percent of the fee under this paragraph applicable to the first registration of any qualified small business entity under this paragraph.*

*"(ii) LIMITATION.—The Administrator shall not grant a waiver under clause (i) to a qualified small business entity if the Administrator determines that the entity has been formed or manipulated primarily for the purpose of qualifying for the waiver.*

*"(iii) DEFINITION.—For purposes of this subparagraph, the term 'qualified small business entity' means a corporation, partnership, or unincorporated business that—*

*"(I) has 500 or fewer employees;*

*"(II) during the 3-year period prior to the most recent maintenance fee billing cycle, had an average annual global gross revenue from all sources that did not exceed $10,000,000; and*

*"(III) holds not more than 5 pesticide registrations under this paragraph.";*

*(vi) in subparagraph (G) (as redesignated by clause (iv)), by striking "paragraph (3)" and inserting "this paragraph"; and*

*(vii) in subparagraph (I) (as so redesignated), by striking "2012" and inserting "2017";*

*(B) in paragraph (6)—*

*(i) by striking "2014" and inserting "2019"; and*

*(ii) by striking "paragraphs (1) through (5)" and inserting "paragraph (5)";*

*(C) by striking paragraphs (1), (2), (3), (4), and (7); and*

*(D) by redesignating paragraphs (5) and (6) as paragraphs (1) and (2), respectively.*

*(2) EXTENSION OF PROHIBITION ON TOLERANCE FEES.—Section 408(m)(3) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a(m)(3)) is amended by striking "September 30, 2012" and inserting "September 30, 2017".*

*(3) REREGISTRATION AND EXPEDITED PROCESSING FUND.—*

*(A) SOURCE AND USE.—Section 4(k)(2)(A) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a–1(k)(2)(A)) is amended—*

*(i) by inserting ", to enhance the information systems capabilities to improve the tracking of pesticide registration decisions," after "paragraph (3)" each place it appears; and*

*(ii) in clause (i)—*

*(I) by inserting "offset" before "the costs of reregistration"; and*

*(II) by striking "in the same portion as appropriated funds".*

*(B) EXPEDITED PROCESSING OF SIMILAR APPLICATIONS.—Section 4(k)(3)(A) of the Fed-*

*eral Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a–1(k)(3)(A)) is amended—*

*(i) in the matter preceding clause (i), by striking "2008 through 2012, between 1/8 and 1/7" and inserting "2013 through 2017, between 1/9 and 1/8"; and*

*(ii) in clause (i), by striking "new".*

*(C) ENHANCEMENTS OF INFORMATION TECHNOLOGY SYSTEMS FOR IMPROVEMENT IN REVIEW OF PESTICIDE APPLICATIONS.—Section 4(k) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a–1(k)) is amended—*

*(i) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively;*

*(ii) by inserting after paragraph (3) the following new paragraph:*

*"(4) ENHANCEMENTS OF INFORMATION TECHNOLOGY SYSTEMS FOR IMPROVEMENT IN REVIEW OF PESTICIDE APPLICATIONS.—*

*"(A) IN GENERAL.—For each of fiscal years 2013 through 2017, the Administrator shall use not more than $800,000 of the amounts made available to the Administrator in the Reregistra-*

*tion and Expedited Processing Fund for the activities described in subparagraph (B).*

*"(B) ACTIVITIES.—The Administrator shall use amounts made available from such Fund to improve the information systems capabilities for the Office of Pesticide Programs to enhance tracking of pesticide registration decisions, which shall include—*

*"(i) the electronic tracking of—*

*"(I) registration submissions; and*

*"(II) the status of conditional registrations;*

*"(ii) enhancing the database for information regarding endangered species assessments for registration review;*

*"(iii) implementing the capability to electronically review labels submitted with registration actions; and*

*"(iv) acquiring and implementing the capability to electronically assess and evaluate confidential statements of formula submitted with registration actions."; and*

*(iii) in the first sentence of paragraph (6) (as redesignated by clause (i)), by striking "to carry out the goals established under*

*subsection (l)" and inserting "for the purposes described in paragraphs (2), (3), and (4) and to carry out the goals established under subsection (l)".*

*(b) PESTICIDE REGISTRATION SERVICE FEES.—*

*(1) AMOUNT OF FEES.—Section 33(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w–8(b)) is amended—*

*(A) in paragraph (3)—*

*(i) in subparagraph (A), by striking "Pesticide Registration Improvement Renewal Act" and inserting "Federal Agriculture Reform and Risk Management Act of 2012"; and*

*(ii) in subparagraph (B), by striking "S10409" and all that follows through the period and inserting "S_____ through S_____, dated _____.";*

*(B) in paragraph (6)—*

*(i) in subparagraph (A)—*

*(I) by striking "October 1, 2008" and inserting "October 1, 2013"; and*

*(II) by striking "September 30, 2010" and inserting "September 30, 2015"; and*

*(ii) in subparagraph (B)—*

*(I) by striking "October 1, 2010" and inserting "October 1, 2015"; and*

*(II) by striking "September 30, 2010" and inserting "September 30, 2015"; and*

*(C) in paragraph (8)(C)(ii)—*

*(i) in subclause (I), by striking "or" at the end;*

*(ii) in subclause (II), by striking the period at the end and inserting "; or"; and*

*(iii) by adding at the end the following new subclause:*

*"(III) on the basis that the Administrator rejected the application under subsection (f)(4)(B).".*

*(2) PESTICIDE REGISTRATION FUND.—Section 33(c)(3)(B) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w–8(c)(3)(B)) is amended—*

*(A) in clause (i), by striking "2008 through 2012" and inserting "2013 through 2017";*

*(B) in clause (ii), by striking "grants" and all that follows through the end of clause (ii) and*

*inserting "grants, for each of fiscal years 2013 through 2017, $500,000."; and*

*(C) in clause (iii), by striking "2008 through 2012" and inserting "2013 through 2017".*

*(3) ASSESSMENT OF FEES.—Section 33(d) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w–8(d)) is amended—*

*(A) in paragraph (2), by striking "2002" each place it appears and inserting "2012";*

*(B) by striking paragraph (4); and*

*(C) by redesignating paragraph (5) as paragraph (4).*

*(4) REFORMS TO REDUCE DECISION TIME REVIEW PERIODS.—Section 33(e) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w–8(e)) is amended by striking "Pesticide Registration Improvement Act of 2003" and inserting "Federal Agriculture Reform and Risk Management Act of 2012".*

*(5) DECISION TIME REVIEW PERIODS.—Section 33(f) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w–8(f)) is amended—*

*(A) in paragraph (1), by striking "Pesticide Registration Improvement Renewal Act" and in-*

*serting "Federal Agriculture Reform and Risk Management Act of 2012";*

*(B) in paragraph (2), by striking "S10409" and all that follows through the period and inserting "S____ through S_____, dated _____."; and*

*(C) in paragraph (4)—*

*(i) in subparagraph (A), by inserting "and fee" before the period; and*

*(ii) in subparagraph (B)—*

*(I) in the heading, by striking "COMPLETENESS OF APPLICATION" and inserting "INITIAL CONTENT AND PRELIMINARY TECHNICAL SCREENINGS";*

*(II) in clause (i)—*

*(aa) by striking "Not later" and inserting the following:*

*"(I) Not later".*

*(bb) by adding at the end the following new subclause:*

*"(II) After conducting the initial content screening described in subclause (I) and in accordance with clause (iv), the Administrator shall*

*conduct a preliminary technical screening—*

*"(aa) not later than 45 days after the date on which the decision time review period begins (for applications with decision time review periods of not more than 180 days); and*

*"(bb) not later than 90 days after the date on which the decision time review period begins (for applications with decision time review periods greater than 180 days).";*

*(III) in clause (ii) by striking "under clause (i)" and all that follows through the period and inserting "at any time before the Administrator completes the preliminary technical screening under clause (i)(II) that the application failed the initial content or preliminary technical screening and the applicant does not correct such failure before the date that is 10 business days after the applicant receives a*

*notification of the failure, the Administrator shall reject the application. The Administrator shall make every effort to provide a written notification of such rejection during the 10-day period that begins on the date the Administrator completes the preliminary technical screening.";*

*(IV) in clause (iii)—*

*(aa) in the heading, by inserting "INITIAL CONTENT" before "SCREENING" ;*

*(bb) in the matter preceding subclause (I), by inserting "content" after "initial"; and*

*(cc) in subclause (II), by striking "contains" and inserting "appears to contain"; and*

*(V) by adding at the end the following new clause:*

*"(iv) REQUIREMENTS OF PRELIMINARY TECHNICAL SCREENING.—In conducting a preliminary technical screening of an application, the Administrator shall determine if—*

*"(I) the application and the data and information submitted with such application are accurate and complete; and*

*"(II) the application, data, and information are consistent with the proposed labeling and any proposal for a tolerance or exemption from the requirement for a tolerance under section 408 of the Federal Food, Drug, and Cosmetic Act, and are such that, subject to full review under the standards of this Act, could result in the granting of the application.".*

*(6) REPORTS.—Section 33(k) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w–8(k)) is amended—*

*(A) in paragraph (1), by striking "March 1, 2014" and inserting "March 1, 2017"; and*

*(B) in paragraph (2)—*

*(i) in subparagraph (A)—*

*(I) in clause (vi), by striking "and" at the end;*

*(II) in clause (vii), by inserting "and" at the end; and*

*(III) by adding at the end the following new clause:*

*"(viii) the number of extensions of decision time review periods agreed to under subsection (f)(5) along with a description of the reason that the Administrator was unable to make a decision within the initial decision time review period;";*

*(ii) in subparagraph (E), by striking "and" at the end;*

*(iii) in subparagraph (F), by striking the period and inserting a semicolon; and*

*(iv) by adding at the end the following new subparagraphs:*

*"(G) a review of the progress made toward—*

*"(i) carrying out section 4(k)(4) and the amounts from the Reregistration and Expedited Processing Fund used for the purposes described in such section;*

*"(ii) implementing systems for the electronic tracking of registration submissions by December 31, 2013;*

*"(iii) implementing a system for tracking the status of conditional registrations,*

*including making non-confidential information related to such conditional registrations publicly available by December 31, 2013;*

*"(iv) implementing enhancements to the endangered species knowledge database, including making non-confidential information related to such database publicly available;*

*"(v) implementing the capability to electronically submit and review labels submitted with registration actions;*

*"(vi) acquiring and implementing the capability to electronically assess and evaluate confidential statements of formula submitted with registration actions by December 31, 2014; and*

*"(vii) facilitating public participation in certain registration actions and the registration review process by providing electronic notification to interested parties of additions to the public docket;*

*"(H) the number of applications rejected by the Administrator under the initial content and*

*preliminary technical screening conducted under subsection (f)(4);*

*"(I) a review of the progress made in updating the Pesticide Incident Data System, including progress toward making the information contained in such System available to the public (as the Administrator determines is appropriate); and*

*"(J) an assessment of the public availability of summary pesticide usage data.".*

*(7) TERMINATION OF EFFECTIVENESS.—Section 33(m) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w–8(m)) is amended—*

*(A) in paragraph (1), by striking "2012" and inserting "2017"; and*

*(B) in paragraph (2)—*

*(i) in subparagraph (A)—*

*(I) in the heading, by striking "2013" and inserting "2018";*

*(II) by striking "2013," and inserting "2018,"; and*

*(III) by striking "September 30, 2012" and inserting "September 30, 2017";*

*(ii) in subparagraph (B)—*

*(I) in the heading by striking "2014" and inserting "2019";*

*(II) by striking "2014," and inserting "2019,"; and*

*(III) by striking "September 30, 2012" and inserting "September 30, 2017";*

*(iii) in subparagraph (C)—*

*(I) in the heading by striking "2014" and inserting "2019"; and*

*(II) by striking "September 30, 2014" and inserting "September 30, 2019"; and*

*(iv) in subparagraph (D), by striking "2012" each place it appears and inserting "2017".*

***SEC. 10017. MODIFICATION, CANCELLATION, OR SUSPENSION ON BASIS OF A BIOLOGICAL OPINION.***

*(a) IN GENERAL.—Except in the case of a voluntary request from a pesticide registrant to amend a registration under section 3 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a), a registration of a pesticide may be modified, canceled, or suspended on the basis of the implementation of a Biological Opinion issued by the National Marine Fisheries Service or the United States*

*Fish and Wildlife Service prior to the date of completion of the study referred to in subsection (b), or January 1, 2014, whichever is earlier, only if—*

*(1) the modification, cancellation, or suspension is undertaken pursuant to section 6 of such Act (7 U.S.C. 136d); and*

*(2) the Biological Opinion complies with the recommendations contained in the study referred to in subsection (b).*

*(b) NATIONAL ACADEMY OF SCIENCES STUDY.—The study commissioned by the Administrator of the Environmental Protection Agency on March 10, 2011, shall include, at a minimum, each of the following:*

*(1) A formal, independent, and external peer review, consistent with Office of Management and Budget policies, of each Biological Opinion described in subsection (a).*

*(2) Assessment of economic impacts of measures or alternatives recommended in each such Biological Opinion.*

*(3) An examination of the specific scientific and procedural questions and issues pertaining to economic feasibility contained in the June 23, 2011 letter sent to the Administrator (and other Federal officials) by the Chairmen of the Committee on Agri-*

*culture, the Committee on Natural Resources, and the Subcommittee on Interior, Environment, and Related Agencies of the Committee on Appropriations, of the House of Representatives.*

***SEC. 10018. USE AND DISCHARGES OF AUTHORIZED PESTICIDES.***

*(a) SHORT TITLE.—This section may be cited as the "Reducing Regulatory Burdens Act of 2012".*

*(b) USE OF AUTHORIZED PESTICIDES.—Section 3(f) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(f)) is amended by adding at the end the following:*

*"(5) USE OF AUTHORIZED PESTICIDES.—Except as provided in section 402(s) of the Federal Water Pollution Control Act, the Administrator or a State may not require a permit under such Act for a discharge from a point source into navigable waters of a pesticide authorized for sale, distribution, or use under this Act, or the residue of such a pesticide, resulting from the application of such pesticide.".*

*(c) DISCHARGES OF PESTICIDES.—Section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342) is amended by adding at the end the following:*

*"(s) DISCHARGES OF PESTICIDES.—*

*"(1) NO PERMIT REQUIREMENT.—Except as provided in paragraph (2), a permit shall not be required by the Administrator or a State under this Act for a discharge from a point source into navigable waters of a pesticide authorized for sale, distribution, or use under the Federal Insecticide, Fungicide, and Rodenticide Act, or the residue of such a pesticide, resulting from the application of such pesticide.*

*"(2) EXCEPTIONS.—Paragraph (1) shall not apply to the following discharges of a pesticide or pesticide residue:*

*"(A) A discharge resulting from the application of a pesticide in violation of a provision of the Federal Insecticide, Fungicide, and Rodenticide Act that is relevant to protecting water quality, if—*

*"(i) the discharge would not have occurred but for the violation; or*

*"(ii) the amount of pesticide or pesticide residue in the discharge is greater than would have occurred without the violation.*

*"(B) Stormwater discharges subject to regulation under subsection (p).*

*"(C) The following discharges subject to regulation under this section:*

*"(i) Manufacturing or industrial effluent.*

*"(ii) Treatment works effluent.*

*"(iii) Discharges incidental to the normal operation of a vessel, including a discharge resulting from ballasting operations or vessel biofouling prevention.".*

***SEC. 10019. INCLUSION OF BED BUGS IN DEFINITION OF VECTOR ORGANISMS.***

*(a) DEFINITION.—Section 2(oo) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136(oo)) is amended by inserting "bed bugs," after "cockroaches,".*

*(b) EFFICACY DATA FOR EXEMPTED PESTICIDES.—Section 25(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w(b)) is amended by adding at the end the following new sentences: "Notwithstanding the exemption of a pesticide under this subsection, the Administrator shall require the submission of efficacy data (and evaluate such data) if the pesticide is labeled for or proposed to be labeled for the control of a pest of public health significance. The Administrator shall not permit the sale or distribution of any product that is marketed, distributed, or sold with a claim that such product will control*

*a public health pest if the efficacy data submitted under this subsection does not support such claim.".*

***SEC. 10020. EFFECTIVE DATE.***

*(a) IN GENERAL.—Except as provided in subsection (b), this title and the amendments made by this title take effect on October 1, 2012.*

*(b) EXCEPTIONS.—The following provisions of this title shall take effect on the date of the enactment of this Act:*

*(1) Section 10008.*

*(2) Section 10009.*

*(3) Section 10010.*

# *TITLE XI—CROP INSURANCE*

***SEC. 11001. INFORMATION SHARING.***

*Section 502(c) of the Federal Crop Insurance Act (7 U.S.C. 1502(c)) is amended by adding at the end the following new paragraph:*

*"(4) INFORMATION.—*

*"(A) REQUEST.—Subject to subparagraph (B), the Farm Service Agency shall, in a timely manner, provide to an agent or an approved insurance provider authorized by the producer any information (including Farm Service Agency Form 578s (or any successor form) or maps (or any corrections to those forms or maps) that*

*may assist the agent or approved insurance provider in insuring the producer under a policy or plan of insurance under this subtitle.*

*"(B) PRIVACY.—Except as provided in subparagraph (C), an agent or approved insurance provider that receives the information of a producer pursuant to subparagraph (A) shall treat the information in accordance with paragraph (1).*

*"(C) SHARING.—Nothing in this section prohibits the sharing of the information of a producer pursuant to subparagraph (A) between the agent and the approved insurance provider of the producer.".*

***SEC. 11002. PUBLICATION OF INFORMATION ON VIOLATIONS OF PROHIBITION ON PREMIUM ADJUSTMENTS.***

*Section 508(a)(9) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(9)) is amended by adding at the end the following new subparagraph:*

*"(C) PUBLICATION OF VIOLATIONS.—*

*"(i) PUBLICATION REQUIRED.—Subject to clause (ii), the Corporation shall publish in a timely manner on the website of the Risk Management Agency information re-*

*garding each violation of this paragraph, including any sanctions imposed in response to the violation, in sufficient detail so that the information may serve as effective guidance to approved insurance providers, agents, and producers.*

*"(ii) PROTECTION OF PRIVACY.—In providing information under clause (i) regarding violations of this paragraph, the Corporation shall redact the identity of the persons and entities committing the violations in order to protect their privacy.".*

***SEC. 11003. SUPPLEMENTAL COVERAGE OPTION.***

*(a) AVAILABILITY OF SUPPLEMENTAL COVERAGE OPTION.—Paragraph (3) of section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amended to read as follows:*

*"(3) YIELD AND LOSS BASIS OPTIONS.—A producer shall have the option of purchasing additional coverage based on—*

*"(A)(i) an individual yield and loss basis; or*

*"(ii) an area yield and loss basis;*

*"(B) an individual yield and loss basis, supplemented with coverage based on an area*

*yield and loss basis to cover a part of the deductible under the individual yield and loss policy, as described in paragraph (4)(C); or*

*"(C) a margin basis alone or in combination with the coverages available in subparagraph (A) or (B).".*

*(b) LEVEL OF COVERAGE.—Paragraph (4) of section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amended to read as follows:*

*"(4) LEVEL OF COVERAGE.—*

*"(A) DOLLAR DENOMINATION AND PERCENTAGE OF YIELD.—Except as provided in subparagraph (C), the level of coverage—*

*"(i) shall be dollar denominated; and*

*"(ii) may be purchased at any level not to exceed 85 percent of the individual yield or 95 percent of the area yield (as determined by the Corporation).*

*"(B) INFORMATION.—The Corporation shall provide producers with information on catastrophic risk and additional coverage in terms of dollar coverage (within the allowable limits of coverage provided in this paragraph).*

*"(C) SUPPLEMENTAL COVERAGE OPTION.—*

*"(i) IN GENERAL.—Notwithstanding subparagraph (A), in the case of the supplemental coverage option described in paragraph (3)(B), the Corporation shall offer producers the opportunity to purchase coverage in combination with a policy or plan of insurance offered under this subtitle that would allow indemnities to be paid to a producer equal to a part of the deductible under the policy or plan of insurance—*

*"(I) at a county-wide level to the fullest extent practicable; or*

*"(II) in counties that lack sufficient data, on the basis of such larger geographical area as the Corporation determines to provide sufficient data for purposes of providing the coverage.*

*"(ii) TRIGGER.—Coverage offered under paragraph (3)(B) and clause (i) shall be triggered only if the losses in the area exceed 10 percent of normal levels (as determined by the Corporation).*

*"(iii) COVERAGE.—Subject to the trigger described in clause (ii), coverage offered*

*under paragraph (3)(B) and clause (i) shall not exceed the difference between—*

*"(I) 90 percent; and*

*"(II) the coverage level selected by the producer for the underlying policy or plan of insurance.*

*"(iv) INELIGIBLE CROPS AND ACRES.—Crops for which the producer has elected under section 1107(c)(1) of the Federal Agriculture Reform and Risk Management Act of 2012 to receive revenue loss coverage and acres that are enrolled in the stacked income protection plan under section 508B shall not be eligible for supplemental coverage under this subparagraph.*

*"(v) CALCULATION OF PREMIUM.—Notwithstanding subsection (d), the premium for coverage offered under paragraph (3)(B) and clause (i) shall—*

*"(I) be sufficient to cover anticipated losses and a reasonable reserve; and*

*"(II) include an amount for operating and administrative expenses es-*

*tablished in accordance with subsection (k)(4)(F).".*

*(c) PAYMENT OF PORTION OF PREMIUM BY CORPORATION.—Section 508(e)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)) is amended by adding at the end the following new subparagraph:*

*"(H) In the case of the supplemental coverage option authorized in subsection (c)(4)(C), the amount shall be equal to the sum of—*

*"(i) 70 percent of the additional premium associated with the coverage; and*

*"(ii) the amount determined under subsection (c)(4)(C)(vi)(II), subject to subsection (k)(4)(F), for the coverage to cover operating and administrative expenses.".*

*(d) EFFECTIVE DATE.—The Federal Crop Insurance Corporation shall begin to provide additional coverage based on an individual yield and loss basis, supplemented with coverage based on an area yield and loss basis, not later than for the 2013 crop year.*

***SEC. 11004. PREMIUM AMOUNTS FOR CATASTROPHIC RISK PROTECTION.***

*Subparagraph (A) of section 508(d)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(d)(2)) is amended to read as follows:*

*"(A) In the case of catastrophic risk protection, the amount of the premium established by the Corporation for each crop for which catastrophic risk protection is available shall be reduced by the percentage equal to the difference between the average loss ratio for the crop and 100 percent, plus a reasonable reserve.".*

***SEC. 11005. REPEAL OF PERFORMANCE-BASED DISCOUNT.***

*(a) REPEAL.—Section 508(d) of the Federal Crop Insurance Act (7 U.S.C. 1508(d)) is amended—*

*(1) by striking paragraph (3); and*

*(2) by redesignating paragraph (4) as paragraph (3).*

*(b) CONFORMING AMENDMENT.—Section 508(a)(9)(B) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(9)(B)) is amended—*

*(1) by inserting "or" at the end of clause (i);*

*(2) by striking clause (ii); and*

*(3) by redesignating clause (iii) as clause (ii).*

***SEC. 11006. PERMANENT ENTERPRISE UNIT SUBSIDY.***

*Subparagraph (A) of section 508(e)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(5)) is amended to read as follows:*

*"(A) IN GENERAL.—The Corporation may pay a portion of the premiums for plans or poli-*

*cies of insurance for which the insurable unit is defined on a whole farm or enterprise unit basis that is higher than would otherwise be paid in accordance with paragraph (2).".*

***SEC. 11007. ENTERPRISE UNITS FOR IRRIGATED AND NON-IRRIGATED CROPS.***

*Section 508(e)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(5)) is amended by adding at the end the following new subparagraph:*

*"(D) NONIRRIGATED CROPS.—Beginning with the 2013 crop year, the Corporation shall make available separate enterprise units for irrigated and nonirrigated acreage of crops in counties.".*

***SEC. 11008. DATA COLLECTION.***

*Section 508(g)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(g)(2)) is amended by adding at the end the following new subparagraph:*

*"(E) SOURCES OF YIELD DATA.—To determine yields under this paragraph, the Corporation—*

*"(i) shall use county data collected by the Risk Management Agency or the National Agricultural Statistics Service, or both; or*

*"(ii) if sufficient county data is not available, may use other data considered appropriate by the Secretary.".*

***SEC. 11009. ADJUSTMENT IN ACTUAL PRODUCTION HISTORY TO ESTABLISH INSURABLE YIELDS.***

*Section 508(g)(4)(B) of the Federal Crop Insurance Act (7 U.S.C. 1508(g)(4)(B)) is amended by striking "60" each place it appears and inserting "70".*

***SEC. 11010. SUBMISSION AND REVIEW OF POLICIES.***

*Section 508(h) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)) is amended—*

*(1) in paragraph (1)—*

*(A) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and indenting appropriately;*

*(B) by striking "(1) IN GENERAL.—In addition" and inserting the following:*

*"(1) AUTHORITY TO SUBMIT.—*

*"(A) IN GENERAL.—In addition"; and*

*(C) by adding at the end the following new subparagraph:*

*"(B) REVIEW AND SUBMISSION BY CORPORATION.—The Corporation shall review any policy developed under section 522(c) or any pilot program developed under section 523 and*

*submit the policy or program to the Board under this subsection if the Corporation, at the sole discretion of the Corporation, finds that the policy or program—*

*"(i) will likely result in a viable and marketable policy consistent with this subsection;*

*"(ii) would provide crop insurance coverage in a significantly improved form; and*

*"(iii) adequately protects the interests of producers."; and*

*(2) in paragraph (3)—*

*(A) by striking "A policy" and inserting the following:*

*"(A) IN GENERAL.—A policy"; and*

*(B) by adding at the end the following new subparagraph:*

*"(B) SPECIFIED REVIEW AND APPROVAL PRIORITIES.—In reviewing policies and other materials submitted to the Board under this subsection for approval, the Board—*

*"(i) shall make the development and approval of a revenue policy for peanut producers a priority so that a revenue pol-*

*icy is available to peanut producers in time for the 2013 crop year;*

*"(ii) shall make the development and approval of a downed rice policy and margin coverage policy for rice producers a priority so that each policy is available to rice producers in time for the 2013 crop year; and*

*"(iii) may approve a submission that is made pursuant to this subsection that would, beginning with the 2013 crop year, allow producers that purchase policies in accordance with subsection (e)(5)(A) to separate enterprise units by risk rating for acreage of crops in counties.".*

***SEC. 11011. EQUITABLE RELIEF FOR SPECIALTY CROP POLICIES.***

*Section 508(k)(8)(E) of the Federal Crop Insurance Act of 1938 (7 U.S.C. 1508(k)(8)(E)) is amended by adding at the end the following new clause:*

*"(iii) EQUITABLE RELIEF FOR SPECIALTY CROP POLICIES.—*

*"(I) IN GENERAL.—For each of the 2011 through 2015 reinsurance years, in addition to the total amount*

*of funding for reimbursement of administrative and operating costs that is otherwise required to be made available in each such reinsurance year pursuant to an agreement entered into by the Corporation, the Corporation shall use $41,000,000 to provide additional reimbursement with respect to eligible insurance contracts for any agricultural commodity that is not eligible for a benefit under subtitles A, B or C of title I of the Federal Agriculture Reform and Risk Management Act of 2012.*

*"(II) TREATMENT.—Additional reimbursements made under this clause shall be included as part of the base level of administrative and operating expense reimbursement to which any limit on compensation to persons involved in the direct sale and service of any eligible crop insurance contract required under an agreement entered into by the Corporation is applied.*

*"(III) RULE OF CONSTRUCTION.—Nothing in this clause shall be construed as statutory assent to the limit described in subclause (II).".*

***SEC. 11012. BUDGET LIMITATIONS ON RENEGOTIATION OF THE STANDARD REINSURANCE AGREEMENT.***

*Section 508(k)(8) of the Federal Crop Insurance Act of 1938 (7 U.S.C. 1508(k)(8)) is amended by adding at the end the following new subparagraph:*

*"(F) BUDGET.—*

*"(i) IN GENERAL.—The Board shall ensure that any Standard Reinsurance Agreement negotiated under subparagraph (A)(ii), as compared to the previous Standard Reinsurance Agreement—*

*"(I) to the maximum extent practicable, shall be budget neutral; and*

*"(II) in no event, may significantly depart from budget neutrality.*

*"(ii) USE OF SAVINGS.—To the extent that any budget savings is realized in the renegotiation of a Standard Reinsurance Agreement under subparagraph (A)(ii), and the savings are determined not to be a significant departure from budget neutrality*

*under clause (i), the savings shall be used to increase the obligations of the Corporation under subsections (e)(2) or (k)(4) or section 523.".*

***SEC. 11013. CROP PRODUCTION ON NATIVE SOD.***

*(a) FEDERAL CROP INSURANCE.—Section 508(o) of the Federal Crop Insurance Act (7 U.S.C. 1508(o)) is amended—*

*(1) in paragraph (1)(B), by inserting ", or the producer cannot substantiate that the ground has ever been tilled," after "tilled";*

*(2) in paragraph (2)—*

*(A) in the paragraph heading, by striking "INELIGIBILITY FOR" and inserting "REDUCTION IN"; and*

*(B) in subparagraph (A), by striking "for benefits under—" and all that follows through the period at the end and inserting "for—*

*"(i) a portion of crop insurance premium subsidies under this subtitle in accordance with paragraph (3);*

*"(ii) benefits under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333); and*

*"(iii) payments described in subsection (b) or (c) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308)."; and*

*(3) by striking paragraph (3) and inserting the following new paragraphs:*

*"(3) ADMINISTRATION.—*

*"(A) IN GENERAL.—During the first 4 crop years of planting on native sod acreage by a producer described in paragraph (2)—*

*"(i) paragraph (2) shall apply to 65 percent of the transitional yield of the producer; and*

*"(ii) the crop insurance premium subsidy provided for the producer under this subtitle shall be 50 percentage points less than the premium subsidy that would otherwise apply.*

*"(B) YIELD SUBSTITUTION.—During the period native sod acreage is covered by this subsection, a producer may not substitute yields for the native sod acreage.*

*"(4) APPLICATION.—This subsection shall only apply to native sod in the Prairie Pothole National Priority Area.".*

*(b) NONINSURED CROP DISASTER ASSISTANCE.—Section 196(a)(4) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(a)(4)) is amended—*

*(1) in the paragraph heading, by striking "INELIGIBILITY" and inserting "BENEFIT REDUCTION";*

*(2) in subparagraph (A)(ii), by inserting ", or the producer cannot substantiate that the ground has ever been tilled," after "tilled";*

*(3) in subparagraph (B)—*

*(A) in the subparagraph heading, by striking "INELIGIBILITY" and inserting "REDUCTION IN"; and*

*(B) in clause (i), by striking "for benefits under—" and all that follows through the period at the end and inserting "for—*

*"(I) benefits under this section;*

*"(II) a portion of crop insurance premium subsidies under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) in accordance with subparagraph (C); and*

*"(III) payments described in subsection (b) or (c) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308)."; and*

*(4) by striking subparagraph (C) and inserting the following new subparagraphs:*

*"(C) ADMINISTRATION.—*

*"(i) IN GENERAL.—During the first 4 crop years of planting on native sod acreage by a producer described in subparagraph (B)—*

*"(I) subparagraph (B) shall apply to 65 percent of the transitional yield of the producer; and*

*"(II) the crop insurance premium subsidy provided for the producer under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) shall be 50 percentage points less than the premium subsidy that would otherwise apply.*

*"(ii) YIELD SUBSTITUTION.—During the period native sod acreage is covered by this paragraph, a producer may not substitute yields for the native sod acreage.*

*"(D) APPLICATION.—This paragraph shall only apply to native sod in the Prairie Pothole National Priority Area.".*

*(c) CROPLAND REPORT.—*

*(1) BASELINE.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the cropland acreage in each applicable county and State, and the change in cropland acreage from the preceding year in each applicable county and State, beginning with calendar year 2000 and including that information for the most recent year for which that information is available.*

*(2) ANNUAL UPDATES.—Not later than January 1, 2014, and each January 1 thereafter through January 1, 2017, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes—*

*(A) the cropland acreage in each applicable county and State as of the date of submission of the report; and*

*(B) the change in cropland acreage from the preceding year in each applicable county and State.*

***SEC. 11014. COVERAGE LEVELS BY PRACTICE.***

*Section 508 of the Federal Crop Insurance Act of 1938 (7 U.S.C. 1508) is amended by adding at the end the following new subsection:*

*"(p) COVERAGE LEVELS BY PRACTICE.—Beginning with the 2014 crop year, a producer that produces an agricultural commodity on both dry land and irrigated land may elect a different coverage level for each production practice.".*

***SEC. 11015. BEGINNING FARMER AND RANCHER PROVISIONS.***

*(a) DEFINITION.—Section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)) is amended—*

*(1) by redesignating paragraphs (3) through (9) as paragraphs (4) through (10), respectively; and*

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

*"(3) BEGINNING FARMER OR RANCHER.—The term 'beginning farmer or rancher' means a farmer or rancher who has not actively operated and managed a farm or ranch with a bona fide insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 5 crop years, as determined by the Secretary.".*

*(b) PREMIUM ADJUSTMENTS.—Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—*

*(1) in subsection (b)(5)(E), by inserting "and beginning farmers or ranchers" after "limited resource farmers";*

*(2) in subsection (e), by adding at the end the following new paragraph:*

*"(8) PREMIUM FOR BEGINNING FARMERS OR RANCHERS.—Notwithstanding any other provision of this subsection regarding payment of a portion of premiums, a beginning farmer or rancher shall receive premium assistance that is 10 percentage points greater than premium assistance that would otherwise be available under paragraphs (2) (except for subparagraph (A) of that paragraph), (5), (6), and (7) for the applicable policy, plan of insurance, and coverage level selected by the beginning farmer or rancher."; and*

*(3) in subsection (g)—*

*(A) in paragraph (2)(B)—*

*(i) in clause (i), by striking "or" at the end;*

*(ii) in clause (ii)(III), by striking the period at the end and inserting "; or"; and*

*(iii) by adding at the end the following:*

*"(iii) if the producer is a beginning farmer or rancher who was previously involved in a farming or ranching operation, including involvement in the decision-making or physical involvement in the production of the crop or livestock on the farm, for any acreage obtained by the beginning farmer or rancher, a yield that is the higher of—*

*"(I) the actual production history of the previous producer of the crop or livestock on the acreage determined under subparagraph (A); or*

*"(II) a yield of the producer, as determined in clause (i)."; and*

*(B) in paragraph (4)(B)(ii) (as amended by section 11009)—*

*(i) by inserting "(I)" after "(ii)";*

*(ii) by striking the period at the end and inserting "; or"; and*

*(iii) by adding at the end the following:*

*"(II) in the case of beginning farmers or ranchers, replace each excluded yield with a yield equal*

*to 80 percent of the applicable transitional yield.".*

***SEC. 11016. STACKED INCOME PROTECTION PLAN FOR PRODUCERS OF UPLAND COTTON.***

*(a) AVAILABILITY OF STACKED INCOME PROTECTION PLAN FOR PRODUCERS OF UPLAND COTTON.—The Federal Crop Insurance Act is amended by inserting after section 508A (7 U.S.C. 1508a) the following new section:*

***"SEC. 508B. STACKED INCOME PROTECTION PLAN FOR PRODUCERS OF UPLAND COTTON.***

*"(a) AVAILABILITY.—Beginning not later than the 2013 crop of upland cotton, the Corporation shall make available to producers of upland cotton an additional policy (to be known as the 'Stacked Income Protection Plan'), which shall provide coverage consistent with the Group Risk Income Protection Plan (and the associated Harvest Revenue Option Endorsement) offered by the Corporation for the 2011 crop year.*

*"(b) REQUIRED TERMS.—The Corporation may modify the Stacked Income Protection Plan on a program-wide basis, except that the Stacked Income Protection Plan shall comply with the following requirements:*

*"(1) Provide coverage for revenue loss of not less than 10 percent and not more than 30 percent of expected county revenue, specified in increments of 5*

*percent. The deductible is the minimum percent of revenue loss at which indemnities are triggered under the plan, not to be less than 10 percent of the expected county revenue.*

*"(2) Be offered to producers of upland cotton in all counties with upland cotton production—*

*"(A) at a county-wide level to the fullest extent practicable; or*

*"(B) in counties that lack sufficient data, on the basis of such larger geographical area as the Corporation determines to provide sufficient data for purposes of providing the coverage.*

*"(3) Be purchased in addition to any other individual or area coverage in effect on the producer's acreage or as a stand-alone policy, except that if a producer has an individual or area coverage for the same acreage, the maximum coverage available under the Stacked Income Protection Plan shall not exceed the deductible for the individual or area coverage.*

*"(4) Establish coverage based on—*

*"(A) an expected price that is the higher of—*

*"(i) the expected price established under existing Group Risk Income Protection or area wide policy offered by the Cor-*

*poration for the applicable county (or area) and crop year; or*

*"(ii) $0.6861 per pound; and*

*"(B) an expected county yield that is the higher of—*

*"(i) the expected county yield established for the existing area-wide plans offered by the Corporation for the applicable county (or area) and crop year (or, in geographic areas where area-wide plans are not offered, an expected yield determined in a manner consistent with those of area-wide plans); or*

*"(ii) the average of the applicable yield data for the county (or area) for the most recent 5 years, excluding the highest and lowest observations, from the Risk Management Agency or the National Agricultural Statistics Service (or both) or, if sufficient county data is not available, such other data considered appropriate by the Secretary.*

*"(5) Use a multiplier factor to establish maximum protection per acre (referred to as a 'protection*

*factor') of not less than the higher of the level established on a program wide basis or 120 percent.*

*"(6) Pay an indemnity based on the amount that the expected county revenue exceeds the actual county revenue, as applied to the individual coverage of the producer. Indemnities under the Stacked Income Protection Plan shall not include or overlap the amount of the deductible selected under paragraph (1).*

*"(7) In all counties for which data are available, establish separate coverage levels for irrigated and non-irrigated practices.*

*"(c) REINSURANCE.—When the $0.6861 reference price is equal to or greater than the expected price established under the existing Group Risk Income Protection or area wide policy offered by the Corporation for the applicable county (or area) and crop year or the yield established under subsection (b)(4)(B) is used to establish the expected county yield, the Corporation shall reinsure at 100 percent that portion of the indemnity that is attributable to the difference between—*

*"(1) the $0.6861 reference price and the expected price established under the existing Group Risk Income Protection or area wide policy offered by the*

*Corporation for the applicable county (or area) and crop year; and*

*"(2) the yield established under subsection (b)(4)(B).*

*"(d) PREMIUM.—Notwithstanding section 508(d), the premium for the Stacked Income Protection Plan shall—*

*"(1) be sufficient to cover anticipated losses and a reasonable reserve; and*

*"(2) include an amount for operating and administrative expenses established in accordance with section 508(k)(4)(F).*

*"(e) PAYMENT OF PORTION BY CORPORATION.—Subject to section 508(e)(4), the amount of premium paid by the Corporation for all qualifying coverage levels of the Stacked Income Protection Plan shall be—*

*"(1) 80 percent of the amount of the premium established under subsection (d) for the coverage level selected; and*

*"(2) the amount determined under subsection (d)(2), subject to section 508(k)(4)(F), for the coverage to cover administrative and operating expenses.*

*"(f) RELATION TO OTHER COVERAGES.—The Stacked Income Protection Plan is in addition to all other coverages available to producers of upland cotton.".*

*(b) CONFORMING AMENDMENT.—Section 508(k)(4)(F) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(F)) is amended by inserting "or authorized under subsection (c)(4)(C) or section 508B" after "of this subparagraph".*

***SEC. 11017. PEANUT REVENUE CROP INSURANCE.***

*The Federal Crop Insurance Act is amended by inserting after section 508B, as added by the previous section, the following new section:*

***"SEC. 508C. PEANUT REVENUE CROP INSURANCE.***

*"(a) IN GENERAL.—Effective beginning with the 2013 crop year, the Risk Management Agency and the Corporation shall make available to producers of peanuts a revenue crop insurance program for peanuts.*

*"(b) EFFECTIVE PRICE.—Subject to subsection (c), for purposes of the revenue crop insurance program and the multiperil crop insurance program under this Act, the effective price for peanuts shall be equal to the Rotterdam price index for peanuts, as adjusted to reflect the farmer stock price of peanuts in the United States.*

*"(c) ADJUSTMENTS.—*

*"(1) IN GENERAL.—The effective price for peanuts established under subsection (b) may be adjusted by the Risk Management Agency and the Corporation to correct distortions.*

*"(2) ADMINISTRATION.—If an adjustment is made under paragraph (1), the Risk Management Agency and the Corporation shall—*

*"(A) make the adjustment in an open and transparent manner; and*

*"(B) submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the reasons for the adjustment.".*

***SEC. 11018. AUTHORITY TO CORRECT ERRORS.***

*Section 515(c) of the Federal Crop Insurance Act (7 U.S.C. 1515(c)) is amended—*

*(1) in the first sentence, by striking "The Secretary" and inserting the following:*

*"(1) IN GENERAL.—The Secretary";*

*(2) in the second sentence, by striking "Beginning with" and inserting the following:*

*"(2) FREQUENCY.—Beginning with"; and*

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

*"(3) CORRECTIONS.—*

*"(A) IN GENERAL.—In addition to the corrections permitted by the Corporation as of the date of enactment of the Federal Agriculture Re-*

*form and Risk Management Act of 2012, the Corporation shall allow an agent or an approved insurance provider, subject to subparagraph (B)—*

*"(i) within a reasonable amount of time following the applicable sales closing date, to correct unintentional errors in information that is provided by a producer for the purpose of obtaining coverage under any policy or plan of insurance made available under this subtitle to ensure that the eligibility information is correct;*

*"(ii) within a reasonable amount of time following—*

*"(I) the acreage reporting date, to correct unintentional errors in factual information that is provided by a producer after the sales closing date to reconcile the information with the information reported by the producer to the Farm Service Agency; or*

*"(II) the date of any subsequent correction of data by the Farm Service Agency made as a result of the verification of information; and*

*"(iii) at any time, to correct unintentional errors that were made by the Farm Service Agency or an agent or approved insurance provider in transmitting the information provided by the producer to the approved insurance provider or the Corporation.*

*"(B) LIMITATION.—In accordance with the procedures of the Corporation, correction to the information described in clauses (i) and (ii) of subparagraph (A) may only be made if the corrections do not allow the producer—*

*"(i) to avoid ineligibility requirements for insurance;*

*"(ii) to obtain, enhance, or increase an insurance guarantee or indemnity, or avoid premium owed, if a cause of loss exists or has occurred before any correction has been made; or*

*"(iii) to avoid an obligation or requirement under any Federal or State law.*

*"(C) EXCEPTION TO LATE FILING SANCTIONS.—Any corrections made pursuant to this paragraph shall not be subject to any late filing*

*sanctions authorized in the reinsurance agreement with the Corporation.".*

***SEC. 11019. IMPLEMENTATION.***

*Section 515 of the Federal Crop Insurance Act (7 U.S.C. 1515) is amended—*

*(1) in subsection (j), by striking paragraph (1) and inserting the following new paragraph:*

*"(1) SYSTEMS MAINTENANCE AND UPGRADES.—*

*"(A) IN GENERAL.—The Secretary shall maintain and upgrade the information management systems of the Corporation used in the administration and enforcement of this subtitle.*

*"(B) REQUIREMENT.—*

*"(i) IN GENERAL.—In maintaining and upgrading the systems, the Secretary shall ensure that new hardware and software are compatible with the hardware and software used by other agencies of the Department to maximize data sharing and promote the purposes of this section.*

*"(ii) ACREAGE REPORT STREAMLINING INITIATIVE PROJECT.—As soon as practicable, the Secretary shall develop and implement an acreage report streamlining initiative project to allow producers to report*

*acreage and other information directly to the Department.''; and*

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

*''(1) INFORMATION TECHNOLOGY.—*

*''(A) IN GENERAL.—For purposes of subsection (j)(1), the Corporation may use, from amounts made available from the insurance fund established under section 516(c), not more than—*

*''(i)(I) for fiscal year 2013, $25,000,000; and*

*''(II) for each of fiscal years 2014 through 2017, $10,000,000; or*

*''(ii) if the Acreage Crop Reporting Streamlining Initiative (ACRSI) project is substantially completed by September 30, 2014, not more than $15,000,000 for each of the fiscal years 2014 through 2017.*

*''(B) NOTIFICATION.—The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the substantial completion of the Acreage Crop*

*Reporting Streamlining Initiative (ACRSI) project not later than July 1, 2014.".*

***SEC. 11020. RESEARCH AND DEVELOPMENT PRIORITIES.***

*Section 522(c)(6) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)(6)) is amended by striking "a pasture, range, and forage program" and inserting "policies that increase participation by producers of underserved agricultural commodities, including sweet sorghum, biomass sorghum, rice, peanuts, and sugarcane".*

***SEC. 11021. ADDITIONAL RESEARCH AND DEVELOPMENT CONTRACTING REQUIREMENTS.***

*Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)) is amended—*

*(1) in paragraph (10)—*

*(A) in subparagraph (A), by striking "the Food, Conservation, and Energy Act of 2008" and inserting "the Federal Agriculture Reform and Risk Management Act of 2012";*

*(B) in subparagraph (B)(iii), by striking "2009" and inserting "2013"; and*

*(C) in subparagraph (C)—*

*(i) in clause (ii), by striking "2010" and inserting "2013"; and*

*(ii) in clause (iii), by striking "Food, Conservation, and Energy Act of 2008" and*

*inserting "the Federal Agriculture Reform and Risk Management Act of 2012";*

*(2) by redesignating paragraph (17) as paragraph (24); and*

*(3) by inserting after paragraph (16), the following new paragraphs:*

*"(17) MARGIN COVERAGE FOR CATFISH.—*

*"(A) IN GENERAL.—The Corporation shall offer to enter into a contract with a qualified entity to conduct research and development regarding a policy to insure producers against reduction in the margin between the market value of catfish and selected costs incurred in the production of catfish.*

*"(B) ELIGIBILITY.—Eligibility for the policy described in subparagraph (A) shall be limited to freshwater species of catfish that are propagated and reared in controlled or selected environments.*

*"(C) IMPLEMENTATION.—The Board shall review the policy described in subparagraph (B) under subsection 508(h) and approve the policy if the Board finds that the policy—*

*"(i) will likely result in a viable and marketable policy consistent with this subsection;*

*"(ii) would provide crop insurance coverage in a significantly improved form;*

*"(iii) adequately protects the interests of producers; and*

*"(iv) the proposed policy meets other requirements of this subtitle determined appropriate by the Board.*

*"(18) BIOMASS AND SWEET SORGHUM ENERGY CROP INSURANCE POLICIES.—*

*"(A) AUTHORITY.—The Corporation shall offer to enter into 1 or more contracts with qualified entities to carry out research and development regarding—*

*"(i) a policy to insure biomass sorghum that is grown expressly for the purpose of producing a feedstock for renewable biofuel, renewable electricity, or biobased products; and*

*"(ii) a policy to insure sweet sorghum that is grown for a purpose described in clause (i).*

*"(B) RESEARCH AND DEVELOPMENT.—Research and development with respect to each of the policies required in subparagraph (A) shall evaluate the effectiveness of risk management tools for the production of biomass sorghum or sweet sorghum, 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 policies and plans of insurance based on the use of weather indices, including excessive or inadequate rainfall, to protect the interest of crop producers; and*

*"(iii) provide protection for production or revenue losses, or both.*

*"(19) STUDY ON SWINE CATASTROPHIC DISEASE PROGRAM.—*

*"(A) IN GENERAL.—The Corporation shall contract with a qualified person to conduct a study to determine the feasibility of insuring swine producers for a catastrophic event.*

*"(B) REPORT.—Not later than 1 year after the date of the enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).*

*"(20) WHOLE FARM DIVERSIFIED RISK MANAGEMENT INSURANCE PLAN.—*

*"(A) IN GENERAL.—The Corporation shall conduct activities or enter into contracts to carry out research and development to develop a whole farm risk management insurance plan, with a liability limitation of $1,000,000, that allows a diversified crop or livestock producer the option to qualify for an indemnity if actual gross farm revenue is below 85 percent of the average gross farm revenue or the expected gross farm revenue that can reasonably be expected of the producer, as determined by the Corporation.*

*"(B) ELIGIBLE PRODUCERS.—The Corporation shall permit producers (including direct-to-consumer marketers and producers servicing local and regional and farm identity-preserved*

*markets) who produce multiple agricultural commodities, including specialty crops, industrial crops, livestock, and aquaculture products, to participate in the plan in lieu of any other plan under this subtitle.*

*"(C) DIVERSIFICATION.—The Corporation may provide diversification-based additional coverage payment rates, premium discounts, or other enhanced benefits in recognition of the risk management benefits of crop and livestock diversification strategies for producers that grow multiple crops or that may have income from the production of livestock that uses a crop grown on the farm.*

*"(D) MARKET READINESS.—The Corporation may include coverage for the value of any packing, packaging, or any other similar on-farm activity the Corporation determines to be the minimum required in order to remove the commodity from the field.*

*"(E) REPORT.—Not later than 2 years after the date of enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and For-*

*estry of the Senate a report that describes the results and feasibility of the research and development conducted under this paragraph, including an analysis of potential adverse market distortions.*

*"(21) STUDY OF FOOD SAFETY INSURANCE.—*

*"(A) IN GENERAL.—The Corporation shall offer to enter into a contract with 1 or more qualified entities to conduct a study to determine whether offering policies that provide coverage for specialty crops from food safety and contamination issues would benefit agricultural producers.*

*"(B) SUBJECT.—The study described in subparagraph (A) shall evaluate policies and plans of insurance coverage that provide protection for production or revenue impacted by food safety concerns including, at a minimum, government, retail, or national consumer group announcements of a health advisory, removal, or recall related to a contamination concern.*

*"(C) REPORT.—Not later than 1 year after the date of enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the*

*Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).*

*"(22) STUDY ON POULTRY CATASTROPHIC DISEASE PROGRAM.—*

*"(A) IN GENERAL.—The Corporation shall contract with a qualified person to conduct a study to determine the feasibility of insuring poultry producers for a catastrophic event.*

*"(B) REPORT.—Not later than 1 year after the date of the enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).*

*"(23) POULTRY BUSINESS INTERRUPTION INSURANCE POLICY.—*

*"(A) AUTHORITY.—The Corporation shall offer to enter into a contract or cooperative agreement with a university or other legal entity to carry out research and development regarding a policy to insure the commercial production of*

*poultry against business interruptions caused by integrator bankruptcy.*

*"(B) RESEARCH AND DEVELOPMENT.—As part of the research and development conducted pursuant to a contract or cooperative agreement entered into under subparagraph (A), the entity shall—*

*"(i) evaluate the market place for business interruption insurance that is available to poultry growers;*

*"(ii) determine what statutory authority would be necessary to implement a business interruption insurance through the Corporation;*

*"(iii) assess the feasibility of a policy or plan of insurance offered under this subtitle to insure against losses due to the bankruptcy of an business integrator; and*

*"(iv) analyze the costs to the Federal Government of a Federal business interruption insurance program for poultry growers.*

*"(C) DEFINITIONS.—In this paragraph, the terms 'poultry' and 'poultry grower' have the meanings given those terms in section 2(a) of the*

*Packers and Stockyards Act, 1921 (7 U.S.C. 182(a)).*

*"(D) DEADLINE FOR CONTRACT OR COOPERATIVE AGREEMENT.—Not later than six months after the date of the enactment of this paragraph, the Corporation shall enter into the contract or cooperative agreement required by subparagraph (A).*

*"(E) DEADLINE FOR COMPLETION OF RESEARCH AND DEVELOPMENT.—Not later than one year after the date of the enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the research and development conducted pursuant to the contract or cooperative agreement entered into under subparagraph (A).".*

***SEC. 11022. PILOT PROGRAMS.***

*Section 523(a) of the Federal Crop Insurance Act (7 U.S.C. 1523(a)) is amended—*

*(1) in paragraph (1), by inserting ", at the sole discretion of the Corporation," after "may"; and*

*(2) by striking paragraph (5).*

***SEC. 11023. LIMITATION ON EXPENDITURES FOR LIVESTOCK PILOT PROGRAMS.***

*Section 523(b)(10) of the Federal Crop Insurance Act (7 U.S.C. 1523(b)(10)) is amended—*

*(1) in subparagraph (C), by striking "fiscal year 2004 and each subsequent fiscal year" and inserting "each of fiscal years 2004 through 2012"; and*

*(2) by adding at the end the following new subparagraph:*

*"(D) $50,000,000 for fiscal year 2013 and each subsequent fiscal year.".*

***SEC. 11024. NONINSURED CROP ASSISTANCE PROGRAM.***

*Section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333), as amended by section 11013(b)) is further amended—*

*(1) in subsection (a)—*

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

*"(1) IN GENERAL.—*

*"(A) COVERAGES.—In the case of an eligible crop described in paragraph (2), the Secretary of Agriculture shall operate a noninsured crop disaster assistance program to provide coverages based on individual yields (other than for value-loss crops) equivalent to—*

*"(i) catastrophic risk protection available under section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)); or*

*"(ii) additional coverage available under subsections (c) and (h) of section 508 of that Act (7 U.S.C. 1508) that does not exceed 65 percent.*

*"(B) ADMINISTRATION.—The Secretary shall carry out this section through the Farm Service Agency (referred to in this section as the 'Agency').."; and*

*(B) in paragraph (2)(A)—*

*(i) in clause (i), by striking "and" after the semicolon at the end;*

*(ii) by redesignating clause (ii) as clause (iii); and*

*(iii) by inserting after clause (i) the following new clause:*

*"(ii) for which additional coverage under subsections (c) and (h) of section 508 of that Act (7 U.S.C. 1508) is not available; and";*

*(2) in subsection (d), by striking "The Secretary" and inserting "Subject to subsection (l), the Secretary"; and*

*(3) by adding at the end the following new subsection:*

*"(l) PAYMENT EQUIVALENT TO ADDITIONAL COVERAGE.—*

*"(1) IN GENERAL.—The Secretary shall make available to a producer eligible for noninsured assistance under this section a payment equivalent to an indemnity for additional coverage under subsections (c) and (h) of section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) that does not exceed 65 percent of the established yield for the eligible crop on the farm, computed by multiplying—*

*"(A) the quantity that is not greater than 65 percent of the established yield for the crop, as determined by the Secretary, specified in increments of 5 percent;*

*"(B) 100 percent of the average market price for the crop, as determined by the Secretary; and*

*"(C) a payment rate for the type of crop, as determined by the Secretary, that reflects—*

*"(i) in the case of a crop that is produced with a significant and variable harvesting expense, the decreasing cost incurred*

*in the production cycle for the crop that is, as applicable—*

*"(I) harvested;*

*"(II) planted but not harvested; or*

*"(III) prevented from being planted because of drought, flood, or other natural disaster, as determined by the Secretary; or*

*"(ii) in the case of a crop that is produced without a significant and variable harvesting expense, such rate as shall be determined by the Secretary.*

*"(2) PREMIUM.—To be eligible to receive a payment under this subsection, a producer shall pay—*

*"(A) the service fee required by subsection (k); and*

*"(B) a premium for the applicable crop year that is equal to the product obtained by multiplying—*

*"(i) the number of acres devoted to the eligible crop;*

*"(ii) the established yield for the eligible crop, as determined by the Secretary under subsection (e);*

*"(iii) the coverage level elected by the producer;*

*"(iv) the average market price, as determined by the Secretary; and*

*"(v) .0525.*

*"(3) LIMITED RESOURCE, BEGINNING, AND SOCIALLY DISADVANTAGED FARMERS.—The additional coverage made available under this subsection shall be available to limited resource, beginning, and socially disadvantaged producers, as determined by the Secretary, in exchange for a premium that is 50 percent of the premium determined for a producer under paragraph (2).*

*"(4) PREMIUM PAYMENT AND APPLICATION DEADLINE.—*

*"(A) PREMIUM PAYMENT.—A producer electing additional coverage under this subsection shall pay the premium amount owed for the additional coverage by September 30 of the crop year for which the additional coverage is purchased.*

*"(B) APPLICATION DEADLINE.—The latest date on which additional coverage under this subsection may be elected shall be the application closing date described in subsection (b)(1).*

*"(5) EFFECTIVE DATE.—Additional coverage under this subsection shall be available beginning with the 2014 crop.".workhome100now . com*

***SEC. 11025. TECHNICAL AMENDMENTS.***

*(a) ELIGIBILITY FOR DEPARTMENT PROGRAMS.—Section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)) is amended—*

*(1) by striking paragraph (7); and*

*(2) by redesignating paragraphs (8) through (11) as paragraphs (7) through (10), respectively.*

*(b) EXCLUSIONS TO ASSISTANCE FOR LOSSES DUE TO DROUGHT CONDITIONS.—*

*(1) IN GENERAL.—Section 531(d)(3)(A) of the Federal Crop Insurance Act (7 U.S.C. 1531(d)(3)(A)) is amended—*

*(A) by striking "(A) ELIGIBLE LOSSES.—" and all that follows through "An eligible" in clause (i) and inserting the following:*

*"(A) ELIGIBLE LOSSES.—An eligible";*

*(B) by striking clause (ii); and*

*(C) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively, and indenting appropriately.*

*(2) CONFORMING AMENDMENT.—Section 901(d)(3)(A) of the Trade Act of 1974 (19 U.S.C. 2497(d)(3)(A)) is amended—*

*(A) by striking "(A) ELIGIBLE LOSSES.—" and all that follows through "An eligible" in clause (i) and inserting the following:*

*"(A) ELIGIBLE LOSSES.—An eligible";*

*(B) by striking clause (ii); and*

*(C) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively, and indenting appropriately.*

# *TITLE XII—MISCELLANEOUS*

## *Subtitle A—Livestock*

### *SEC. 12101. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.*

*Section 375(e)(6)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008j(e)(6)(C)) is amended by striking "2012" and inserting "2017".*

### *SEC. 12102. TRICHINAE CERTIFICATION PROGRAM.*

*Section 10405(d)(1) of the Animal Health Protection Act (7 U.S.C. 8304(d)(1)) is amended in subparagraphs (A) and (B) by striking "2012" each place it appears and inserting "2017".*

***SEC. 12103. NATIONAL AQUATIC ANIMAL HEALTH PLAN.***

*Section 11013(d) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8322(d)) is amended by striking "2012" and inserting "2017".*

***SEC. 12104. REPORT ON COMPLIANCE WITH WORLD TRADE ORGANIZATION DECISION REGARDING COUNTRY OF ORIGIN LABELING.***

*Not later than 90 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of representatives a report detailing the steps the Secretary will take so that the United States is in compliance with the decision of the World Trade Organization in United States – Certain Country of Origin Labeling (COOL) Requirements (DS384, DS386).*

***SEC. 12105. REPEAL OF CERTAIN REGULATIONS UNDER THE PACKERS AND STOCKYARDS ACT, 1921.***

*(a) REPEAL OF CERTAIN REGULATION REQUIREMENT.—Section 11006 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2120) is repealed.*

*(b) REPEAL OF CERTAIN EXISTING REGULATIONS.—The following provisions of title 9, Code of Federal Regulations, are repealed:*

*(1) Subsections (n) and (o) of section 201.2.*

*(2) Subsection (a) of section 201.3.*

*(3) Subsection (a) of section 201.215.*

*(c) PROHIBITION ON ENFORCEMENT OF CERTAIN REGULATIONS OR ISSUANCE OF SIMILAR REGULATIONS.—Notwithstanding any other provision of law, the Secretary of Agriculture shall not—*

*(1) enforce the provisions of title 9, Code of Federal Regulations, referred to in subsection (b);*

*(2) finalize or implement section 201.2(l), 201.2(t), 201.2(u), 201.3(c), 201.210, 201.211, 201.213, and 201.214 of title 9, Code of Federal Regulations, as proposed to be added by the rule entitled "Implementation of Regulations Required Under Title XI of the Food, Conservation and Energy Act of 2008; Conduct in Violation of the Act" (75 Fed. Reg. 35338 (June 22, 2010)); or*

*(3) issue regulations or adopt a policy similar to the provisions referred to in subsection (b) or in paragraph (2).*

***SEC. 12106. MEAT AND POULTRY PROCESSING REPORT.***

*Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture, in consultation with States, processors, and producers, shall submit to Congress a report describing—*

*(1) additional steps that can be taken to better meet the needs of small and very small meat and poultry producers and processors that are subject to Federal or State inspection; and*

*(2) methods to create an electronic submission option for the approval of meat labels and to provide improved public access to information on the label approval process.*

## *Subtitle B—Socially Disadvantaged Producers and Limited Resource Producers*

### *SEC. 12201. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS AND VETERAN FARMERS AND RANCHERS.*

*(a) OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS AND VETERAN FARMERS AND RANCHERS.—Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended—*

*(1) in the section heading, by inserting "**AND VETERAN FARMERS AND RANCHERS**" after "**RANCHERS**";*

*(2) in subsection (a)—*

*(A) in paragraph (1), by inserting "and veteran farmers or ranchers" after "ranchers";*

*(B) in paragraph (2)(B)(i), by inserting "and veteran farmers or ranchers" after "ranchers"; and*

*(C) in paragraph (4)—*

*(i) in subparagraph (A)—*

*(I) in clause (i), by striking "and" at the end;*

*(II) in clause (ii), by striking the period at the end and inserting "; and"; and*

*(III) by adding at the end the following new clause:*

*"(iii) $10,000,000 for each of fiscal years 2013 through 2017."; and*

*(ii) by adding at the end the following new subparagraph:*

*"(D) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2013 through 2017.";*

*(3) in subsection (b)(2), by inserting "or veteran farmers and ranchers" after "socially disadvantaged farmers and ranchers";*

*(4) in subsection (c)—*

*(A) in paragraph (1)(A), by inserting "veteran farmers or ranchers and" before "members"; and*

*(B) in paragraph (2)(A), by inserting "veteran farmers or ranchers and" before "members"; and*

*(5) in subsection (e)(5)(A)—*

*(A) in clause (i), by inserting "and veteran farmers or ranchers" after "ranchers"; and*

*(B) in clause (ii), by inserting "and veteran farmers or ranchers" after "ranchers".*

*(b) DEFINITION OF VETERAN FARMER OR RANCHER.—Section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)) is amended by adding at the end the following new paragraph:*

*"(7) VETERAN FARMER OR RANCHER.—The term 'veteran farmer or rancher' means a farmer or rancher who served in the active military, naval, or air service, and who was discharged or released from the service under conditions other than dishonorable.".*

***SEC. 12202. OFFICE OF ADVOCACY AND OUTREACH.***

*Paragraph (3) of section 226B(f) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6934(f)) is amended to read as follows:*

*"(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection—*

*"(A) such sums as are necessary for each of fiscal years 2009 through 2012; and*

*"(B) $2,000,000 for each of fiscal years 2013 through 2017.".*

## *Subtitle C—Other Miscellaneous Provisions*

***SEC. 12301. GRANTS TO IMPROVE SUPPLY, STABILITY, SAFETY, AND TRAINING OF AGRICULTURAL LABOR FORCE.***

*Subsection (d) of section 14204 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 2008q–1) is amended to read as follows:*

*"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—*

*"(1) such sums as are necessary for each of fiscal years 2008 through 2012; and*

*"(2) $10,000,000 for each of fiscal years 2013 through 2017.".*

***SEC. 12302. EVALUATION REQUIRED FOR PURPOSES OF PROHIBITION ON CLOSURE OR RELOCATION OF COUNTY OFFICES FOR THE FARM SERVICE AGENCY.***

*(a) PROHIBITION ON CLOSURE OR RELOCATION OF OFFICES WITH HIGH WORKLOAD VOLUME.—Section 14212 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 6932a) is amended by striking subsection (a) and inserting the following new subsection:*

*"(a) PROHIBITION ON CLOSURE OR RELOCATION OF OFFICES WITH HIGH WORKLOAD VOLUME.—The Secretary of Agriculture may not close or relocate a county or field office of the Farm Service Agency in a State if the Secretary determines, after conducting the evaluation required under subsection (b)(1)(B), that the office has a high workload volume compared with other county offices in the State.".*

*(b) WORKLOAD EVALUATION.—Section 14212(b)(1) of such Act (7 U.S.C. 6932a(b)(1)) is amended—*

*(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and moving the margins of such clauses two ems to the right;*

*(2) by striking "the Farm Service Agency, to the maximum extent practicable" and inserting "the Farm Service Agency—*

*"(A) to the maximum extent practicable";*

*(3) in clause (ii) (as redesignated by paragraph (1))—*

*(A) by inserting "as of the date of the enactment of this Act" after "employees"; and*

*(B) by striking the period at the end and inserting "; and"; and*

*(4) by adding at the end the following new subparagraph:*

*"(B) conduct and complete an evaluation of all workload assessments for Farm Service Agency county offices that were open and operational as of January 1, 2012, during the period that begins on a date that is not later than 180 days after the date of the enactment of the Federal Agriculture Reform and Risk Management Act of 2012 and ends on the date that is 18 months after such date of enactment.".*

***SEC. 12303. PROHIBITION ON ATTENDING AN ANIMAL FIGHT OR CAUSING A MINOR TO ATTEND AN ANIMAL FIGHT.***

*Section 26(a)(1) of the Animal Welfare Act (7 U.S.C. 2156(a)(1)) is amended by striking the period and inserting "or to knowingly attend or knowingly cause a minor to attend an animal fighting venture.".*

***SEC. 12304. PROGRAM BENEFIT ELIGIBILITY STATUS FOR PARTICIPANTS IN HIGH PLAINS WATER STUDY.***

*Section 2901 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1818) is amended by striking "this Act or an amendment made by this Act" and inserting "this Act, an amendment made by this Act, the Federal Agriculture Reform and Risk Management Act of 2012, or an amendment made by the Federal Agriculture Reform and Risk Management Act of 2012".*

***SEC. 12305. OFFICE OF TRIBAL RELATIONS.***

*(a) IN GENERAL.—Title III of the Department of Agriculture Reorganization Act of 1994 is amended by adding after section 308 (7 U.S.C. 3125a note; Public Law 103–354) the following new section:*

***"SEC. 309. OFFICE OF TRIBAL RELATIONS.***

*"The Secretary shall establish in the Office of the Secretary an Office of Tribal Relations to advise the Secretary on policies related to Indian tribes.".*

*(b) CONFORMING AMENDMENT.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended by inserting after paragraph (8), as added by section 3207, the following new paragraph:*

*"(9) the authority of the Secretary to establish in the Office of the Secretary the Office of Tribal Relations in accordance with section 309; and".*

***SEC. 12306. MILITARY VETERANS AGRICULTURAL LIAISON.***

*(a) IN GENERAL.—Subtitle A of the Department of Agriculture Reorganization Act of 1994 is amended by inserting after section 218 (7 U.S.C. 6918) the following new section:*

***"SEC. 219. MILITARY VETERANS AGRICULTURAL LIAISON.***

*"(a) AUTHORIZATION.—The Secretary shall establish in the Department the position of Military Veterans Agricultural Liaison.*

*"(b) DUTIES.—The Military Veterans Agricultural Liaison shall—*

*"(1) provide information to returning veterans about, and connect returning veterans with, beginning farmer training and agricultural vocational and rehabilitation programs appropriate to the needs and interests of returning veterans, including assisting veterans in using Federal veterans educational benefits for purposes relating to beginning a farming or ranching career;*

*"(2) provide information to veterans concerning the availability of and eligibility requirements for participation in agricultural programs, with particular emphasis on beginning farmer and rancher programs;*

*"(3) serve as a resource for assisting veteran farmers and ranchers, and potential farmers and*

*ranchers, in applying for participation in agricultural programs; and*

*"(4) advocate on behalf of veterans in interactions with employees of the Department.".*

*(b) CONFORMING AMENDMENT.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended by inserting after paragraph (9), as added by section 12305, the following new paragraph:*

*"(10) the authority of the Secretary to establish in the Department the position of Military Veterans Agricultural Liaison in accordance with section 219.".*

***SEC. 12307. ACER ACCESS AND DEVELOPMENT PROGRAM.***

*(a) GRANTS AUTHORIZED.—The Secretary of Agriculture may make grants to States, tribal governments, and research institutions to support the efforts of such States, tribal governments, and research institutions to promote the domestic maple syrup industry through the following activities:*

*(1) Promotion of research and education related to maple syrup production.*

*(2) Promotion of natural resource sustainability in the maple syrup industry.*

*(3) Market promotion for maple syrup and maple-sap products.*

*(4) Encouragement of owners and operators of privately-held land containing species of trees in the genus Acer—*

*(A) to initiate or expand maple-sugaring activities on the land; or*

*(B) to voluntarily make the land available, including by lease or other means, for access by the public for maple-sugaring activities.*

*(b) APPLICATION.—In submitting an application for a grant under this section, a State or tribal government shall include—*

*(1) a description of the activities to be supported using the grant funds;*

*(2) a description of the benefits that the State or tribal government intends to achieve as a result of engaging in such activities; and*

*(3) an estimate of the increase in maple-sugaring activities or maple syrup production that the State or tribal government anticipates will occur as a result of engaging in such activities.*

*(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed so as to preempt a State or tribal govern-*

*ment law, including a State or tribal government liability law.*

*(d) DEFINITION OF MAPLE-SUGARING.—In this section, the term "maple-sugaring" means the collection of sap from any species of tree in the genus Acer for the purpose of boiling to produce food.*

*(e) REGULATIONS.—The Secretary of Agriculture shall promulgate such regulations as are necessary to carry out this section.*

*(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2013 through 2017.*

***SEC. 12308. PROHIBITION AGAINST INTERFERENCE BY STATE AND LOCAL GOVERNMENTS WITH PRODUCTION OR MANUFACTURE OF ITEMS IN OTHER STATES.***

*(a) IN GENERAL.—The government of a State or locality therein shall not impose a standard or condition on the production or manufacture of any agricultural product sold or offered for sale in interstate commerce if—*

*(1) such production or manufacture occurs in another State; and*

*(2) the standard or condition is in addition to the standards and conditions applicable to such production or manufacture pursuant to—*

*(A) Federal law; and*

*(B) the laws of the State and locality in which such production or manufacture occurs.*

*(b) AGRICULTURAL PRODUCT DEFINED.—In this section, the term "agricultural product" has the meaning given such term in section 207 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1626).*

***SEC. 12309. INCREASED PROTECTION FOR AGRICULTURAL INTERESTS IN THE MISSOURI RIVER BASIN.***

*(a) FINDINGS.—Congress finds the following:*

*(1) Record runoff occurred in the Missouri River basin during 2011 as a result of historic rainfall over portions of the upper basin coupled with heavy plains and mountain snowpack.*

*(2) Runoff above Sioux City, Iowa, during the 5-month period of March through July totaled an estimated 48,400,000 acre-feet (referred to in this section as "MAF"). This runoff volume was more than 20 percent greater than the design storm for the Missouri River Mainstem Reservoir System (referred to in this section as "System"), which was based on the 1881 runoff of 40.0 MAF during the same 5-month period.*

*(3) During the 2011 runoff season, nearly 61,000,000 acre-feet of water entered the Missouri*

*River system, far surpassing the previous record of 49 MAF in runoff that was set during the flood of 1997.*

*(4) Given the incredible amount of water entering the reservoir system, the summer months were spent working to evacuate as much water from the reservoir system as possible, ultimately leading to record high water releases from Gavins Point Dam of 160,000 cubic feet per second, a rate that more than doubled the previous release record of 70,000 cubic feet per second set in 1997.*

*(5) For nearly 4 months, these extremely high releases from Gavins Point were maintained, resulting in severe and sustained flooding, with much of western Iowa and eastern Nebraska as well as portions of South Dakota, Kansas, and Missouri inundated by a flooding river 3 to 5 feet deep, up to 11 miles wide, and flowing at a rate of 4 to miles per hour.*

*(6) Thousands of homes and businesses were damaged or destroyed and hundreds of millions of dollars in damage was done to roads and other public infrastructure.*

*(7) In addition to the homes, businesses, and infrastructure impacted by the flooding, hundreds of thousands of acres of cropland were affected.*

*(8) The Department of Agriculture has estimated that 400,000 to 500,000 acres of some of the most productive crop land in the world was flooded in 2011.*

*(9) Local Farm Services Agency representatives have estimated that $82,100,000 was lost in 2011 alone due to damaged or lost crops and unplanted acres.*

*(10) Not only did the flooding eliminate the crop, but it is highly unlikely that many farmers will be able to put this land back into production at any point in the near future.*

*(11) Producers will have to contend with large piles of sand, silt, and other debris that have been deposited in their fields, meaning the impact of this flood will be felt in the agricultural communities up and down the river for many, many years to come.*

*(12) Currently, the amount of storage capacity in the reservoir system that is set aside for flood control is based upon the vacated space required to control the 1881 flood, because prior to the 2011 flood, the 1881 flood was seen as the "high water mark".*

*(13) Given the historic flooding that took place in 2011, it is clear that that year's flooding now represents a new "high water mark", surpassing the flooding of even the 1881 flood.*

*(14) It is important that the flood control related functions of the System management be adjusted to reflect the reality of the 2011 flood as the new "worst case scenario" for flooding along the Missouri River.*

*(15) System management may begin to be adjusted to account for the 2011 flood through a recalculation of the amount of storage space within the System that is allocated to flood control, using the model not of the 1881 flood, but of the greatest flood experienced—the flood of 2011.*

*(16) As a result of the flooding in 2011, many States received disaster declarations from the Department of Agriculture to help farmers and producers recover from the damage done by the high water.*

*(17) Though helpful, even the assistance provided by the Department of Agriculture will not provide many in the agriculture community with the resources to put their land back into production any time soon.*

*(18) Without the protection that will come from a fundamental change in the reservoir System's flood control storage allocations, farmers, producers, and other agricultural interests who may be in a position to restart their operations will find it difficult to jus-*

*tify doing so, given the fact that they will not be protected from similar flooding in the future.*

*(19) On behalf of Agribusiness in Hamburg, Iowa, and its neighboring communities, the Secretary of Agriculture should use any authority and all relationships the Secretary has with other Federal agencies to ensure that the area and local agricultural economy are protected from flooding.*

*(b) UPDATED MANAGEMENT OF THE MISSOURI RIVER TO PROTECT AGRICULTURAL INTERESTS.—In order to strengthen the agricultural economy, revitalize the rural communities, and conserve the natural resources of the Missouri River basin, the Congress directs the Secretary of Agriculture to take action to promote immediate increased flood protection for farmers, producers, and other agricultural interests in the Missouri River basin by working within his jurisdiction to support efforts—*

*(1) to recalculate the amount of space within the System that is allocated to flood control storage using the 2011 flood as the model; and*

*(2) to increase the River's channel capacity between the reservoirs and below Gavins Point.*

**Union Calendar No. 481**

112TH CONGRESS
2D SESSION

# H. R. 6083

**[Report No. 112–669]**

# A BILL

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

SEPTEMBER 13, 2012

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed